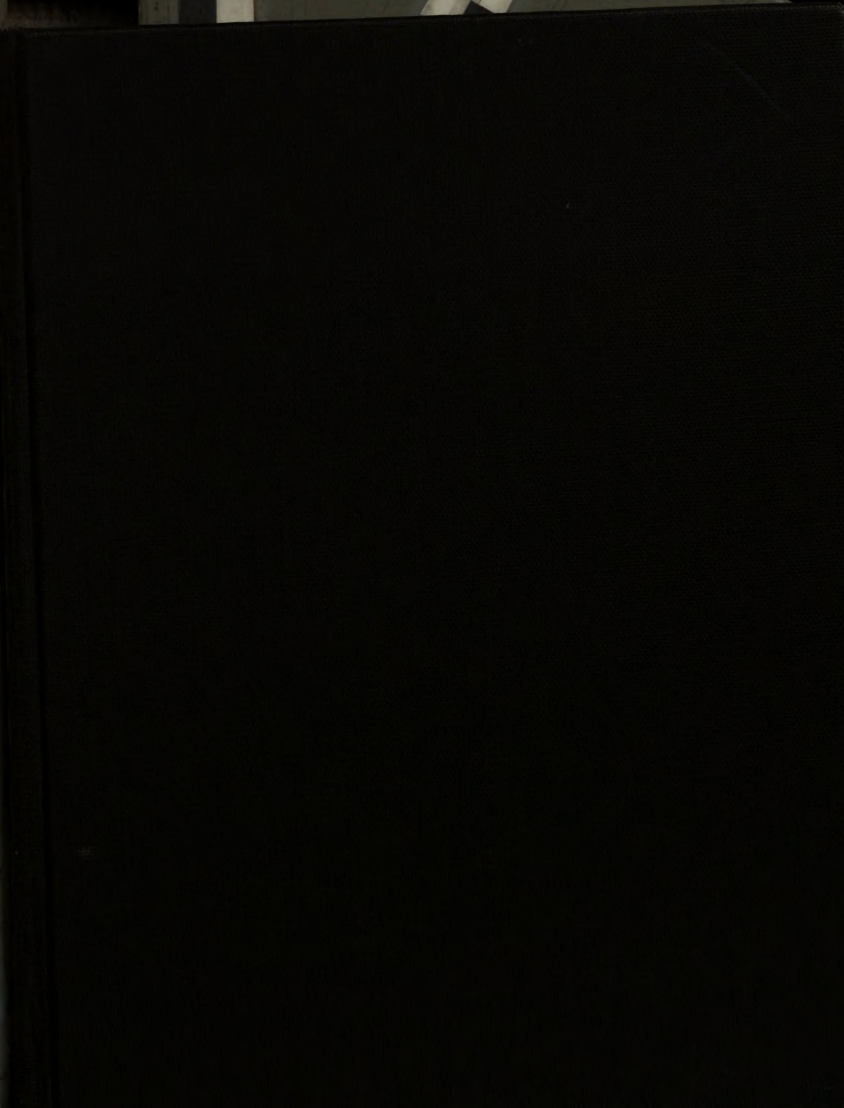






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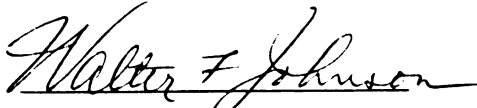
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Higher Education in the Free Methodist Church
During the Decade of the Seventies:
Implications for the Eighties
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THE CHURCH RELATED COLLEGE
HIGHER EDUCATION IN THE FREE METHODIST CHURCH
DURING THE DECADE OF THE SEVENTIES: IMPLICATIONS FOR THE EIGHTIES

By
David John Gyertson

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Administration and Higher Education

1981

ABSTRACT

THE CHURCH RELATED COLLEGE HIGHER EDUCATION IN THE FREE METHODIST CHURCH DURING THE DECADE OF THE SEVENTIES: IMPLICATIONS FOR THE EIGHTIES

By

David John Gyertson

The unique parallel system of private and public colleges has been one of the distinguishing characteristics of American higher education. For two and one half centuries, the private colleges have dominated the educational activities of the postsecondary system in the United States. During the decade of the sixties, and particularly the seventies, the private college sector began to slip in both numbers and vitality due to numerous factors including the rapid increase in educational costs, the decline in the number of students attending college and the disintegrating interest in a purely liberal arts curriculum. While the private college sector as a whole has been dramatically influenced by these and other factors, the church related subset seemed to be in the greatest danger of disintegrating and perhaps disappearing. How have church related institutions responded to the enrollment, financial and academic program pressures of the last decade? What trends have developed during this period? How do these trends compare with what has happened in the overall private sector? What are the implications for church related colleges in the decade of the eighties if these trends continue?

The purpose of this study is to address some of these questions raised about the condition and future of the church related sector by

David John Gyertson

examining the trends in finance, enrollment and academic program and faculty of a group of four colleges affiliated with the Free Methodist Church of North America. In addition, the results of these trends are compared to the national sample of private colleges researched by John Minter and Howard Bowen in their annual evaluation done for the National Institute of Independent Colleges and Universities entitled Independent Higher Education. Finally, projections for the eighties are established in each of the three afore mentioned areas and implications drawn.

