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Challenges Confronting Small, Private Liberal Arts Colleges: The Historic Context

Stephen P. Wanger

The history of American higher education is a story of adaptation and change. Since the founding of Harvard College in 1636, higher education in the American colonies and the republic has responded to a multitude of challenges and pressures. Waves of immigration, emerging industries and technologies, cultural trends, shifting demographic patterns, denominational expansions and retractions, federal policies, and state and local dynamics, among others, have exerted pressure on higher education. Sometimes harmonious, often cacophonous, these internal and external forces have both coalesced and acted alone to produce change, at tempos ranging from *allegretto* to *presto*. The result, at the start of the twenty-first century, is a complex, multi-faceted score.

The pages that follow will attempt to provide a broad overview of that composition. The concise format of a journal article, however, does not permit comprehensive explication. Indeed, numerous volumes are devoted to single movements of the opus. The goal of this paper, therefore, will be to furnish a brief survey of American higher education from 1636 to the present, focusing particularly on small, private liberal arts colleges and the challenges they faced in the decades since World War II. The first three centuries of American higher education will receive sweeping attention in an effort to establish the background. The essay will commence with a short description of higher education during the colonial and early republic periods, highlight late nineteenth and early 20th century challenges, discuss issues confronting small, private liberal arts colleges during the second half of the 20th century, and conclude with a succinct summary of administrative responses to those challenges.

The Colonial and Early Republic Eras

With the founding of Harvard College, Massachusetts, Puritans launched on the new American continent a concept that by then had endured for nearly half a millennium in Europe, the idea of liberal education (Pfnister, 1984, pp. 147-148). Their lofty purpose, as recorded by a participant, "...was to advance Learning and perpetuate it to Posterity..." (Rudolph, 1990, p.4). They argued that no civilized gentleman could conduct the affairs of state, church or business without a thorough understanding of the liberal arts, the goal of which was the production of religious, intellectual, behavioral and civic virtue in the lives of young men (Amsler, 1985, pp. 9-11; Rudolph, 1990, pp. 5-13). Similar

rationales — as well as competition between the colonies — contributed to the founding of the eight colonial colleges which followed: William and Mary (1693); Yale (1701); the College of New Jersey, later renamed Princeton (1746); King's College, which was to become Columbia University (1754); the College of Philadelphia, renamed the University of Pennsylvania (1749); Rhode Island College, which became Brown University (1764); Queen's College, now known as Rutgers University (1765), and Dartmouth (1769); (Ibid; also, retrieved on May 27, 2002 from the following Web sites: Harvard University, College of William and Mary, Yale University, Princeton University, Columbia University, University of Pennsylvania, Brown University, Rutgers University, and Dartmouth College). Curricula were therefore structured to provide students with the tools deemed necessary for lifelong learning and productive citizenship.

Beginning with the College of Philadelphia, however, impetus for the creation of a higher education institution was not limited to promotion of the liberal arts; the idea of postsecondary preparation for practical skills emerged in America with the establishment of the college then considered radical (Amsler, 1985, p. 13; retrieved from the University of Pennsylvania Web site, May 27, 2002). The debate over the primary purpose of higher education — whether vocational or "learning for the sake of learning" — a debate that lingers today, was introduced, and the initial external stress was placed on the concept of liberal education.

As the new American republic was born and took its initial wobbly steps, the debate sparked by the College of Philadelphia grew. Fueled by Jacksonian Democracy and the need for technical skills, it escalated throughout the first and second decades of the 19th century. The Yale Report of 1828, however, with its resounding argument for the liberal arts, muted the debate until after the Civil War, as colleges founded during the era typically adhered to the advice of the Yale fathers (Pfnister, 1984, pp. 151-153; Rudolph, 1990, pp. 130-135). Though practical or vocational programs clearly were commenced during these years in the young republic, many of them opening the possibility of a college education for the emerging middle class, the curricular norm retained an emphasis on the liberal arts.

