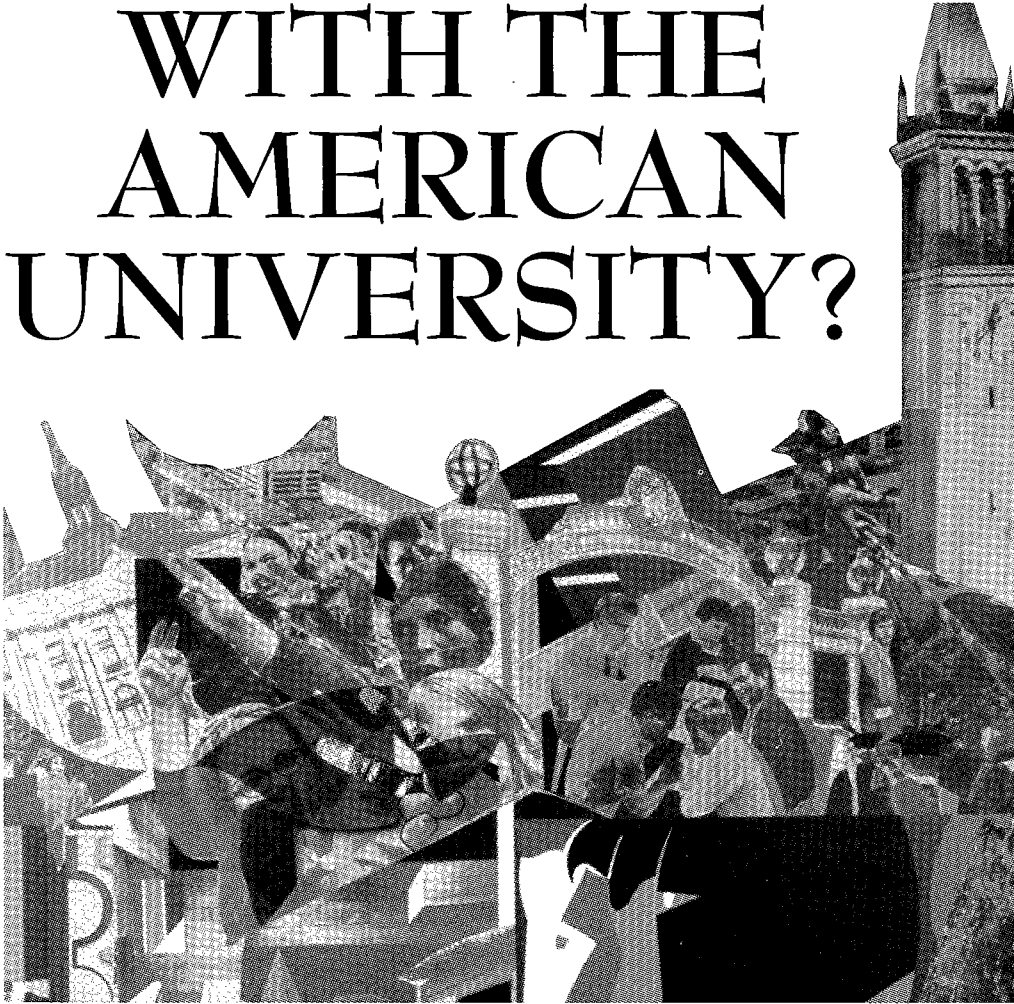


WHAT'S WRONG WITH THE AMERICAN UNIVERSITY?



Collage by Romare Bearden, Council Chambers, City Hall, Berkeley, California

To outward appearances, the American campus is a cauldron at perpetual boil. Student rebellion in the 1960s and '70s has been followed by debates over multiculturalism and political correctness today. Yet what is most remarkable about higher education during the past half century are the constants: the growth of its scale, scope, and prestige, the steady expansion of academic specialization, the relentless escalation of tuition. Now, our authors warn, this era is drawing to a close. Even as the university tests the limits of its economic and intellectual resources, it seems to have lost sight of its central purposes.

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Behind the Curtain

by Chester E. Finn, Jr., and Bruno V. Manno

During the half-century since World War II, American colleges and universities have been education's Emerald City, not only for Americans but for millions of others who have followed the yellow brick road from abroad. No matter what ups and downs have afflicted the economy, no matter that the stunning mediocrity of our primary and secondary schools has been recognized as a national crisis—through all this and more, higher education has grown in scale, in wealth, in allure and, at least until the very recent past, in stature.