Using the Minter-Bowen project as a guide for the design of the study, financial, enrollment and academic program data was gathered from the standardized reports submitted by the institutions. The Higher Education General Information Survey requested by the Department of Health, Education and Welfare and the Survey of Voluntary Support gathered by the Council for Financial Aid to Education were the primary sources with information from college and denominational records utilized to supplement. Interviews with the college presidents preceded actual data collection in order to delimit the issues that would be addressed. Through the use of measures of central tendency, trend line analyses and linear regression, aggregate data was compiled for the colleges as a group to address the issues raised.

The major findings of the study included: 1) that the decade of the seventies had been significantly more difficult for the denominational colleges as a group than for the rest of the private sample, 2) that the decade of the eighties could be significantly more challenging for the denominational group than for the rest of the private sector, 3) that the denominational colleges had increased in their dependance on government support, 4) that the denominational colleges were becoming

decreasingly dependent on the sponsoring denomination, 5) that there was no evidence in the study that the colleges had changed in either their ability to effectively achieve or their commitment to accomplish their historic mission, 6) that there was no conclusive evidence that financial distress had given way to quality distress on these campuses, 7) that enrollments for this church related group had been and should continue to remain at levels supportive of a viable academic program, 8) that the church related group was able to remain financially solvent through the seventies but appeared to be in a worsening situation for the eighties, 9) that academic and instructional program expenditures did experience a serious decline, 10) that due to the way the college group was selected and the unique fraternal relationship of denominational control, generalizations from this study about the rest of the church related sector of private higher education would be statistically inappropriate and finally, 11) continued investigation of the factors influencing the vitality of this group of colleges is necessary if both quality and survival are to be the results of the eighties.

The study concluded with a series of recommendations for additional research and comments on the importance of informed and creative leadership if the mission of these colleges is to be accomplished in the decade ahead.

This study is gratefully dedicated to my wife Nancy
and daughter Andrea whose loving encouragement and prayerful
support never waived throughout the completion
of this project and the degree.

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A debt of gratitude is owed to the members of my Doctoral Advisory Committee including Dr. Erwin Bettinghaus, Dr. George Ferree, Dr. Lou Stammatakis and, particularly, Dr. Walter Johnson who served throughout as Chairman of the Committee and Director of the dissertation. Each of these, along with other members of the faculty of the Department of Administration and Higher Education, have contributed to the personal and professional development that made this project possible.

Thanks are due to the presidents and administrators of Greenville College, Robert's Wesleyan College, Seattle Pacific University and Spring Arbor College for their assistance in making the necessary data available. Dr. Lawrence Schoenhals, Dr. David McKenna and Dr. William Shoemaker contributed both insight and encouragement throughout the project. Dr. Virginia (Fadil) Hodgkinson provided permission to utilize the Minter-Bowen studies as a part of this project. Dr. Richard Gottier and Dr. Don Petry of CBN University added encouragement by allowing me time away from regular responsibilities to work on the project. Mrs. Vicki Brassfield carried the major burden for the typing of the manuscript.

Finally, a special word of appreciation is extended to Dr. Ellwood Voller for his personal support, compassionate direction and unwavering commitment to the importance of Christian higher education. His example continues as a much valued ingredient in my own growth and development.

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CHAPTER 1

AN INTRODUCTION TO THE STUDY

A Statement of the Problem

One of the major distinguishing factors of higher education in the United States is its unique, parallel system of public and private educational enterprises.¹ Throughout the last decade, serious questions regarding the viability of the private sector of higher education have been raised, discussed and evaluated. Lyman Glenny, in his article entitled "Pressures on Higher Education"² presents the concern that the private, and particularly, denominationally related college, is in danger of extinction due to the rapid increase in educational costs, the decline in the number of students going to college and the disintegrating interest in a purely liberal arts educational emphasis.

While it has been some seven years since Glenny raised these major concerns, and while the demise of the private sector has not resulted as many would have predicted, serious questions remain for the private college as it moves into the decade of the eighties. Minter

¹ Joseph Ben-David, Trends in American Higher Education, (Chicago: The University of Chicago Press, 1972), Chapter 1.

² Lyman Glenny, "Pressures on Higher Education", The College and University Journal, Vol. 12, No. 4., (September 1973)

and Bowen, commenting on the challenges that face the private college sector in the United States to-day, state:

....the independent sector is widely believed to be in serious jeopardy. There are many reports that it faces increasing competition from hundreds of new public institutions; that it has had to raise tuitions substantially year after year so that the tuition gap between independent and public institutions has widened; that its income from gifts and endowments has not kept pace with rising costs; and that the pool of available students is contracting. (3)

Church related colleges may well be feeling the urgency more than their colleagues in the private sector. Pressures have intensified to delimit church influence in order to attract a wider spectrum of students and financial support. Government funds are often explored as a means to help alleviate fiscal problems; with these funds comes the potential of increased outside controls and requirements to drop religious distinctives long held by these institutions. Academic programs are facing major changes to make them more attractive to students and employers.