As it did with the debate between traditional liberal arts and practical education, the College of Philadelphia initiated the tug-of-war between the public and private sectors. As the first public college in the colonies, it opened the gates to public higher education in America [although public support for the colonial colleges, and public/private agreements, certainly existed beforehand] (retrieved from the University of Pennsylvania Web site, May 27, 2002). The colleges of Georgia (1785), North Carolina (1789), Vermont (1791), Ohio (1802), South Carolina (1805), Maryland (1812), and Virginia (1819) followed suit (Amsler, 1985, p. 13). By the mid-nineteenth century, public state colleges were both plentiful and popular.

Throughout the early 1800's, as pioneers traveled westward and the revival fires of the Second Great Awakening spread with them, denominational colleges sprang up across the American frontier. Typically liberal arts in orientation, these institutions tended to promote the religious and philosophical values of higher education, as opposed to the practical or vocational. They often were the civic focal point used by fledgling communities to provide evidence of civilization and culture (Amsler, 1985, pp. 14-18; Rudolph, 1990, pp. 68-85).

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Thus, by the time the first shots were fired at Fort Sumner in April 1861, American higher education was an increasingly complex entity. Public and private, sectarian and non-sectarian, vocational and liberal arts, the landscape of higher education could not be characterized by a single descriptor. With few exceptions, however, the doors to higher education remained all but closed to others than the wealthy white sons of the republic. Access was a concept waiting in the wings of the future.

Late 19th and Early 20th Centuries Challenges

The dominance of the liberal arts concept, which typified American higher education from the founding of Harvard College, began to loosen its hold by the mid-nineteenth century. The convergence of three external challenges to the liberal arts, and the colleges devoted to them, primarily accounts for the transition: the development of the land grant college, the university, and the high school (Pfnister, 1984, pp. 147-149; Rudolph, 1990, pp. 247-286; Veysey, 1965, pp. 9-81). The paragraphs that follow will address these forces. It must be stated here, however, that the three challenges to be discussed do not comprise an inclusive list of internal and external forces exerting pressure on liberal arts colleges. Among issues not discussed are: increasing competition between an overly abundant number of institutions for students, faculty and financial resources; the rapid growth of opportunities provided to college age men by westward expansion, industrialization, and advancing technical and agrarian might; the rise of science; and the movement away from a proscribed curriculum and toward elective courses.

Although not initially, perhaps the greatest challenge to liberal arts education arising during the latter half of the 19th century was the Morrill Federal Land Grant Acts of 1862 and 1890. With the first act, the federal government entered the higher education debate by authorizing the gift to the states and the subsequent sale of public lands for the support of institutions that would provide instruction in mechanical and agricultural areas (Veysey, 1965, p. 15). The equivalent of 30,000 acres for each member of Congress was to be set-aside for this purpose (Pfnister, 1984, p. 153). With the second act, the federal government authorized direct annual payments from Washington to the land grant colleges (Rudolph, 1990, 252-254). The consequences of these acts were fourfold. First, the federal government became involved in American higher education. Second, the impact of federal policy on postsecondary education — here, with emphasis granted to practical areas of study — was introduced. Third, federal coffers for the first time became a legitimate financial source for higher education; and fourth, greater numbers of the middle class entered college as a result of the legislation (Rudolph, 1990, p. 257).

The development of the university during the second half of the nineteenth century, and its codification within American higher education in the early decades of the twentieth century, likewise yielded extensive pressure on liberal arts colleges. Adapted from the concepts of contemporary German universities and research, the evolution of American universities reflected the late 19th century explosion in science and technology and facilitated the increasing specialization of knowledge and concomitant curricula (Veysey, 1965, pp. 125-135). According to Rudolph, the establishment of three bellwether institutions indicates the dawning of a new era in American higher education: Cornell University (1865), Johns Hopkins University (1867) and the University of Chicago (1888), (1990, pp. 265-275, 349-354).