That growth has been a marvel to behold. Before World War II, 1,700 institutions enrolled 1.5 million students, employed 147,000 faculty, and spent \$675 million, or about \$450 per student per year. After the war, the GI Bill of 1944 underwrote a huge expansion, and the postwar economy's appetite for skilled labor placed an ever-greater premium on a college degree. Regional colleges went national. Community colleges—an American innovation—spread like the ivy that seldom graced their walls. Dozens of new (mostly state) campuses were opened.

No longer was the university merely a place of teaching and learning. Now it was an engine of economic growth and a source of technological and scientific progress. It was looked to for defense preparedness, cultural enrichment, and policy ideas about everything from poverty to air pollution. Corporate investment and high-tech jobs gravitated to communities with research facilities and a supply of educated people. By 1960, there were 2,000 institutions; by 1980, 3,150. Still the growth continued. Today, the United States is indisputably the world's postsecondary superpower. There are nearly

3,700 colleges and universities in the United States. They enroll 14.4 million people, about 22 percent of all "tertiary" students on the planet. (The student body includes some 440,000 citizens of other countries, an "export" that adds about \$7.1 billion to the plus side of our annual balance of payments.) The faculty has ballooned to 833,000. Higher education in America is a \$213 billion industry, roughly equal in size to the gross national product of Belgium.

But it is an increasingly troubled enterprise. Except at the top, it has grave quality problems. Nearly 50 percent of the freshmen in the California state university system are enrolled in remedial English and mathematics classes. Higher education's problems are beginning to receive the attention of government officials at the highest levels of power and influence. Speaker of the House (and ex-professor) Newt Gingrich writes that higher education "is out of control [and] increasingly out of touch with the rest of America."

The American public has always had mixed feelings about the university, sneering at the "ivory tower" life while according the professoriate an exaggerated respect. Now, however, a new combination of factors is tilting the balance of opinion against higher education. While among policymakers there is growing concern about the shoddy quality of much higher education, the broader public feels increasingly oppressed by soaring prices. During the 1980s, health care costs increased 117 percent and there was talk of a national crisis. The price of new cars rose 37 percent. But the average cost of attending a public college increased by 109 percent, and the price of an education at a private college jumped by 146 per-

cent. Every other major purveyor in the United States, from Bethlehem Steel to Wal-Mart, has been forced in recent years to hold down or even cut prices. But higher education has done practically nothing to end its decades-long spree of escalating charges and expenditures.

Today, annual tuition and fees at public four-year institutions equal nine percent of the median American family income; the proportion for private institutions is 38 percent. As recently as 1991, the comparable figures were six percent and 27 percent. (In 1980, they were four percent and 17 percent.) Obviously, this can't continue forever.

One saving grace of the "ivory tower" idea was always the public's sense that, however alien university life might seem to an outsider and however much it might cost, it was redeemed by the higher purposes that informed its existence. But the university is losing that precious public trust. There is a sense, in the mad proliferation of course offerings, the embarrassing deficiencies of many graduates, and higher education's embrace of political correctness and other politically inspired assaults on its own ideals, that perhaps the university has lost sight

of its higher purposes. Fifty-four percent of Americans believe that higher education in their state needs a "fundamental overhaul," according to a 1993 poll conducted by the Public Agenda Foundation. By margins of seven or eight to one, the public says that college is not a good value for the money—and is fast pricing itself out of reach.

It is impossible to underestimate the power of bad ideas, and certainly the looming crisis of the American university has a great deal to do with the institution's profound confusion over its own functions

and purposes. More mundane forces are also at work, however, and these have to do with the political economy of modern higher education.

The American university is a curiously inflexible institution. One of its chief peculiarities is that the only changes it can comfortably handle are tied to growth. Colleges and universities are subject neither to the discipline of a true market nor to any powerful internal constraints on spending. They are in a position to define what "higher education" is, and therefore what their costs and prices will be. Consumers have little choice but to pay.



"OH, HIM? HE'S SOME GUY FROM SOUTH BEND IN. LOOKING FOR A WAY TO PAY HIS KIDS' COLLEGE EDUCATION."

