

**AMERICAN HIGHER EDUCATION: THE NEW
BALANCING ACT**

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The New Balancing Act in the Business of Higher Education

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'The New Balancing Act' aptly characterizes where America and its colleges and universities now stand: on a *tightrope*. The best description of the relationship between higher education and the American people came not from a higher education scholar but from a journalist, one of my favorite oracles, David Brooks, New York Times Columnist. Recently, Brooks (2005) wrote about The Education Gap and captured my attention in the very first sentence when he wrote:

EXTRACT

Especially in these days after Katrina, everybody laments poverty and inequality. But what are you doing about it? For example, let's say you work at a university or a college. You are a cog in one of the great inequality producing machines this country has known. What are you doing to change that?

Brooks went on to observe that as the information age has matured, a new sort of stratification is setting in between those who have a college education and those without. To be sure, there is the growing economic gap, greater lifetime earnings, and better career prospects; consequently, Brooks (2005) has argued that, 'economic stratification is translating into social stratification...' with those who went to college functioning in workplaces, living in neighborhoods and congregating in other social milieus where almost everyone else has similar a similar background.

The balancing act, therefore, is not just between college and not, those who have good jobs and regular paychecks and those who don't, but in divorce rates, health and

illness, volunteerism, voter behavior, unemployment, crime and the consumption of social services. And, Brooks argues correctly, these social assets are passed down from generation to generation, shaping expectations, habits and abilities, ending up with the prospect of what he called, 'a hereditary meritocratic class that reinforces itself generation after generation.' This, he said, is where America is failing most.

We are a lucky generation; America is a lucky nation. We have been lucky in our inheritance: a free democratic society, one that values education; universal free access to high school; and because of the Dartmouth case, the Morrill Act, the GI Bill, a baby boom, aid to students, a diverse system of finance and a sound national science policy, we have been stakeholders in an incredibly diverse and strong system of higher education in this country.

Our standard of living and our place in the world grow out of this so-called luck. America's competitive edge has come from our brain power, our human capital and the knowledge and skill of the American people. With 5 per cent of the world's population, the United States employs nearly one-third of the world's scientific and engineering researchers, accounts for a vastly disproportionate share of the world's GNP, and leads in patents, copyrights and Nobel prizes. The full impact of education on the quality of life in the United States is almost beyond comprehension.

And so, it is ironic that at the very moment a college education is more crucial than ever in the global knowledge economy and at a time when the economic and social challenges facing America are steeper than ever, this country seems adrift in its higher education policy. As we struggle to regain our balance on the *tightrope*, other countries

have closed the gap and in many respects moved ahead. In a generation China has increased its college attendance rate from less than 2 per cent to nearly 20 per cent and is following an ambitious national policy to create some of the best universities and one of the most extensive higher education systems in the world. Even now as the US graduates some 70 000 engineers each year, 600 000 engineers walk the stage in China.

Looking more broadly at the pool of scientists and engineers, America has fallen behind the UK, South Korea, Germany, Australia, Singapore, Ireland, Japan, Canada and France in the percentage of 24 year-olds with degrees.

From a global perspective much, if not all, of this is great news. More higher education, stronger colleges and universities around the globe, mean more opportunity, a higher standard of living and the prospect of a wiser, safer, more humane global village. But these trends also tell us that what happens to American higher education has long term ramifications for this country's future, the economy, our quality of life, the health of communities, the resilience of our democratic institutions and traditions, the adaptability and competitive strength of the economy, and our national security and place in the world. And so, in a very real sense, we do find ourselves in a balancing act with America's future perched on a precarious tightrope.

A recent Brookings study by Kane and Orszag (2003) documented a 25-year decline in higher education state appropriations per \$1000 personal income, from \$8.50 in 1977 to \$7.00 in 2003, roughly a 20 per cent drop. The causes are many: other competing demands for state support and declining state revenues, to mention only two. One of the consequences, however, has been a steep and unrelenting rise in college

tuition, up again this year more than average family income, at a rate faster than the GNP, and by all accounts the biggest threat to equality of access and the greatest single irritant to the American public.

Still, the gradual weakening of state support and the sluggish increases in federal support for need-based student aid have not come about as a result of any deliberate public policy. I don't know of a single governor or state legislature that made a deliberate conscious decision to disinvest in higher education. In fact, most governors and most every United States president and Congress professes support for higher education and students who need it. And still young people in the top family income quartile have a 75 per cent chance of going to college while the prospects of those in the lowest income quartile are less than 10 per cent.

This is the growing social stratification that should worry all Americans. The education and cultural gap should signal the tightrope is strained and the balance that will shape America's future for the next half-century is precarious.

Others have written about the social compact and the need to launch a national conversation that brings us together, thinking seriously about the future and exploring the implications for the roles played by colleges and universities.

Larry Faulkner, a former Illinois colleague now concluding his tenure as President of the University of Texas at Austin, recently commented on the social compact, asking the question, was it real, did it ever really exist?

‘A compact is such a civilized idea. It evokes an atmosphere of amicability and trust ...The real questions for today are whether one ever existed, whether compact is just a label for our wistfulness regarding a simpler era, and whether anything like a compact can be fashioned in our time.’ (Faulkner 2005, p. 16 - 21)

Recognizing these limits, however, Faulkner (2005) went on to say, ‘there was something that we seem to have lost. There *was* an atmosphere of amicability and trust. The community interest was generally placed foremost. The players were mostly honorable...’(So, he concludes) ‘Let’s call it a social compact.’