How have church related institutions responded to the enrollment, financial and academic program pressures of the seventies? What trends have developed during this period? How do these trends compare with what has happened in the overall private college sector? What are the implications for church related colleges in the decade of the eighties if these trends continue?

The purpose of this study is to attempt to answer, within the limitations of the resources available, such questions currently being raised regarding the past and future of private, church related higher education in the United States.

More specifically, the purpose of this study can be outlined by stating the following three objectives. First, to describe and analyze, through the use of appropriate survey and statistical methodology, the trends in finance, enrollment and academic programs and faculty during the decade of the seventies of a selected group of denominationally affiliated and supported colleges. Second, to compare the results of the analysis to a nationally, representative group of private colleges to ascertain the similarities and differences of the denominational group to the national data base. Finally, to discuss, through the use of appropriate trend line and regression analyses, implications for the future of the selected denominational colleges in areas of enrollment and financial support.

Throughout the remainder of this chapter a step by step rationale is developed for such a study. An overview of the private college in the United States with an emphasis on historical foundations is presented, followed by a consideration of the history and present circumstances of church related higher education. The chapter concludes with a general overview of the study and a description of the content of this dissertation. Attention is drawn to Appendix A where a glossary of terms and definitions is presented which will clarify terminology utilized throughout this study.

Private Colleges in the United States - Yesterday and Today

For over two centuries the private liberal arts college dominated higher education in the United States of America. Founded primarily on the basis of religious concern and zeal, the early fathers of the republic turned their attention to educational activities at all academic levels that would prepare the people of the "new world" for the challenges of settlement and expansion. For the past century, however, the private college has experienced comparative decline as the need for a broader base of educational experience and opportunity emerged. Today, private institutions, once the predominant educational forum of the country, now enroll approximately one in five of all students involved in higher education.⁴ The liberal arts colleges, however, continue to hold a place of considerable influence and even leadership. Clark Kerr, previous Carnegie Commission head, indicates, "They (private colleges) are the principle source of diversity and innovation. They set standards for concern with the welfare of the individual student. They serve as models for institutional autonomy."⁵

According to a Congressional Report published by the Controller General's Office, approximately 1600 private colleges and universities were operating in the United States during the academic year 1976-77.

⁴
Clark Kerr, introduction to Morris T. Keaton, Models and Mavericks: A Profile of Private Liberal Arts Colleges, (New York: McGraw-Hill Book Company, 1971) p.vii

⁵
Ibid. p.vii

These institutions enrolled nearly 2.4 million students ranging in size from 21 to a total student body of more than 30,000. Their functions varied from specialized, professional schools and liberal arts colleges to research and doctoral granting universities with extensive graduate and professional programs. The institutions could be found in all geographic locations representing forty-nine of the fifty States in rural,⁶ suburban and urban areas.

An analysis of the private colleges in the United States during the decade of the seventies published by the National Institute of Independent Colleges and Universities⁷ revealed that during the decade, 76 new institutions opened and 141 were merged or closed. Typically, the colleges that closed were small, church related, and coeducational in nature.

Throughout the decade of the seventies, many challenges faced the private sector leading to the results noted above. Adding to the problems previously noted by Minter and Bowen which included increasing competition, climbing tuition rates, a slowing of private philanthropy and a decline in available students, were the problems of increasing government controls and intensified competition between the private and the public sectors. In reference to government interference, Bartlett

⁶ General Accounting Office. "Problems and Outlooks of Small Private Liberal Arts Colleges." Report to the Congress of the United States by the Controller General. (Washington: Aug. 25, 1978)

⁷ Virginia Ann Fadil and Nancy A. Carter, Openings, Closings, Mergers and Accreditation Status of Independent Colleges and Universities Winter 1970 through Summer 1979, (Washington: National Institute of Independent Colleges and Universities, July 1980.)

Giametti concluded that private higher education may well become one⁸ of the most highly regulated industries in contemporary society. In response to the observation of increased competition between the public and private sectors, Cameron West commented,

...today there is evidence of divisiveness with demands from some areas of the public sector that state aid to private higher educational institutions be reduced or even eliminated. In short, there was no divisiveness between the public and private sectors when they were not in competition for state dollars. (9)

Such observations about the trends of the seventies led many, such as Earl Cheit, to conclude that the decade ushered in the age of the "new depression in higher education"¹⁰ particularly for the private sector. Government research tended to reinforce this pessimistic view of the decade and the future given the projected increases in payroll taxes, energy costs, hyper-inflation and enrollment declines for the eighties.¹¹ While other studies found most college and university

⁸
Bartlett A. Giametti, "The Private University and the Public Interest", Speech given before the Department of Health, Education and Welfare, (Washington, D.C., March 15, 1979).

⁹
Cameron West, "The Public Interest in Private Colleges and Universities", Speech presented at the Society for College and University Planning - Long Range Planning Conference entitled Public Policy and the Relationship of Private and Public Higher Education, (New York: Feb. 7, 1974)

¹⁰
Earl F. Cheit, The New Depression in Higher Education, (New York: McGraw-Hill Pub., 1971)

¹¹
General Accounting Office, "Problems and Outlooks..."

officials of the private sector guardedly optimistic expecting that the better institutions to adapt and adjust,¹² the general tone for the seventies and the eighties has been one of discouragement over the anticipated declines and retrenchments.