Meeting a new student yearning, accommodating a community request, luring a star professor, improving the football team, acceding to the faculty's yen for doctoral students (and reduced teaching loads), pursuing the latest developments in microbiology, strengthening the gender studies program, giving professors incentives for better teaching—you name it—all are treated as incremental costs of education.

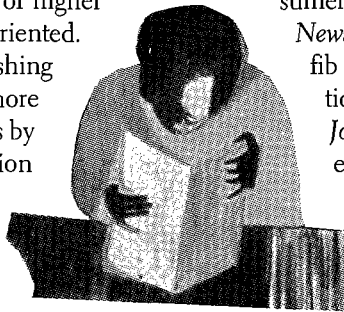
If it were a corporation (or even a government agency), the institution would fund many of these changes internally, by cutting back elsewhere. But universities

don't function that way. The combination of tenured faculty, unionized nonteaching staff, protest-prone students, nostalgic alumni, reverence for traditional practices, make-no-waves administrators, remote governing boards, and "collegial" decision making all block that sort of approach.

As a result, the culture of higher education is expansion oriented. Even in this time of crushing tuition costs, colleges are more apt to compete for students by adding elaborate recreation centers, dining options, cable television in the dorms, and all manner of new counseling and advising services, rather than by becoming leaner and cheaper. Some call this the "Chivas Regal strategy," boosting sales by marketing one's product as the premium brand.

Whatever it's called, the economics of higher education often seem surreal. The late Howard Bowen, perhaps the leading analyst of the economics of universities, concluded that these institutions simply spend all they can take in. They determine their own costs. They set their own prices—and sometimes collude over them. They are more likely to buff their appeal by raising prices than by slashing them. They aren't really answerable to anyone for their performance. Indeed, they have no clear goals or measurable indicators of effectiveness. They insist that what they teach cannot be tested by outsiders, demand that the work of scholars be evaluated only by their peers, and use academic freedom as a shield against scrutiny and accountability.

Thus constructed, higher education is a perpetual growth machine. Such a machine requires a steady flow of new revenues. Since enrollments produce the lion's share of income (except at a handful of research-centered campuses), attracting more students and charging more for each one are the surest ways to get it. Thus, the average U.S. postsecondary institution enrolled 535



more students in 1993 than in 1974.

Once a university grows, it must maintain its new base. Above all, it must keep its lecture halls and dorms full. Admissions offices today will do almost anything to attract enough students: discount tuition charges, scramble to boost the school's rank in consumer guides such as the annual *U.S. News and World Report* ratings, even fib about the quality of their institution's students. The *Wall Street Journal* recently reported, for example, that for years New College of the University of South Florida deliberately inflated the average SAT scores of its entering class by simply lopping off data on its poorest performers.

The imperative of keeping enrollments up is a powerful contributor to the quality problems that beset the American campus. Seen from afar, the Emerald City's tallest academic pinnacles still gleam. Nobody is really surprised that nearly half of the Nobel laureates in physics and medicine since World War II have been members of American faculties, as have two-thirds of those in economics. This distinction spills over into graduate education in the arts and sciences and extends to major professional schools such as medicine. But intellectual rigor can fall off drastically even at the postgraduate level. Upward of 90,000 master's degrees in education are awarded each year, for example, including 60 (in 1993) in driver education and 3,000 in physical education and coaching. These (and many of the 7,000 education doctorates conferred each year) have more to do with the credentialism of American public schools than with higher learning.

At the undergraduate level, the problems are much the same. While yuppie parents will do anything to get their offspring into Brown or Berkeley, their impulse has more to do with careerism and status than with academic quality. It is true that a

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degree from such an institution is a marketable asset; it is not altogether clear that students learn a lot—at least academically—during their time on campus. Thus the familiar joke about why Harvard is a great repository of knowledge: its students enter with so much and leave with so little.

Descending from the institutions whose names are household words to those attended by the great majority of American students, the deficiencies become painfully apparent. The recruitment and admission of ill-prepared students is common, though often justified in the name of diversity and social justice. Many schools try to “remediate” underperformers on campus. Others turn a blind eye and pass them along with a degree. Remedial courses in reading, writing, and math are offered on 75 percent of U.S. campuses, and 30 percent of entering students enroll in at least one such course. (Even at MIT, which has no shortage of attractive applicants, only 17 percent of freshmen passed the entry-level writing appraisal in 1995.)