As evidenced by the curricula they offered, however, liberal arts colleges and the emerging universities were by no means dissonant entities. Indeed, a major trend among liberal arts colleges during the late 19th century was the limited incorporation of professional or vocational programs. Most universities, in addition, maintained a liberal arts core within the academic programs they developed. The result was that by the early 20th century, the merger of liberal education and professional education became the dominant version of the American university (Pfnister, 1984, pp. 155-156).

Finally, the prevalence of the academies, which emerged in the early 19th century and eventually evolved into the public high schools of today, impacted the stability of liberal arts colleges during the mid- and late 19th century. Often directly competing with the local liberal arts college for students and financial resources, the academies typically offered a practical course of study, a commodity growing in acceptance and popularity (Amsler, 1985, pp. 19-20; Pfnister, 1984, pp. 150-151; Rudolph, 1990, pp. 216, 285-286). They reflected no single method of incorporation; many were private, some public, others sectarian. Quite a few were public-private, and some even served as the preparatory departments of colleges and universities (Ibid). The blurred line between secondary and postsecondary education would not be clearly drawn until the twentieth century.

America thus entered the world wars of the early 20th century with an increasingly diverse and complex system of higher education. Unlike both her allies and her foes, she did not maintain a centralized, and most frequently, nationalized, postsecondary system. The enormous scientific and technical needs springing from the Second World War and the resulting Cold War, however, would soon coalesce with other forces to modify the equation and challenge the very existence of liberal arts colleges.

Post World War Two Challenges

Small, private liberal arts colleges faced a myriad of pressures during the second half of the 20th century. The issues behind these challenges were numerous and intricate, and frequently intertwined. Among others, they included issues, such as the increasing competition for students from all institutional types, attracting and keeping faculty, enhancing student diversity, the growth of administrative bureaucracies, an explosion of technology, inflation (and at times, either recession or economic stagnation), rapidly escalating expenditures, the emergence of the community college system, and, during the late 1980's and 1990's, a contracting population of traditional college age students [It is important to note, however, that this population base actually increased from the 1950's through the mid 1980's, and was buttressed throughout the entire period by growing numbers of non-traditional students entering college on either a full-time or part-time basis] (Jonsen, 1984, p. 176; Merante & Ireland, 1993, pp. 8-13; Pfnister & Finkelstein, 1984, p. 119; Posner, 1984, pp. 32-34; St. John, 1992, pp. 165-187). Four forces, however, were paramount and exerted tremendous pressure on small, private liberal arts colleges: the expanding role of the federal government; diminishing state support; shifting student demands; and escalating unfunded student aid. The following pages will address these issues and their impact.

Expanding Federal Role in Higher Education

Jonsen (1984, p. 177) argues that, although for three hundred years private liberal arts colleges adapted to and survived complex challenges and changes, the greatest challenge of all was the skyrocketing pace of change during the late twentieth century. Nowhere is this quickening pace seen better than in the expanding role the federal government has played in higher education, particularly with regard to financial support for students (This essay will not address federal support for research, which has facilitated exponential growth of higher education, particularly for research and comprehensive institutions). Gladieux and Hauptman (1995, p. 5) credit the post-World War II growth of federal support for higher education to "... cold war competition in science and defense technology on the one hand, and the movement for civil rights and equal opportunity on the other." This may be seen in a brief overview of federal policy since the Second World War.

The expansion began with the Servicemen's Readjustment Act of 1944 (the G. I. Bill), the goal of which was broadened access to higher education through federal student financial aid (Gladieux & Hauptman, 1995, p. 14; Pfnister, 1984, p. 162). This legislation contributed to the significant growth of higher education enrollments during the remainder of the 1940's and throughout the 1950's. Hansen and Stampen observe, for example, that despite a contracting population of traditional college age students, the percentage of 18 to 24 year old students enrolled in higher education increased from 16% to 20% between 1947 and 1957, while the percentage of the total population enrolled in higher education actually declined from 2.6% to 2.5% (1994, pp. 104, 111). It is important to note, furthermore, that total higher education enrollments grew from 1,500,000 in 1940 to 2,616,000 in 1947 and 3,068,000 in 1957 (Gladieux & Hauptman, 1995, pp. 27-28; Hansen & Stampen, 1994, p. 111).