In the light of what has happened in the seventies and what might happen in the eighties, is it reasonable to expect that the private sector of higher education can continue to survive? Minter and Bowen conclude that it must survive.

Private higher education is an important...even indispensable...part of the higher educational system. It adds diversity, it offers competition to an otherwise all embracing public system, it provides a center of academic freedom removed from political influence, it is deeply committed to liberal learning, it is concerned for human scale and individual personality, it sets standards, it provides educational leadership, and it saves money for taxpayers. Not every private college or university achieves all of these results, but enough institutions do achieve some of them to make survival of a strong private sector a major goal in the broad public interest. (13)

¹²

Ibid.

¹³

Minter and Bowen. Independent...p.1

The Church Related College: Yesterday and Today

Having briefly addressed the nature, condition and general value of the private sector of American higher education, we now turn to a consideration of what many believe to be the most vulnerable and endangered subset of the private college segment...the small, church related, liberal arts college.

The church related colleges of this country fit primarily under the Carnegie Commission classification of institutions as "Liberal Arts Colleges II",¹⁴ They tend to be under 1200 students in enrollment (some are larger but most significantly smaller), primarily liberal arts oriented in curricular emphases with few professional or technical programs and visibly affiliated with a particular religious denomination. The affiliation of these schools may range from direct control and supervision by the sponsoring religious body as is true of institutions connected with the Wesleyan, Nazarene and other conservative denominations, to those endorsed by, but independent of, a religious body such as the United Methodist and Episcopalian denominations. Most church related institutions maintain their affiliation with the supporting denomination through an agreed upon compliance of doctrinal, liturgical or behavioral guidelines established by the denomination and accepted by the institution.

14

Carnegie Commission on Higher Education, A Classification of Institutions of Higher Education, (Berkeley, California: Carnegie Commission on Higher Education, 1973)

Private higher education today in the United States owes much of its history to the activities of denominationally related institutions. Robert Pace, in his book entitled Education and Evangelism indicates:

Evangelical Christianity was one of the major forces in the development of higher education in America and, indeed, in the spread of education throughout the world. The American colonies were a refuge for persecuted Puritans. John Harvard, a puritan land owner, bequeathed a sum of money toward the pious work of building a college...The College of William and Mary was established with the avowed purpose of furnishing a seminary for ministers of the gospel and for training youth in good manners.(15)

Pace traces the development of higher education through the three centuries of America's history illustrating how the denominations of the Christian faith were responsible for the development and promotion of an education that was both religiously moral and pragmatic in its presentation. Some of the major institutions, still in existence today, with a denominationally related starting point include Harvard, Princeton, Yale, William and Mary, Dartmouth, Amherst, Oberlin, Western Reserve, Antioch, Hiram, Wittenberg, Heidelberg and numerous others. Denominations active in the founding of such institutions have included the Church of England (Episcopalian), Baptists, Congregationalists, Lutherans, Methodists, Presbyterians, United Brethren, Reformed and numerous smaller conservative denominations.

15

Robert C. Pace, Education and Evangelism: A Profile of Protestant Colleges (New York: McGraw-Hill Book Co., 1972) pg. 9

16

Ibid. pg. 10

Pace shatters the contemporary misunderstanding of the purposes of denominationally related institutions by stating "Thus, far from being anti-intellectual, evangelism provoked educational enterprise".¹⁷

Pace's own summary brings us to the current state of affairs of denominationally related colleges in America.

The history...reminds us of a significant strand in the development of higher education in the United States and of a powerful current in the American character. Within the past 20 years higher education has become so dominantly secular that many of us tend to forget about, and perhaps some of us are unaware of, the strength of these Protestant antecedents. From the mid-seventeenth century to the twentieth century, higher education was mainly private and Protestant. The 1950 census showed, for the first time, that the number of students enrolled in public institutions reached equality with the number enrolled in private ones. In the 20 years following 1950, as enrollments grew from 3 million to 8 million, the growth was primarily in the public sector...so that now the public sector outnumbers the private by a factor of nearly 3 to 1. Moreover, since the private sector includes Catholic and nonsectarian colleges as well as Protestant colleges, the proportionate share of total students that can be claimed by Protestant colleges today is approximately one-tenth. (18)

Today the small, church affiliated college, is facing the same types of crises that its colleagues in the private sector are confronting. As of 1975/76, the small, private liberal arts colleges have experienced some of the severest financial crises in the history of the movement. Extensive deficit operations, heavy borrowing to cover current operating deficits and postponement and delinquency in debt service have resulted from insufficient revenues attributable to

17

Ibid. p. 10

18

Ibid. p. 14-15

declining enrollments, inflation, rising costs and a lack of prompt¹⁹ and effective administrative controls. Cameron West's analysis of the private colleges in Illinois reinforces the current challenges facing such schools and adds another dimension.