Faulkner went on to outline his understanding of the essential terms of this civilized idea, this social compact we seem to have lost; broad access, low tuition and fees, the primary role for the state in financing public higher education, and key clauses related to graduate education, research, donor support, public service and outreach.

More or less, those were indeed the planks of the mid-twentieth century compact between higher education and the American people. Both the American public and its colleges need to acknowledge that simpler day is gone. Public and independent higher education institutions have long since abandoned low or no tuition policies. Access and choice for students from low and middle-income families is a growing concern. Other state mandates such as Medicaid and desires by politicians to cap and cut taxes have strained state budgets and pushed higher education funding lower on the state’s priority list. And as the many teaching, research and public service roles of universities and

colleges have multiplied, accountability and the question of who is paying for what has become more confusing and opaque to the public.

In the absence of a compact, both society and higher education have come to rely more and more on the market to decide questions of mission and strategic direction, who will be admitted, what shall be taught and where the societal interface will be.

As others have observed, ‘This compact now suffers from a slow but deeply concerning erosion – a slow weakening that is causing, in turn, erosion of the special nature of higher education’ (Newman, Coutourier, and Scurry 2004).

As academics, what responsibility do we share for addressing the new balancing act in the business of higher education? Or, as David Brooks phrased it: ‘What are you going to do to change that?’

One’s first impulse is to begin to think of what the planks in a new social compact might look like. All of us have candidates, but before those of us from the Ivory Tower write the new compact we need to find ourselves a partner — the American people. We need to open up a dialogue, to talk and more important, to listen.

Over the last several months a coalition of nearly 100 higher education institutions and associations led by the American Council on Education has been underway to do just that. *Solutions for our Future*, as the initiative has come to be called, will give every college and university in the United States an opportunity to reach out to the public, to alumni and friends, community and civic leaders, labor unions and business groups, neighborhoods, policy makers, the media, parents and students, Rotary Clubs and

churches, talking not about us, not about higher education's future, but about our future, the Nation's future and the opportunities and the challenges we face.

Colleges and universities don't and won't solve the world's problems. Still, we prepare the people who ultimately will help solve the problems and we teach the people who will shape and change the world. The American public does value what we do, but they see what we do in highly individualistic terms; better careers and more money for the individuals who attend. Hidden from view are the broader social benefits: stronger communities, healthier families and lives, a more civil society, a better informed and a more engaged democracy, a more adaptable, innovative and competitive economy, a more sophisticated understanding of other nations and cultures, and a greater capacity to craft meaningful solutions for whatever challenges an uncertain future may bring.

Higher education's role in this conversation is to do a better job telling the public what colleges and universities in this country are all about and to engage in a genuine, two-way conversation, listening to the hopes and dreams of those we serve, to their aspirations and frustrations, and explore the ramifications for higher education in all our varied forms.

My point is this. As we worry about the continued weakening of the social compact and the new balancing act in the business of higher education, the essential first step is to talk with and listen to the American public in new, more attentive ways. As a community we can do that and we must get about it, campus by campus, state by state, coast to coast.

What should be the essential components of a new social compact? Larry Faulkner suggested the need to help the public understand better what academic institutions actually do and our contributions to the common good; rebuilding public trust; embracing accountability, not just accepting it grudgingly; working with public leaders to strengthen college access for low and middle-income students; addressing our cost structure; and making the link between public investment and public benefit more transparent.

On the cost front, the Lumina Foundation has offered the higher education community a good platform to at least begin to think in new ways about costs. We all understand how to cut budgets, having had to do that more times than we care to remember. What we don't do well, however, is cut actual operating *costs*. Yet access, choice, quality and virtually every other element on any social compact list is going to turn on the ability to better manage costs and increase the financial stability of the higher education enterprise. For the foreseeable future and for virtually all institutions except the unimaginably wealthy, better academic quality and wider and more equitable access to higher education will only come from greater efficiency and lower operating costs.

As we reflect on the social compact and the balance between higher education and society, one question that needs special attention by public higher education is: What does it mean to be *public*? Historically the terms *state* and *public* have been used interchangeably, and as financial support from the state has diminished, the language of privatization has emerged. Graham Spanier was quoted recently discussing what he called, 'public higher education's slow slide toward privatization.' (Dillon 2005)

The essence of being public lies in a fidelity to the broader societal public good, a commitment independent institutions share alongside their public counterparts. As a community, however, we can't make that fidelity meaningful, we can't make it operational until we engage with the American people on campuses, in communities and states, on the farms and in the cities, in the board rooms and labs, through television and print media, over the internet – wherever we need to go to make the connection and start the conversation.

The devastation of Hurricane Katrina and its aftermath remind us all of how important the social fabric of this country is. The people who will rebuild New Orleans and other towns and cities deal with the environmental and psychological damage, design the stronger levees and develop the better strategies for the future – the architects and scientists, the urban planners and engineers, the social workers and civic leaders, the physicians and the teachers – will be the graduates of America's colleges and universities.

Jack Welch, former General Electric CEO, has talked about 'The Five Stages of Crisis-Management.' His five stages are not particularly novel; denial of the crisis, containment, shame mongering, and bloodletting. But then, he said, there was a fifth and final stage, 'the crisis gets fixed.'

Let's hope he's right!!

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