Although not enacted federal policy, the 1947 Truman Commission on Higher Education reiterated the value of the G. I. Bill and called for expanding access to higher education among the civilian population after veterans exited the system (Hansen & Stampen, 1994, p. 104). The National Defense Education Act of 1958 implemented the expansion, authorizing low interest federal loans and graduate fellowships, particularly in defense-related technical fields (Gladieux & Hauptman, 1995, p. 15). The process continued with the Higher Education Act of 1965, which authorized student grants, work study, and guaranteed student loans, all of which were designed to further broaden access to higher education, especially among low income and minority students (Ibid). The act was reauthorized in 1968 and 1972. The later reauthorization expanded the federal role in higher education to include Basic Educational Opportunity Grants (later renamed Pell Grants), federal support for state grant programs through the State Student Incentive Grants, and the creation of the Student Loan Marketing Association to enhance grant liquidity (Gladieux & Hauptman, 1995, p. 17). These policies continued through the 1970's with reauthorizations of the Higher Education Act in 1976, 1978 and 1980.

After the passage of the Middle Income Student Assistance Act of 1978, however, the financial role played by the federal government in support of higher education began to change. The federal emphasis increasingly moved from gift aid (i.e., grants, scholarship, and benefits such as VA or Social Security) to student loans. The Reagan and subsequent administrations continued the shift throughout the

1980's and 1990's. The 1992 reauthorization of the Higher Education Act, for example, established unsubsidized loans and the removal of caps on parent loans (Gladieux & Hauptman, 1995, p. 17).

The profound impact of this policy shift is evidenced from multiple perspectives. For example, from 1975 to 1988 the percentage of federal gift aid decreased from 76% to 30%, while the percentage of federal loan aid increased from 21% to 66% (Mortenson, 1990, p. 90). Whereas student loans represented approximately 20% of student financial aid in the mid-1970s, it accounted for over 50% by 1995 (Gladieux & Hauptman, 1995, p. 24). From 1980 to 1990, furthermore, public college tuition rose 109% and private college tuition rose 146%. (Interestingly, these increases were 59% greater than the increase in the Consumer Price Index and 73% greater than the rise of the median family income.) At the same time, however, federal policy increasingly emphasized loans over grants. During the 1977-1978 school year, for instance, Social Security and veterans' benefits combined represented 45% of federal student aid, but accounted for only 4% by the 1992-1993 school year. In 1981, the largest Pell Grant available to students represented the equivalent of 31% of the average cost of a private four-year institution, but only 16% in 1993. Finally, from 1985 to 1994, total loan aid each year was approximately double that of grant aid (Statistical support for the preceding six sentences is derived from: Blanchette, 1994, p. 168).

This shift negatively affected colleges of all classifications. Not only did it impact the "bottom line," it hindered their ability to attract and keep minority students, a growing potential pool of applicants. For these students, the perceived value of a college education decreased significantly when loans became the major component of a financial aid package because their initial and sustained access to higher education was hampered. Blanchette (1994, p.170) states, for example, that the receipt of an additional \$1,000 grant in any given semester by an African American student increased the probability of his or her graduation by 7%, but a \$1,000 increase in loan aid during any given semester increased the probability that he or she would drop out of college. Similar statistics pertain to other minority groups as well.

The Clinton Administration sought to address this inequity, and, at the same time, strengthen access to higher education for students employed full-time and those from low and middle-income families. Through the Hope Scholarship and Lifetime Learning programs authorized by the Taxpayer Relief Act of 1997, Congress and the Clinton Administration further expanded the federal role in student financing of higher education by establishing federal tax credits for postsecondary expenses (Kane, 1999, pp. 8, 47-49, 151). Initial assessments of the programs appear to indicate they are achieving their goals.

