

Tuition Rates in Seventh-day Adventist Colleges

WILFRED M. HILLOCK

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Tuition charges in Adventist colleges have spiraled upward from an average of \$550 in 1958-59 to \$1,300 in 1968-69¹ — an increase of 136 percent at a time when the American economy experienced an inflation of 20 percent² and when tuition and fees in other private colleges rose an average of 104 percent.³

A tuition increase faster than the inflation rate is understandable, because teacher salaries, a major component of tuition costs, were outdistancing the consumer-price index. For example, a measurement of teacher-salary increases on the La Sierra campus of Loma Linda University on the basis of salary records for several selected teachers indicates an average increase of 75 percent from 1958 to 1968. Yet at the close of the ten-year period, salaries in Adventist colleges were still several thousand dollars per year below the average of \$12,700 in other private colleges, while Adventist tuition rates have come close to the private college average of \$1,327 per year.⁴

As the tuition rates of Adventist colleges approach those of other private institutions, and as the dollar amount becomes larger in relation to tuition costs in public colleges (where the 1968-69 average in institutions with 1,000 to 2,500 students was \$273), more attention must be directed to measures that can halt or reverse this upward trend.

A simplified formula for calculating the tuition rate is as follows: teacher-related expense (salaries, fringe benefits, student assistants, supplies, advanced study, conventions, library operation) plus other expense (maintenance of the physical plant, administration, depreciation, student aid) minus income other than tuition (church subsidies, investment income, operating gains of college industries and residence halls). The balance is the amount the students must pay if the school is to remain in operation. The

tuition rate per student is determined by dividing the total necessary tuition income by the full-time equivalent number of students (partial student loads being calculated fractionally).

Let us consider Hypothetical Adventist College, which offers forty different majors and a total of 2,400 semester hours of courses. Its total teacher-related and other expense (after the agonizing budgetary process of eliminating all but essential items) is \$2,600,000; its expected nontuition income is \$500,000; and \$2,100,000 remains to be paid by tuition. An estimate based on the previous year's enrollment indicates that the number of full-time equivalent students will be 1,500; so the tuition per full-time student is \$1,400.

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If it is not possible to raise the tuition to \$1,400 in order to bring the budget into balance, then further deletions must be made from academic programs. This, in fact, is quite often what occurs, and we can expect it to happen more and more frequently.

Expansion of the curriculum has become an accepted way of life on the Adventist college campus. This growth has been financed by increasing tuition rates and by increasing enrollment each year. But to assume that these factors will continue to operate during the next ten years to the extent that they have in the past ten years is not reasonable.

Many persons have already come to the conclusion that, in the future, tuition-rate growth must be limited to the rate of general economic inflation as measured by indicators such as the consumer-price index. Increases at a faster rate will be self-defeating if they force Adventist students to attend public colleges, for any reduction in enrollment will reduce tuition income and thus only defeat the purpose of raising the tuition.

A significant factor in a projection of future enrollment trends is the number of students who are of college age within the general population. This number is predictable, since these are the children who were born eighteen years before. In the past decade we have experienced a growth of 50 percent in the size of the freshman-age population: in 1959 there were 2,500,000 in the eighteen-year-old bracket; by 1969 this group has increased to 3,750,000. In the next ten years we can look forward to a growth of 15 percent during the first half of the period and stabilization in the latter half, with a reduced population of eighteen-year-olds after 1979.⁵

Another factor that has affected college enrollment in the past is the increasing proportion of college-age young people actually attending college. Between 1900 and 1940 this figure rose from 4 percent of the population to 16 percent, and by 1960 it had risen to 40 percent. But the rate of

increase has now slowed considerably, and the present figure is 44 percent.⁶ It appears that we cannot expect any substantial increase in the proportion of the college-age population actually attending college in future years.

The recent pattern of enrollment growth in Adventist colleges is a curve parallel to that of the growth of the eighteen-year-old population, the magnitude of enrollment growth being roughly equal to the 50 percent growth in the freshman-age group. The baby boom of the postwar years is past, and its surging effect on college enrollment is no longer working in our favor. Smaller families mean fewer students in college and increased competition for those eligible for college. The end of the Vietnam war would bring a temporary surge in enrollment; although temporary, this might give some time to solve the underlying financial problems.

On the basis of the trends noted above, we can expect a gradual increase in college enrollments for a period of about five years, followed by a leveling-off period and then a decline. This would not be so serious a matter for Adventist higher education except for the declining percentage of students who will attend private colleges. One prediction is that we can expect the current level of 30 percent to drop to 20 percent by 1980. The current student unrest on large university campuses may be an unforeseen factor working in favor of private liberal arts colleges, however.

If church membership were growing rapidly, this would provide Adventist colleges with an additional source of college students. Using the growth rate of recent years as an indicator, however, we can expect church membership in North America to grow by approximately 3 percent per year.⁷ Unless this rate increases significantly, there are no large increases in enrollment here to allow continued college expansion.

In view of the fact that we may have reached a ceiling on tuition rates and may now face the prospect of leveling or declining enrollments, continued growth of tuition income to Adventist colleges is highly unlikely. We must consider the possibility of having to maintain the status quo or even of submitting to a forced retrenchment. This has already become a reality on some Adventist campuses.

There are some benefits that may accrue from this situation, since Adventist colleges will have to examine present policies to see if traditional practices can be improved. In the past we have assumed that improvement is a matter of adding courses and majors. Self-examination may now reveal other avenues of progress toward academic excellence.

In the example of Hypothetical Adventist College we divided the total budgeted academic expense into two classifications, teacher-related expense

and other expense. In the actual Adventist college we find that teacher-related expense represents 55 percent of the total and other costs 45 percent. An informal analysis of the member colleges of the Association of Independent California Colleges and Universities discloses that its corresponding figures are just reversed: in other private colleges in the same enrollment range as the majority of Adventist colleges, teacher-related expense represents 45 percent of the total academic expense budgeted and other costs 55 percent. We can conclude that teacher-related costs might be a productive area of study.