Many degree recipients never get near a history, math, or literature course. More than half avoid instruction in foreign languages. As a result of student demand for vocational courses and institutions’ need to keep classrooms filled, the liberal arts are being pushed aside. Barely a third of 1993 bachelor’s degrees were in the arts and sciences. Degrees in home economics outnumbered those in mathematics; more baccalaureates were awarded in “protective services” than in the physical sciences, more in theater than in German and French combined.

Rather than add stimulating courses in math, literature, and other elements of a classic liberal education, administrators and faculty have pandered to some of the worst impulses of students, encouraging (and sometimes requiring) them to take “courses” that indulge the contemporary trend toward self-absorption. At the University of Maryland, freshmen earn credits for a “course” called “The Student and the University,” which examines such matters as date rape, cultural diversity, the use of highlighting pens, and fitting a career plan to the contours of one’s per-

sonality. At Florida A&M, there are seminars on dating relationships. “American higher education,” concludes the Wingspread Group, a panel chaired by former U.S. secretary of labor William Brock, “now offers a smorgasbord of fanciful courses in a fragmented curriculum that accords as much credit for ‘Introduction to Tennis’ . . . as it does for ‘Principles of English Composition,’ history or physics, thereby trivializing education—indeed, misleading students by implying that they are receiving the education they need for life when they are not.”

To keep the customers moving, moreover, U.S. colleges and universities have been willing to confer degrees on people who have not learned much. A 1993 federal survey found that few graduates of four-year campuses reached the highest level of literacy—which involved such things as interpreting a substantial news article. Only about half were capable of writing a brief letter explaining an error made on a credit card bill. Some of the particulars would be funny if they weren’t so alarming. As the Wingspread Group noted, “56.3 percent of American-born, four-year college graduates are unable consistently to perform simple tasks, such as calculating the change from \$3 after buying a 60-cent bowl of soup and a \$1.95 sandwich.”

Besides increasing the number of students, the obvious way to boost university revenues is to raise the fees collected from each of them. Every autumn brings word that tuition increases have again outpaced inflation. The 1995–96 school year brought with it a six percent increase—about double the inflation rate—at four-year schools, pushing tuition and fees to an average of \$2,860 at public campuses and \$12,432 at private ones. At Ivy League-style universities, the price of a bachelor’s degree (including room and board) approaches \$120,000. In most of the country, one can buy a substantial house for that kind of money.

It is important to note, however, that in the peculiar world of higher education finance, tuition charges both understate and overstate the actual cost of a college education. They understate it because vir-

The Digital Challenge

The first reports from the front lines of higher education on the information superhighway are coming in. What will we do on the superhighway? What happens to higher education when every student has a link to a flood of words and images of every imaginable kind from around the world, and when every teacher and every student can reach out to each other at all hours of the day and night?

The tools are already in hand to make transformative change—and I would not have said that as recently as 1993. We can make some good surmises about technologies that are coming to help us further, but even if we have only the PC and the Internet, we have enough to revolutionize education. We can create teaching tools interactive enough to let students seek them out and work with them at their own pace. Imagine an on-line resource where the course lectures are available not in 50-minute chunks but in two-to-five-minute video segments closely matched to a paragraph of the textbook and a video of an expensive-to-duplicate demonstration, with problem sets right at hand. How much better to review the lecture from the professor's mouth as often as need be, rather than attempt to decipher scrawled and perhaps incomplete or inaccurate notes.

The same tactic can be used at an altogether different level. Infrequently taught ancient and medieval languages (e.g., ancient Syriac, medieval Occitan) are in danger of disappearing from study. Even where faculty have the skill to teach them, they are often not given the time to do so in their normal teaching load, while many institutions have no qualified faculty for many such languages. If self-paced interactive instruction, with abundant drills and exercises, were available on-line world-wide (there is no *technical* obstacle to such a thing today), a local faculty member could monitor a student's progress at the outset and spend face-to-face time six months or a year later taking the successful student to the next level—a luxury that few have today.