...it was discovered that many private institutions had financial problems and that stringencies were manifested in deferred maintenance of buildings, inadequate salaries and other deficiencies. These institutions were in less danger of total collapse than they were in declining in quality to a level that would not be attractive to potential students.(20)

This concept of "quality distress" as set over against "financial distress" has become an increasingly dominant theme in concerns expressed regarding the private, and particularly church related, colleges during the seventies. Richard G. Wynn, in his study of²¹ forty-eight liberal arts colleges has much to say about this aspect of "quality distress". In this report Wynn noted that the accelerating expenditure growth that outstripped income growth producing larger deficits in 1969/70 had reversed itself as of 1973 with expenditure growth declining rapidly. These expenditure trends suggest that "quality distress" may well have replaced "financial distress" in the decade of the seventies. He indicated that survival may become the dominant operating principle of the small college with quality deterioration a byproduct.

¹⁹

General Accounting Office, "Problems and Outlooks." pg. i

²⁰

Cameron West, Public, p.12

²¹

Richard G. Wynn. At the Crossroads. (Ann Arbor, Mi.: The University of Michigan, Center for the Study of Higher Education, April 1974)

Increased vulnerability and potential failure are the first dangers of these expenditure trends. Another danger, more subtle and pernicious for higher education, can be obscured by an over emphasis on traditionally analyzed data. We reach an unfortunate equilibrium where few colleges run deficits, but many more undergo a largely invisible loss in the quality of their educational program. Financial distress may give way to quality distress. (22)

Wynn goes on to provide a fuller definition of the concept of quality distress and presents an alternative approach to the analysis of fiscal data to indicate the occurrence of this phenomenon that will be discussed later.

David L. McKenna, in a speech given to the Association of Free Methodist Educational Institutions, summarizes the concerns of the small, private, church related institutions under five basic headings:

1. Inflationary demands that place a major burden on faculty salaries, tuition, utilities and deferred maintenance
2. Increased federal pressures limiting tax credits and imposing "sunset laws" on charitable giving
3. Decreasing student aid by requiring larger institutional shares for qualification
4. Continued decrease in the quality of education as attention is focused on economic survival and
5. Changing relationships between the colleges and their supporting denominations. 23

In the light of these challenges should the church related college survive in the decade of the eighties? Earl McGrath affirms that such colleges should survive because they can potentially achieve

22

Ibid. p.16-17

23

David L. McKenna: "Implications for Free Methodist Colleges in the Decade of the Eighties", Keynote address given to the annual meeting of the Association of Free Methodist Educational Institutions, (Orlando, Florida, Feb. 29, 1980)

certain desirable objectives more effectively than larger institutions.²⁴ The small college can often offer clarity and singleness of purpose by placing limitations on its objectives, curriculum and students. The primary aim of the small college can be the education of students for a fuller personal life and sensitive participation in a democracy. The small college is uniquely equipped to meet the individual developmental needs of its students. Gannon states that the church related, religiously oriented college can provide a unique educational perspective. "Aware of the cultural history of both the Church and the country, a Christian college is in an excellent position to be a critic, prophet, and historian of Christian culture and of the interplay of religion, politics, culture and technology."²⁵ Gannon goes on to define Christian education not as the "Church teaching" but the "Church learning". Christian education, she emphasizes, is not the attempt of a church to impart its peculiar doctrines or theology but a context in which those committed to a Christian life view can learn and explore all truth.

William Koelsch also answers in the affirmative about the need for the survival of the Christian college and adds, "The survival of small, religiously oriented colleges will depend on the capacity

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Earl J. McGrath. "What Does the Small College Have to Sell?", (Washington: Council for the Advancement of Small Colleges, Aug. 5, 1968)

²⁵

Ann Ida Gannon, "The Future of the Church Related Colleges: The Impact of Vatican II", Liberal Education, Vol. 58, (May 1972)p.274

of their leadership to adjust and fashion programs both practical and imaginative".²⁶ As the pressures of inflation, government control, charitable giving, and quality distress continue can the Church related college survive? How have church related institutions responded to the enrollment and financial pressures of the seventies? What trends have developed during this period? How do these trends compare with what has happened in the overall private sector? What are the implications for the denominationally affiliated college in the decade of the eighties if these trends continue? Given the factors considered, is it reasonable to expect that these colleges have the resources necessary "to adjust and fashion programs both practical and imaginative"?

An Overview of the Study

It is in response to this myriad of seeming imponderable questions regarding the private, church related college that the direction and incentive for this study emerged. Having provided a rationale for the importance of such a study, attention is now turned to the details surrounding the design and development of a research project that might address and provide some direction for the investigation of data that could meaningfully comment on these questions. In this final section of the introductory chapter, details surrounding the development of a study of a selected group of church related colleges is presented. A discussion of the rationale for selecting the four, accredited liberal arts

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William Koelsch. "Should the Christian College Survive?", Soundings, Vol. 52, (Summer 1969.) p.232

colleges of the Free Methodist Church is given followed by a brief consideration of the reasons for selecting the Minter-Bowen studies as the data base for the comparison of the denominational group to a representative private college sample. The three objectives of the study are once more presented to provide a reminder for the direction of the study; first, to describe and analyze the trends in finance, enrollment and academic program and faculty that emerged in the Free Methodist colleges during the decade of the seventies. The second purpose is to compare these trends to similar trends in the national private college sample represented by Minter and Bowen; and third, to offer some projections in these areas for the decade of the eighties should these trends continue.