The growing federal role in student financial aid after World War II also impacted small, private liberal arts colleges and other institutions through the authorization for and the expansion of federal dollars for students attending trade or vocational schools. The result of their inclusion under the higher education umbrella has been the growth of trade schools and ever-increasing competition for students. By 1995, approximately 53% of all institutions eligible for Title IV funds were vocational; students enrolled at these institutions received 10% of all guaranteed loans and 17% of all Pell Grants (Gladieux & Hauptman, 1995, p. 26). Today, vocational schools represent a significant part of the higher education landscape.

In conclusion, the overall impact on higher education of the expanding federal role, as seen solely through the growth of support for student financial aid — not including federal support for research — has been substantial. The dual goals first voiced through the authorization of the G. I. Bill — broadening access to higher education and meeting the national need for scientific and technical skills — were addressed and increasingly met. The result was an astounding 1,000% increase in higher education enrollments, from 1,500,000 in 1940 to 15,000,000 in 1995 (Gladieux & Hauptman, 1995, pp. 27-28).

Unfortunately, the consequences for small, private liberal arts colleges were not entirely positive. Federal policies promoting the technical and scientific fields closely aligned with emerging national needs indirectly de-emphasized liberal education. Students were encouraged to pursue more specialized academic majors. In addition, extending student access to higher education yielded escalating competition among colleges and universities of all classifications for students and their dollars. The repercussion of these facets of federal policy, and the emergence of the forces discussed in subsequent sections of this essay, produced long-term uncertainty for many small, private liberal arts colleges.

Diminishing State Support

According to Jonsen, escalating demand on limited state resources, from a variety of state-supported endeavors, traditionally restricts revenue appropriated for higher education (1984, p. 175). For many states, this has been the story since the late 1980s (Kane, 1999, p. 40), and although many liberal arts colleges are private institutions and therefore ineligible for direct state financial assistance, declining state support for higher education has affected even private liberal arts colleges. It impacted both how they sought to attract students and how administrators managed their institutions. Posner notes, for example, that during the 1980s, economic considerations became a significant factor in student selection of a college (1984, pp. 32-34). As a recession, escalating tuition, and decreasing state financial aid affected students and their families, the “bottom line” became increasingly important. A 1975 study, for instance, conducted by the Great Lakes College Association (GLCA), an organization composed of 12 private liberal arts colleges in the Great Lakes region, found that students selected a college in the following order of importance: perceived academic quality of the institution; overall institutional reputation; and individuals at the institution (friends, acquaintances, or friendly people). A 1983 single case study of one of the GLCA colleges, however, revealed that the order of importance had changed to: perceived academic quality of the institution; cost to attend the institution; and proximity to home (students desired to stay within 200 miles of home to keep costs down). Although direct comparisons between the studies cannot be made and are tenuous at best, the emergence of cost considerations is noteworthy (For the preceding studies, see: Posner, 1984, pp. 32-34).

In a more balanced multiple case study of ten geographically and categorically diverse institutions — five public, including four-year, community college, land-grant, flagship and comprehensive, and five private liberal arts colleges, and institutions known as “elite,” “prestigious,” four-year and two-year — St. John (1992) found that declining state financial support for higher education impacted the way in which administrators determined the strategies for tuition pricing (pp. 177-181). At public institutions, declining state support resulted in shifting greater responsibility to students for the payment of tuition,

which concomitantly allowed institutions to gain larger amounts of federal Pell Grant funds, so long as they kept tuition charges under the maximum program amounts allowed by the federal government. For most public colleges and universities, therefore, the final result was a net financial gain. At private liberal arts colleges, however, the opposite was true. Loss of state financial aid to students typically meant that administrators could not keep their institutions competitive with public institutions in terms of tuition charges. It also diminished their ability to target students from middle-income families, whom declining state funds unduly hurt. The final result for most private liberal arts colleges accordingly was a net financial loss (Ibid).