Such resource-based learning is especially powerful for “distance learners” of all kinds. I have taught Internet-based seminars on Augustine and on Boethius with hundreds of auditors from around the world and now even paying customers are getting credits from my university for rigorous work carried on far from Philadelphia.

There are special advantages for an arduous discipline such as classics. The secondary school Latin teachers of America work often with little contact with one another or with the academy, and they are too few and too scattered to justify classroom-based course work that can reach more than a fraction of them. But in the aggregate, the Latin teachers of America are more motivated and better qualified to take advanced work than our regular undergraduates. If we can deliver high quality instruction to them reliably via the electronic networks, we do ourselves a favor (more students), we do them a favor (re-energizing and re-directing their teaching), and so we do our profession a favor (building from the school level up), and whatever benefit the study of the ancient languages confers on society as a whole is measurably increased. And somehow—perhaps this is the most important point of all, the joy and the wonder of it all—the magic of education at its best spreads farther and deeper across the land.

To be sure, no one should try to substitute this kind of teaching for the old vision of Mark Hopkins on one end of the log and the student on the other. Technology can be dehumanizing and distancing. But we need to be more honest with ourselves in higher education than we customarily are about this.

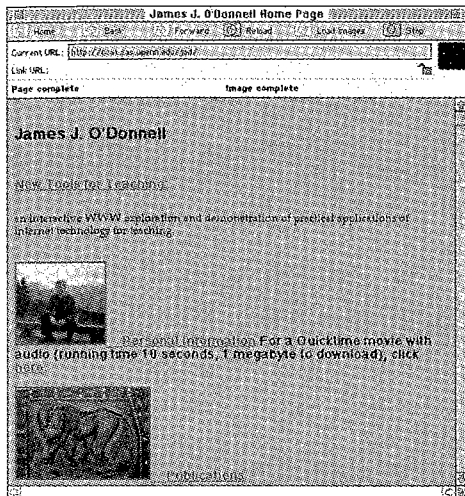
tually every institution also draws substantial revenues from other sources. The average private campus now spends \$28,000 annually per (full-time equivalent) student, more than twice its posted charge for

an undergraduate education. Yet the tuition levels that make headlines also exaggerate what most students actually pay for higher education, particularly in the private sector. In a year (1989) when the

Too much of what transpires in higher education is already dehumanizing and distancing. Stringencies of economics and defects of human character already subject our students to huge lectures, novice teaching assistants, itinerant part-time lecturers, and other makeshifts. Where the ideal relationship between teacher and pupil exists, we might be tempted to think of strengthening it but should not try to supplant it. But there is more than enough imperfection in our endeavors to provide ample opportunity to apply our new tools to give education a more human face. (Can we imagine universities without lectures? Will we one day notice that the extended monologue is a form of discourse now practiced most often by professors and madmen?)

The professor is no longer what he was in the days when the university embodied all studies in a single location. The university was once a microcosm, a miniature world offering the whole of knowledge in a restricted arena. Every discipline represented had its professor, the supreme local authority on the subject. That supremacy faded long ago, and students found more ways to learn about their subject than to sit and listen to the local professor.

The real roles of the professor in an information-rich world will be not to provide information but to guide and encourage students wading through deep waters of the information flood. Professors in this environment will thrive as mentors. They will use the best skills they have now to nudge students through the educationally crucial tasks of *processing* information: problem-solving, analysis, and synthesis of ideas—the activities on



which our time can best be spent. The professor will also be a point of contact to the world beyond the campus, a kind of software “icon”—click on the professor and let him take you to the world that he knows. This may seem an absurd image, but it can take shape already on a screen of the World Wide Web.

There is no doubt that our future, like every future, will take as well as give. There are things we cherish about the face-to-face intimacy of our institutions that we will lose. But we regularly sacrifice intimacy to achieve freedom or power, and we have made such choices in one form or another for centuries. Every technology of the word from the invention of writing to the present has given those who use it new range and power and intimacy of one kind, but dissolved a little further the physical bonds of face-to-face community.

If we need a monument to error in facing new technologies, we need only look around us. If the railroads of the 1950s had known they were in the transportation business, the joke goes, more of them would still be in business. If we think we are in the 50-minute lecture business, we may still be in that business 40 years from now, but there will not be as many of us, the paint will be peeling from the walls, and the dormitories and lecture halls will be far quieter and more tranquil—not to say empty—places.