What is it that determines total teacher-related costs? Obviously the level of salaries is a major factor; but in Adventist colleges this can hardly explain the unusually high teacher-related expense, since Adventist teacher salaries plus fringe benefits are lower than in other private institutions. The situation, in fact, leaves us with an even wider gap to explain. Are Adventist teachers wasteful of supplies? is the library budget extravagant? do conventions take a larger-than-normal amount of funds? Not likely, nor is any one of these items large enough to explain the magnitude of difference that exists.

One factor that would cause higher teacher-related costs is the Adventist practice of financing advanced education; few other colleges do as much in assisting teachers to obtain terminal degrees. But this additional expense is more than offset by lower salary levels — especially in the case of teachers who have already received terminal degrees and have excelled in their profession, since the salary differential between Adventist and other colleges is greater in higher academic ranks.

The teaching load is also significant here: large loads mean that fewer teachers are needed to teach the same number of courses. But whereas twelve to fourteen hours per semester is normal for teachers in Adventist colleges, the usual loads are lower in other private colleges. Again the gap to be explained is widened.

The number of courses and majors offered by a college may have a bearing on the problem of unusually high teacher-related costs. Much has been written about “course proliferation,” and it may have become an unpopular subject with teachers. From the individual department viewpoint, there is very little incentive to examine its programs and course offerings for possible eliminations; for the department that reduces its offerings is likely to lose out in the fight for more funds and more teachers.

But if the faculty is not willing to address itself to this problem, then the trustees will be forced by economic considerations to take over the determi-

nation of course offerings (although I doubt very much that a college board is better qualified for this task than is the faculty).⁸ When the scope of the curriculum becomes vital to the continued existence of the college, the board of trustees, which is ultimately responsible for the operation of an educational institution, must exercise its authority. The question for college faculty members to consider is whether or not they will confront the problem and thus make it unnecessary for the trustees to do so.

Aside from the general studies courses, the total number of courses offered by a department is related to the number of majors offered in that department. How much enrichment can we afford beyond providing the necessary basic courses and the special courses for each major in view of the present pressure of costs? How many different courses are required to make up the proper academic diet for our students? Do we need forty different majors in a college graduating 160 seniors a year? Is it really essential to offer 800 courses in a liberal arts college with 1,200 to 1,500 students? It has been suggested that the ideal economic model for a college with 1,800 students has 540 courses (and this figure counts each section of a course as a separate offering).⁹ From this vantage, what the typical Adventist college currently attempts to do appears to be unreasonable.

We need to start with a review of the departmental structure of the college, seeking a justification for each academic department. Then the various majors in each department should be justified in relation to institutional objectives. Limitations should be established for the number of courses to be offered by a department beyond its general education courses and its major requirements. All this is no doubt a painful procedure, but an essential one if we are to improve the quality of education, halt the advance of tuition rates, and achieve some of the faculty compensations that other private colleges provide. In some cases institutional survival will depend on this self-examination.

It is not possible to make this type of study or implement its conclusions in a few weeks or months, and any attempt to do it abruptly will only disrupt the program of a college. Long-range plans must be developed, including budget and curriculum projections for several years in the future. The present practice — making curricular commitments, and then at the last moment raising tuition to meet those commitments — should be discontinued.

The self-examination suggested here would not be necessary if there were an unlimited supply of funds available for Adventist higher education. But we are attempting to operate thirteen colleges in North America

for a constituency of 400,000 people. At present most of the capital expansion funds come from the Church, and operating subsidies usually account for more than 10 percent of institutional operating income. Expansion of these amounts, as is sometimes proposed, would relieve the pressure somewhat, but even a doubling of support by the Church would not yield the dividends promised by a scaling down and restructuring of the curriculum.

Adventist colleges are facing a period when enrollment stabilization or even a decline can be expected. If the number of full-time equivalent students does not grow and if further increases cannot be made in tuition rates, then total academic budgets cannot grow beyond an increase in donated support. Since teachers, by nature, will be seeking "improvements" of various sorts, they must examine the total curriculum for the possible reductions that can make funds available for use in other ways.

All members of the faculties in liberal arts colleges have a substantial personal stake in these curriculum reforms. They will be able to retain their present rights and responsibilities with regard to the shaping of the curriculum only as they willingly and objectively attempt to bring the offerings of the several departments within defensible bounds. As they do this they will be acting in part out of self-interest, because their own economic well-being will be determined by their efforts to strengthen the total instructional program by cutting away courses that are not needed. But in doing so they will be taking action that may very well determine whether the liberal arts college as such can survive in the entire enterprise of American higher education. This is a mission worthy of the dedication and effort of every faculty member in the liberal arts colleges of the nation.

If this is true of other private colleges, it should also apply to Adventist colleges.

REFERENCES AND NOTES

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- 6 Dexter M. Keezer (ed.), *Financing Higher Education, 1960-70; the McGraw-Hill Book Company 50th Anniversary Study of the Economics of Higher Education in the United States* (New York: McGraw-Hill Book Company, 1959), p. 57.
- 7 Beardsley Ruml, *Memo to a College Trustee: A Report on Financial and Structural Problems of the Liberal Arts College*; part 4, *Achievement of the Possible* by Donald H. Morrison; prepared and transmitted by the Fund for the Advancement of Education (New York: McGraw-Hill Book Company, 1969), p. 13.
- 8 Ibid.
- 9 Earl J. McGrath, *Memo to a College Faculty Member* (New York: Columbia University Teacher's College, Institution of Higher Education Publication, 1961).