Declining state support for higher education thus impacted even private liberal arts colleges. It put pressure on how they sought to attract students and altered how administrators were able to manage their institutions. A more glaring challenge, however, shifting student demands, wrought an even greater impact.

Shifting Student Demands

Breneman (1994) states that as increasing numbers of savvy students demanded degrees that would readily translate into high paying jobs, the percentage of students earning their bachelor's degree in the arts and sciences deteriorated from 47% in 1968 to 26% in 1986 (p. 9). This shift in the motivation for attending college — from “education for the sake of education” to professional education — wielded pressure on all higher education institutions to offer programs closely linked to the marketplace. The stress was particularly strong though on institutions classified as private liberal arts. This student trend, which actually began at the end of the nineteenth century, escalated during the second half of the twentieth century. In 1900, approximately 67% of America's undergraduate students attended liberal arts colleges. By 1955, however, the percentage dropped to 26%. By 1970, only 7.6% of America's undergraduate students attended liberal arts colleges. And by 1987, the number was a mere 4.4% (Breneman, 1994, pp. 20-21). These percentages led him to conclude that of the 540 institutions listed as private liberal arts colleges by the Carnegie Foundation for the Advancement of Teaching in 1987, more than 300 evolved into a different type of higher education entity by the mid-1990's. Arguing that if liberal arts colleges are defined as institutions awarding a minimum of 40% of their degrees in the arts and sciences, only 200 remained in 1994. But if the definition is tightened to awarding a minimum of 75% in the arts and sciences, less than 90 American liberal arts colleges survived in 1994 (For the preceding statistical findings, see: Breneman, 1994, pp. 2, 4, 138-152).

Using the 1987 Carnegie classifications, Gilbert adds that the percentage of liberal arts degrees awarded by Liberal Arts-I institutions rose from 77% in 1956 to 87% in 1970, and then dropped to 76% in 1985. Among Liberal Arts-II institutions, the percentage increased from 46% in 1956 to 56% in 1970, then plummeted to 31% in 1985. The result was that numerous Liberal Arts-II colleges shifted their emphasis from the liberal arts to professional education. Comprehensive Universities and Colleges-I evidenced a similar trend: 28% in 1956, 43% in 1970, and 23% in 1985. By 1992, however, the percentage of liberal arts degrees awarded by institutions in this category rose to 29%. Research I institutions demonstrated a similar curve: 34% in 1956, 54% in 1970, 36% in 1985, but 45% in 1992. Thus, the trend among Liberal Arts-II colleges is particularly note-worthy and accounts for much of the decline (For the preceding statistical analysis, see: Gilbert, 1995, pp. 40-43).

Overall, the numbers from the preceding two paragraphs indicate that liberal arts colleges educated a declining percentage of America's students as the 20th century progressed. In addition, they reveal that although the percentage of degrees awarded in the liberal arts remained relatively stable at premier liberal arts colleges and at comprehensive and research universities, less prestigious liberal arts colleges experienced declining enrollments. These trends are primarily attributable to shifting student demands; as growing numbers of students pursued degrees more closely tied to the marketplace, they sought degrees from larger institutions and from those offering strong "name recognition." And, as the following section will demonstrate, institutions of all types increasingly competed for them.

Escalating Unfunded Student Aid

Noted higher education economists McPherson and Schapiro argue that whereas the primary economic problem for public colleges and universities in recent decades has been declining revenues and increasing uncertainty associated with state and local appropriations, the greatest challenge facing private institutions, including liberal arts colleges, has been the explosion in the amount of financial aid they offer (1998, pp. 76-77). They state that between 1987 and 1994, net spending at private liberal arts colleges grew at an annual rate of 1.76%; the growth in financial aid awarded by these institutions, however, far outpaced overall spending, growing at a 9.68% annual rate (McPherson & Schapiro, 1998, pp. 68-70).