—James J. O'Donnell

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average “sticker price” of U.S. private universities was \$11,735, tuition revenue per student averaged \$9,071, some 23 percent less. That difference represented widespread discounting, undertaken partly in

the name of equal opportunity but increasingly in an effort to draw in enough students to fill those classrooms and dorms. One veteran analyst of higher education finances compares the way colleges “sell”

student places to airline marketing practices—i.e. filling the available seats with people who pay sharply differing prices.

Tufts University, for example, which now charges \$21,000 annually for tuition and fees (and \$6,000 more for room and board), aids 40 percent of its students, with sums averaging \$15,000 each. The 60 percent who pay full price, of course, help underwrite this Robin Hood-style resource transfer. But the bazaar-style pricing policy breeds further unhappiness among consumers, both those forced to pay the full freight and those who sense they could have gotten a better “deal” if they had shopped longer or bargained harder.

Rising tuition and fees are still the overriding reality, and it is extraordinary how long they have been growing. Terry Hartle of the American Council on Education, higher education’s top Washington lobbyist, estimates that college charges have risen by an average of two percent more than inflation throughout the 20th century. Yet the demand for higher education has remained strong. Most of its appeal stems from the sizable economic payoff of a college education—although the opportunity it provides for a prolonged spell of unbridled hedonism ought not to be ignored. In the age group 25 to 34, men with college degrees earned \$12,000 more in 1994 than those who ended their education with a high school diploma. Women with degrees enjoyed an income premium of \$13,000.

Over the course of a career, according to U.S. Census Bureau projections, a person who graduated from college in 1992 can expect \$600,000 more income (in constant dollars) than a person of the same age with only a high school diploma. A master’s degree adds nearly \$200,000 more to lifetime earnings. And unemployment is much lower for college graduates.

Lately, however, a bit of the economic bloom seems to have faded. Real median earnings of young male college graduates actually dropped 4.4 percent from 1989 to ’93. Although the earnings of those with no college plunged further (13.7 percent), the “return” on an investment in college may have peaked, at least for men. (It continues to rise for women.)

In a country where high school diplomas mean next to nothing, it is possible that employers have been using the college degree as a simple screening device to identify people likely to possess at least minimal skills and work habits. As access to college becomes nearly universal, however, as low university standards are exposed, and as more radical school-reform strategies start to bear fruit at the secondary level, it is likely that the degree’s economic edge will narrow.

Amid all these growing signs of educational degradation, life on campus has grown more pleasant for those who live and work there. Between 1976 and 1991, a period when most other enterprises were slashing middle management and substituting technology for labor, the university continued to add poundage. By 1991, there were only 8.3 students per (professional) staff member, compared to 9.8 in 1976.

Salaries are comfortable. The average full professor at a state university earned \$62,000 in 1994–95 for what is typically an eight- or nine-month year. At private universities, full professors averaged \$73,160. Even at lower-status two-year colleges, the typical professor drew a salary of \$51,070. Moreover, some 64 percent of the nation’s full-time faculty enjoy the extraordinary job security that comes with tenure.

Course loads have fallen and school years have shrunk. Instruction now consumes only 40 percent of the average university budget. Senior faculty typically spend about 10 hours a week in the classroom and no more than eight hours advising students, according to a study by the Higher Education Research Institute at the University of California, Los Angeles. Michigan State’s 2,038 professors (a tenth of whom earn more than \$100,000 a year) spend an average of 5.5 hours a week in the classroom during the academic year. That presumably leaves ample time for research and writing. Yet the UCLA study also shows that, from 1991 to ’93, 41 percent of American professors published not a single word in professional journals. (Others are more prolific, raising the average output for full-time faculty to about one article, a third of a book review, and two “professional pre-

sentations" every year.)

Despite a hundred solemn studies urging that faculty pay be tied more to teaching and less to research, the "publish or perish" imperative endures. A federal survey found that professors' publications correlate positively with their earnings but that teaching has an *inverse* relationship. Faculty whose teaching made up less than half their total work load earned far more (\$62,000) in 1988 than those who spent most of their time in the classroom (\$41,000).