The Church Related College Group

The selection of an adequate set of church related colleges was made on the following criteria. First, the colleges must have a specific relationship to an established denomination in the United States. Second, the church denomination should have a history of active support of its related institutions. Thirdly, the colleges should be fully accredited by the appropriate Regional agencies, be liberal arts in emphasis and have a substantial record of academic offerings and program performance. Finally, the total number of qualified institutions in the denomination must be large enough to make the study significant from a statistical vantage point but not so large as to make the study unmanageable. The Free Methodist Church of North America with its four fully accredited four year liberal arts colleges was selected on the basis of the criteria outlined above. A major factor in this choice was the decided advantage these schools

presented due to the researcher's familiarity with the institutions and their administration.

From the denomination's inception in 1860, there has been a commitment to the importance of strong, church affiliated liberal arts institutions for the training of both clergy and laity. The Free Methodist Church was among the first to establish co-educational, liberal arts institutions according to the research of Lawrence Schoenhals. In his study, he cites numerous references from the early church "Minutes". Two will be sufficient here to catch the flavor of the church's commitments.

No church can meet its obligations without making provisions for the education of children under her care. Our church needs one or more literary institutions... Education is the handmaid of true religion. Ignorance and superstition go hand in hand...Without education, it is impossible for us to accomplish our mission. (27)

Out of this early emphasis, the Free Methodist Church developed a number of higher educational institutions. After a number of years of additions, closing and consolidations, four schools remain that meet the criteria for inclusion. The following enumerates these colleges:

ACCREDITED LIBERAL ARTS COLLEGES AFFILIATED
WITH THE FREE METHODIST CHURCH

	<u>Name and Location</u>	<u>Date Founded</u>	<u>78/79 Enrollment</u>
1.	Greenville College Greenville, Illinois	1892	870
2.	Robert's Wesleyan College North Chili, New York	1866	635
3.	Seattle Pacific University Seattle, Washington	1891	2300
4.	Spring Arbor College Spring Arbor, Michigan	1873	800

A fifth school, Azusa Pacific College, is loosely affiliated with the Free Methodist Church. It was originally Los Angeles Pacific College founded in 1899; today, it is a merger of two additional schools representing the Church of God and the Wesleyan Church. Since it is not a full member of the Association of Free Methodist Educational Institutions and since it was not possible to collect all of the necessary data for the study from this school, it was deleted from the project. Appendix B provides a copy of the most recent "articles" of the Association of Free Methodist Educational Institutions.

The National Private College Sample

While there are a few national studies that have been done on the private college sector, the Minter-Bowen study entitled Independent²⁸ Higher Education, represents the best data base for the comparison purposes of this study. The report covers data on a stratified sample of one hundred institutions representing all parts of the independent

28

John W. Minter and Howard R. Bowen, Independent Higher Education: Fifth Annual Report. (Washington: National Association of Independent Colleges and Universities, 1980.)

sector except two year colleges, research universities and autonomous professional schools. The reports, beginning with the years 1969/70, cover a wide variety of topics including comprehensive information on enrollments, financial stability, academic programs and numerous other indices of private college health. It is important to note that none of the four Free Methodist related colleges are included in the Minter-Bowen data base.

Overview of the Dissertation

Chapter 2 contains a review of the relevant literature applicable to the study under consideration. The first two phases of the review consider literature on the private sector as a whole and on the church related subset in particular. Most of this review will be limited to that which was published during the decade of the seventies. The third section deals with literature and research on Free Methodist higher education and its individual institutions. Histories, dissertations, theses and some "self-studies" will be included.

In Chapter 3, the methodology employed in the study is outlined with an emphasis on the identification of major issues, the data collection process and the collation and statistical manipulation of the data. In Chapter 4, the major trends in finance, enrollment and academic program and faculty of the colleges as a group are identified while in Chapter 5 these trends are compared with the national sample. Discussion of the results of each will be provided at the conclusions of the chapters. In Chapter 6 projections for the eighties based on the trends of the seventies are presented and implications, particularly in the area of church support and quality distress, are inferred. In Chapter 7, results are summarized and conclusions drawn; emphasis is placed on the limitations of the study and recommendations for future research are offered.

CHAPTER 2

REVIEW OF THE LITERATURE

Introduction

In this chapter, a review of the literature related to the study will be presented. The published materials on the past, current circumstances and future of private higher education is voluminous. In the first section of this chapter, only literature published during the late sixties and throughout the decade of the seventies will be considered. Due to the smaller volume of material available on church related higher education, particularly that which addresses the development and future of Protestant institutions, a broader time frame of literature will be considered. Major emphasis, however, will be on those articles, books and other studies which concentrate on the church affiliated college during the past decade. The final section of this review will cover the significant materials published on Free Methodist higher education throughout its 114 year history.

Chapter 1 contained numerous references and citations from literature that addressed the private and church related sectors. The purpose for inclusion of such material in that chapter was to provide a framework for the study of a particular denomination and its related colleges. Reference will be made to some of those sources already quoted; however, for the most part, this chapter will address those materials not previously considered.