When the revenues of private liberal arts colleges are compared with those of their public counterparts, the findings are equally startling. In 1994, for example, private liberal arts colleges received 76% of their revenues from tuition. At public research universities, public comprehensive universities, public liberal arts colleges, and community colleges, however, tuition represented only 26%, 34%, 33%, and 23% of revenues, respectively (McPherson & Schapiro, 1998, pp. 75-76). Although dependence on tuition grew among these public institutions between 1987 and 1994 — respectively from 22% to 26%, 24% to 34%, 24% to 33%, and 17% to 23% — while tuition dependence at private liberal arts colleges actually declined from 79% to 76% as a result of the growth in endowment income (13.6% to 16.1%), it is apparent that private liberal arts colleges, in comparison to their public competitors, remained disproportionately dependent on tuition as a source of revenue (McPherson & Schapiro, 1998, pp. 75-76). Meisinger draws the same conclusion by broadly comparing public and private institutions. He notes that, for the fiscal year 1990, public four-year institutions received 15.1% of their funding from tuition and fees whereas private four-year colleges and universities received 38.9% of their revenue from tuition and fees, more than double the percentage of their public counterparts (Meisinger, 1994, p. 35). The implication is clear; private colleges in general, and private liberal arts colleges in particular, were especially dependent on student revenue streams.

This situation led numerous colleges in recent years, both private and public, to engage in the practice commonly known as tuition discounting, whereby they list net student expense (tuition, room and board, etc.) but offset the total with substantial financial aid packages. Similar to selling a car, the practice allowed colleges to market their product at one price — the "sticker price" — but "sell" for much less. When the automotive equivalent of "let-me-speak-with-my-manager" was utilized as an enrollment tool by institutions of all classifications, the practice was particularly costly for tuition-dependent private liberal arts colleges. Requisite reliance on tuition discounting ultimately meant

that private liberal arts colleges were forced to limit or reduce tuition, yet increase financial aid. Ever-increasing competition between institutions, furthermore, translated into growing discounts in the forms of scholarships, grants or other financial awards, the impact of which meant decreasing per student revenue.

For colleges and universities with large endowments or substantial revenue streams beyond student tuition and fees, tuition discounting was an effective enrollment management tool when it was properly utilized. For the majority of private liberal arts colleges, which enjoyed neither large endowments nor steady external revenue sources, the practice served to exacerbate the uncertainty over their economic status and their potential long-term viability. Adapted from the automotive industry, the widely played tuition discounting game paved the road for some tuition-dependent small, private liberal arts colleges to go the way of the Tucker, Studebaker or Nash.

During the latter decades of the 20th century, as private liberal arts colleges faced mounting pressures both from within and beyond their own walls, it is not surprising that numerous research-related studies and theoretical "remedies" appeared in the literature. The growth of these documents exploded in the 1960s and peaked during the 1970s and 1980s, the most dramatic and often most perilous decades for private liberal arts colleges. The final section of this essay, to which we now turn, briefly examines that literature.

Administrative Responses

The preceding discussion of the four major challenges private liberal arts colleges faced during the second half of the 20th century highlights the burgeoning role administrators played in the management and marketing of their institutions as a result of these challenges. Although presidents, administrators, and higher education experts offered a plethora of recommendations to counter or adapt to these pressures, the recommendations may be summarized in two key proposals: adopt common business practices; and engage strong leaders. These proposals are succinctly examined in the following paragraphs.