On many campuses, political activism has yielded to politicization—of the curriculum, faculty hiring, and other university matters.

The consequences are predictable: slipshod instruction, particularly of undergraduate students; constant pressure from faculty for less teaching and more time for research; and tons of research that serves the career needs of the professoriate (and bloats budgets) without significantly enlarging human knowledge. More than 400 new scholarly journals in modern languages and literature, most of them obscure and some bordering on the frivolous, were founded in the 1970s alone. Hundreds of so-called "electronic journals" are also appearing each year.

Many observers predicted that this peculiar industry would suffer a shakeout during the 1980s, but it escaped. National prosperity underwrote increases in enrollment, tuition, and subsidies from state governments. A vibrant stock market boosted endowment returns and encouraged alumni giving. And the federal government chipped in with the Middle Income Student Assistance Act of 1978, which broadened eligibility for federal grants and extended loans to students regardless of financial need. This led to unprecedented increases in student aid. Total aid (from all sources) ballooned to \$46.8 billion in 1994-95. The federal taxpayer supplied or—by

guaranteeing loans—backstopped three-quarters of this sum. Today, nearly half of all students pay for college and graduate school with Washington's help.

There are, however, several reasons to believe that higher education's day of reckoning can no longer be put off. First, there just are not many more students waiting to be recruited. Postsecondary institutions increased enrollments in the past by opening their doors to older students, encouraging people to return for additional training, and recruiting overseas. But like veins of coal that have been mined for decades, these "nontraditional" populations will eventually provide dwindling yields. There are now more students enrolled in colleges and universities than in high schools.

Moreover, there is widening recognition of the pernicious effects of "open admissions" at the postsecondary level on school standards and pupil performance in secondary schools. Only about 50 of the nation's 3,600 colleges and universities are highly selective, turning away more applicants than they accept. Perhaps 200 more campuses admit 50 to 90 percent of their applicants. The rest, desperate to fill their classrooms, welcome essentially anyone who applies, sometimes not even requiring a high school diploma. Young people there-

fore are well aware that they can get into college no matter what their transcripts and test scores look like. For them, the incentive to study hard in high school is virtually nonexistent. School reformers can talk about raising standards until they turn blue; rational 16-year-olds know that in their "real world" it simply doesn't matter.

This unpleasant reality is contributing to changes that may make life more difficult for universities. The California state university system is on the verge of barring entry by freshmen who cannot handle college-level math or English. (Three-fifths of new students now fail one or both of the tests.) The City University of New York and the state universities of Massachusetts are moving in the same direction.

Elected officials are also beginning to put pressure on state universities. "The higher education community thinks they're above it all. They don't like to be told what to do," says Ohio legislator Wayne Jones, a senior member of his state assembly's finance committee. "But if they want us to be their sugar daddy, there are going to be some rules." Jones has successfully pressed his colleagues to impose some. Ohio now requires professors in state-supported colleges to spend at least 10 percent more time teaching undergraduates than they did in 1990.

Most ominous of all for universities, money is getting scarce—and consumers and taxpayers more cost conscious. Though state funds for higher education continue to increase in absolute terms, appropriations per student, adjusted for inflation, have dropped. Yet institutional spending is still rising faster than inflation, forcing state universities to increase tuition rapidly. The federal gravy train is no longer a reliable source of income, either. Washington supplied 15 percent of higher education revenues in 1980 and only 12 percent in 1993, and the drive to shrink the federal deficit, curb Uncle Sam's intrusiveness, devolve obligations to states, and make people shoulder greater responsibility for themselves has only begun.

Some of the least popular agencies in Washington—the Department of Education, the national endowments for the

arts and humanities—have been the spigots through which much of higher education's federal largesse has flowed. As their budgets are nipped and their programs curbed, universities will feel it. So will students. Budget savings now being exacted from federal loan programs, for example, will boost the cost of borrowing, thereby making hundreds of thousands of students even more keenly aware of—and harder pressed to afford—the price of higher education. The level of federal scientific research support is rising more slowly than inflation at many agencies. Even the reduction in defense spending—a goal dear to the ideological hearts of many academics—is apt to affect university budgets. (One large exception: federal dollars still gush into biomedical research.)