Selected Studies on the Private Sector

General Resources for the Study of the Private College:

A significant debt of gratitude is owed by all who would research the field of private higher education to the Council for the Advancement of Small Colleges for the publication of Askew's The Small College: A Bibliographic Handbook.²⁹ This publication contains a comprehensive bibliography devoted primarily to the private sector in general and the small, private college in particular. Askew has culled out of the research between 1956 and 1971, some 575 articles, papers, books and dissertations that address the major concerns of private college presidents as identified through a 1968 C.A.S.C. survey. Groupings include general studies on the small college, curriculum and philosophy, pedagogy, libraries, faculty, students, governance, administration, finance and budgeting, long range planning, physical facilities and consortia. This publication provided the starting point for a survey of the literature for both the private and church related sectors. It helped delimit the massive materials on the private sector at large to those items that spoke to the small college as a subset of the private sector. A suggestion for future research would be the updating of the Askew study to include those materials published during the decade of the seventies.

29

Thomas A. Askew, The Small College: A Bibliographic Handbook, (Washington: Council for the Advancement of Small Colleges. 1973)

A second major source of information and bibliographies was found in the 1978 Congressional Report entitled "Problems and Outlooks of the Small Private Liberal Arts Colleges."³⁰ In this report, the major problems and future outlooks of the small college are examined. The study addresses the small, liberal arts college as the major component of the private sector that seems to be in the greatest trouble financially and educationally. The causes for the current dilemma facing these schools is attributed to a pattern of declining enrollment growth, the increasing tuition gap between the public and the private sectors and the growth of the community college systems. The major focus of this study is on the financial crises facing these smaller institutions. Efforts to improve the financial condition are discussed and steps for increasing revenues, reducing expenditures and improving the financial situation are offered. The major conclusion of the report is that from 25% to 35% of private higher educational institutions are facing financial difficulty; as a result, it was recommended that the Congress periodically review, through the Secretary of Education, these institutions as a group to assess the general financial condition of this important sector of higher education. The most valuable aspect of the report, from the perspective of this study, was the glossary and summary of federal programs to assist post secondary education.

³⁰

General Accounting Office, "Problems and Outlooks..."

Earl Cheit's study entitled The New Depression in Higher Education-Two Years Later³¹ is a follow-up to his previous study³² of 41 colleges and universities during the decade of the sixties. That previous study concluded that, at the end of the sixties, higher education, particularly in the private sector, had moved from the "Golden Years" of prosperity into a period of entrenchment and no growth. Two years later, the follow-up study of the same group of colleges revealed a condition of fragile stability. The conclusion was drawn that private colleges seem to have adjusted more quickly and adequately than their public counterparts. Two major developments noted by Cheit during the follow-up included the more central role accorded to administration in the new environment and the securing of change by the process of substitution rather than through growth. In light of the first, governance and decision making was shifting from a participative approach which actively involved faculty, students and other members of the campus constituencies to a more centralized, administration-based approach. The second change showed that, while the colleges were able to adapt to some of the changes of the academic environment, adaptation was primarily occurring through the elimination of some programs in order to implement new ones rather than through the addition approach noted in the sixties.

31

Earl F. Cheit, The New Depression in Higher Education - Two Years Later, (Berkley, Calif: Carnegie Commission on Higher Education 1973)

32

Earl F. Cheit, The New Depression in Higher Education, (New-York: McGraw-Hill Publishers, 1971)

Implications for quality distress were hinted at in the study. While it appeared that the private colleges had begun to readily adapt to the seventies, serious problems would result if income support in particular did not improve. "If this level of income support for higher education is not achieved (that is at least 2.5% growth per year) the crisis nature of the problem will reappear. Then, given the deep level of expenditure cuts, the postponed faculty salary adjustments and the deferred maintenance, the stakes will be very high."³³

Concerns over the financial and enrollment factors, caused many to predict the merging and/or closing of a number of private colleges during the decade. The National Institute of Independent Colleges and Universities study published in July of 1980 revealed that 141 private colleges failed to survive the decade of the seventies.³⁴ During the first half of the decade, 69 private colleges opened; during the last half, only seven. Among the 141 private institutions that were closed during the period were included 57 four-year colleges, 45 two-year colleges and 39 specialized institutions. The colleges that closed were typically small, church related and 62% were coeducational. Of the 78 church related institutions that closed, 24 were seminaries or other special purpose religious schools. The study showed that 47 schools had merged with other institutions; two-thirds of the mergers were church related institutions with 64% of these having less than 500 students.