Adopt Common Business Practices

Comparing the findings of the 1975 and 1983 studies previously described, Posner concluded that for private liberal arts colleges to survive they must increasingly utilize the business practices of for-profit entities. Her clarion article was typical of the period. Among the most important practices, she declared, are marketing, construction of business plans, and strategic planning (1984, pp. 32-34). A decade later, St. John (1992) affirmed that adoption and noted, for example, that during the 1980's financial decision-makers in liberal arts colleges moved from simple incremental pricing strategies to comprehensive strategies that consider multiple and sometimes divergent factors (p. 180). That same year, Cerny conducted an extensive study of the marketing techniques employed by private liberal arts colleges. Interviewing and surveying representatives from 64 of the 540 institutions in the classification (12%), he concluded that private liberal arts colleges that implement a written marketing plan attain a greater percentage of their recruitment goals than colleges that either do not have a written marketing plan or do not implement it (1992, pp. 215-221). Veydt surveyed the presidents, board chairs, and chief academic officers of 200 small private liberal arts colleges and concluded that strategic planning is an increasingly essential tool in the management of these institutions (Veydt, 1995, pp. 89-102). The cumulative

message was clear: successful navigation of the era's troubled waters meant growing adoption of for-profit business practices and related administrative techniques.

Engage Strong Leaders

Coinciding with the call for the adoption of business practices was the recognition of the need for strong leaders. Brazziel, for example, surveyed the presidents of 41 private liberal arts colleges during the 1983-1984 academic year. Undergirding his analysis of the findings was the distinct, and requisite, value of visionary leadership in the maintenance of student enrollments (1985, pp. 151-154). Tuckman and Arcady concurred. They argued that more than in larger colleges and universities, presidents of small liberal arts colleges play a pivotal role in the financial management and success or failure of their institutions. They concluded, in fact, that to monitor and improve long-term financial stability, these presidents should utilize external audits, plan strategically, and thoroughly understand the financial strengths and weaknesses of the institution (1985, pp. 16-20).

Finally, seeking to identify the most significant characteristics and the best practices of private liberal arts colleges that will promote institutional success in the twenty-first century, Merante and Ireland (1993) conducted an extensive study of ten small colleges generally regarded as successful. The institutions included: Bates College (Maine), Beloit College (Wisconsin), Berry College (Georgia), Centre College (Kentucky), Hillsdale College (Michigan), Kalamazoo College (Michigan), Marlboro College (Vermont), Spelman College (Georgia), St. John's College (Maryland), and Whittier College (California). The researchers examined institutional and external reports, interviewed the presidents, senior administrators and admissions directors at each college, surveyed higher education experts and leading admissions administrators, and examined institutional publications, position papers, and Integrated Post-secondary Education Data on college and university characteristics. They concluded that proactive leadership, effective awareness of internal and external environments, on-going strategic planning, and cooperation among all institutional stakeholders, would characterize successful private liberal arts colleges in the twenty-first century. Specifically, these institutions must demonstrate: effective, proactive presidents and senior administrators; clear institutional missions, visions, and goals; strong collaboration among administrators, faculty, staff, trustees and students; an emphasis on innovation and experimentation within both curricula and programs; a positive customer orientation; established, programmatic philanthropy; active, supportive trustees; Total Quality Management benchmarking; and the ability to coalesce all these characteristics into a nimble institution that emphasizes results. Accordingly, strong leadership will be the key ingredient emerging from and orchestrating these characteristics in the successful twenty-first century small, private liberal arts college (Merante & Ireland, 1993, pp. 13, 28-29).

Conclusion

This paper began with a brief description of higher education during the colonial and early republic eras, highlighted late 19th and early 20th century challenges to private liberal arts colleges, discussed internal and external pressures confronting these institutions during the second half of the twentieth century, and concluded with a compendious summary of the administrative responses to those obstacles. As such, although it offers neither recommendations nor remedies to counter the challenges, most of which continue into the present, it

reveals the constant flux of American higher education and, within that context, the perpetual crescendo and diminuendo of the liberal arts. It ever subtly suggests, therefore, that those devoted to the role of the liberal arts within American higher education — students, faculty, administrators and patrons — will likely continue to find ways to insure the long-term vitality and survival of small, private liberal arts colleges. For like the soft notes played by the flute or clarinet, the melody offered by these institutions beautifully enhances the wondrous music produced by the orchestra as a whole.

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