If neither state nor federal government will come to the academy's financial rescue, its one remaining large source of additional funding is, of course, its own students. But tuition payers are also growing more oppressed by—and resistant to—rising prices. Because many people nowadays simply cannot pay for college out of current income, the debt burden is mounting fast. Between 1992—when Congress invited even more middle- and upper-income students to obtain federally guaranteed loans—and 1994, borrowing under the federal loan programs rose 57 percent. Students typically emerge from college with a debt burden of \$8,000 or \$9,000, and horror stories—families that owe \$50,000 after putting two or three youngsters through school—are often heard. What is more, the prospect of hefty monthly payments after college intensifies the pressure on students to major in "practical" fields, thus exacerbating the vocationalism that already afflicts higher education.

In response to all of these challenges, a little belt-tightening has begun. Mostly, administrators do the easy (sometimes shortsighted) things first. They hand out more tuition discounts to maintain enrollments. (On the margin, a student doesn't have to produce a great deal of net income in order to be more valuable to the institution than an empty slot.) They defer maintenance on aging buildings. They may meet new teach-

ing needs with untenured and low-paid part-time or “gypsy” faculty members.

State legislatures are forcing some changes through budget cuts and efforts to mold university behavior. Ohio’s mandatory increase in undergraduate teaching is being emulated by other states, as is Tennessee’s practice of tying a small portion of its campus funding formula to institutional performance. Signs of entrepreneurialism are also visible, at least in realms where the faculty is not directly affected. Colleges are contracting out the management of such things as bookstores, dormitories, and janitorial work. A few are even turning the Chivas Regal strategy on its head and offering bargains. The University of Rochester now gives an across-the-board \$5,000 discount to incoming freshmen from New York State.

Controlling costs—and prices—is plainly vital if American higher education is to get itself into shape, but a proper fitness regimen must go further. There is a long list of possibilities, from making campus amenities optional, so that budget-conscious students can buy the academic equivalent of “basic transportation” rather than the “fully-loaded” model, to imposing real assessments on students so that academic “value added” can be measured (and compared by quality-minded shoppers). The curricular smorgasbord needs to be edited and more “core” requirements instituted; faculties need better incentives to emphasize teaching rather than ersatz research. (How many of today’s 833,000 faculty will ever produce “new knowledge” of real significance? Ten percent?) This list could be extended.

But fiscal fitness is not all that U.S. higher education needs to work at. It must renew its moral authority. Particularly if the economic advantage of a degree shrinks, the university’s future stature and allure will have more to do with the intrinsic worth of what it does—as perceived by ordinary people, not just by academics—and less to do with the personal wealth to be reaped by enduring the process.

Moral capital is not easy to build. It seems to us that the most promising ways by which higher education can regain public trust are by committing itself to the principle of value

for money, demonstrating that a college degree truly denotes solid skills and knowledge, and curbing the excesses of political correctness and campus misbehavior.

Are these dreams like the Cowardly Lion’s wish for courage and Dorothy’s desire to get back to Kansas? Perhaps. But just as the lion and Dorothy turned out to contain within themselves the essential elements for realizing their hopes, so American higher education has residual strengths that it can tap in a quest for self-renewal.

There are on a few campuses trustees and presidents who are showing signs of reform leadership, and several reform-minded groups have been formed, including the Wingspread Group, the American Academy for Liberal Education (a new accrediting body), and the National Association of Scholars. Inner resources may not suffice, however, unless accompanied by an external shock. Perhaps this will be supplied by restive taxpayers, rebellious tuition payers, change-minded voters, and the demands of employers who need to hire truly educated people if their firms—and the nation’s economy—are to remain strong.

Will that be shock enough? We would have greater confidence if state and national leaders were to become as serious about the performance of universities as they are about that of the primary and secondary schools, where bold changes are finally being made in basic ground rules and operating assumptions. This has not yet happened at the tertiary level, but the new crew of legislators, members of Congress, and governors—people who do not share the hoary assumptions or political ties of their predecessors—do show signs that they are prepared to open the curtain and see what the higher education wizard really looks like.

There is risk, to be sure, that something of value may be lost in the process of reforming higher education. But leaving the enterprise as it is carries greater risks. The changes may not make all our wishes come true, but we might at least find American higher education pointed, like Dorothy and Toto, back to the real world.