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Cheit, The New Depression....Two Years Later. p.72

³⁴

Virginia Ann Fadil and Nancy A. Carter, Openings, Closings, Mergers and Accreditation Status of Independent Colleges and Universities Winter 1970 through Summer 1979, (Washington D.C., July 1980.) National Institute of Independent Colleges and Universities

Nineteen of the institutions shifted from private to public control. Of the 358 institutions that became either accredited or candidates for accreditation, 168 were four-year institutions. While a sizeable number of private institutions did not survive the decade, it appears that the private sector, as a whole, did much better during the decade than expected. Most, at the close of the period, might be categorized as "leaner but stronger". The Carnegie Commission report Three Thousand Futures confirmed the strength of the private sector by reporting that during the decade the student full time equivalent for the private sector increased about 16% and that spending per student, believed to be an indicator of strength and quality, held at one third more per student credit hour than in the public counterparts.³⁵

The most comprehensive and significant of the research done during the decade of the seventies on the private sector overall are the Minter-Bowen studies entitled Independent Higher Education.³⁶ The studies, begun under the sponsorship of the Association of American Colleges, are based on a stratified sample of 127 accredited institutions representing a universe of about 1,155 private colleges and universities.

35

Carnegie Council on Policy Studies in Higher Education, Three Thousand Futures: The Next Twenty Years in Higher Education, (San Francisco: Jossey-Bass Pub., Inc., 1980.) p.p. 10-12

36

John W. Minter and Howard R. Bowen. Independent Higher Education, a series of five annual reports published by the National Institute of Independent Colleges and Universities, Washington D.C. with the most recent being "Fifth Report on Financial and Educational Trends in the Independent Sector of American Higher Education", 1980.

All parts of the private sector are represented except for autonomous professional schools such as seminaries and music conservatories. The sample was drawn to insure representation from four broad regions of the country and from various sizes of institutions as measured by enrollments. The major sources of data for the study came from copies of reports submitted by the selected institutions to the Higher Education General Information Survey (HEGIS), salary information as submitted to the American Association of University Professors, audited institutional financial statements and supporting schedules and the Voluntary Support surveys as submitted to the Council for Financial Aid to Education.

In the analysis of the data, emphasis is given to indicators reflecting changes over time in the condition of the independent sector. The basic question to be answered is: In what ways are the independent colleges and universities gaining ground, holding their own or losing ground? The analysis is in three parts: (1) consolidated trends for all institutions; and (2) comparative trends for different types of institutions; and (3) estimates of the overall condition of each institution included in the sample. (37)

The analysis offered speaks to enrollment and admissions, faculty and other staff, educational program content and quality, operating revenues and expenditures, undergraduate student financial aid, assets liabilities and net worth, selected financial ratios, an analysis of the condition of institutions individually and some summary conclusions about the independent sector as a whole. Since the research project represented by this dissertation uses a large segment of Minter-Bowen data, time will be spent in discussing the various sections of their study.

The report asserts that "perhaps the most conspicuous mark of a healthy college or university is the capacity to attract and hold students".³⁸ In the section on enrollment and admissions, the study shows that throughout the period from Fall 1969 to Fall 1979, the private sector showed a slow, upward trend in enrollments. Admission of undergraduate students has held fairly steady. A slight decline in the number of entering freshman as a percentage of admissions offered was noted. The size of the admission's staff has continued to increase with the rate of attrition of admitted students leveling off at about 10%

The overall enrollment situation remains uncertain, particularly in light of the demographic changes due in the 1980's. However, up to the very beginning of that decade, the independent sector did on the whole maintain its position in both the numbers and academic qualifications of its students. The aggregate figures, however, obscure wide variations in the experiences of individual institutions. (39)

The conclusions offered by Minter and Bowen, in the area of faculty and staff for the period, showed that the size of faculty is keeping pace with enrollments and perhaps moving slightly ahead. In the salary area, faculty have lost about 12% of their purchasing power over the decade due to inflation and the inability of institutions to raise salaries at a rate consistent with the cost of living index. The percentage of part time and women faculty has grown with the percent of tenured faculty drifting slowly upward. The number of faculty separations has decreased while the number of new appointments has edged upward

38

Ibid p.8

39

Ibid p.19

slightly. Administrative staff, has increased dramatically during the period. Wages and salary of administrative and general services staff have risen more rapidly than those of the faculty.⁴⁰

Educational program content and quality has always been a difficult factor to evaluate. Considerable effort was made by the researchers to identify educational trends as important indicators of institutional progress. Data collected for this section was based on a survey methodology that asked various individuals at selected institutions to comment on aspects of the academic program. Qualifications, competence and performance of the faculty was judged to be generally improving. The academic potential of students measured by SAT scores and rank in class data seemed to be steady over the period. The independent sector appears to have been involved in considerable innovation particularly in methods of instruction. A large majority of institutions, according to their presidents, seem to be holding their own or gaining ground slightly in finances, academic excellence and student services. The expectations for the next several years were overwhelmingly optimistic. "The general inferences from the reports is that the private sector is not deteriorating significantly in its overall performance..."⁴¹

The next phase of the study considered the trends in operating revenues and expenditures for the period 1973-74 through 1978-79.

40

Ibid p. 21-34

41

Ibid p. 43

Changes in current fund revenues and expenditures were analysed and the percentage distribution of educational and general expenditures for 1974-75 through 1978-79 noted. The following tentative conclusions about the financial position and progress of independent higher education were offered:

1. During the period, current revenues approximately kept pace with the combined effects of inflation and enrollment growth....However, this allowed little room for the improvement of faculty and staff compensation beyond the cost of living increases...Moreover, there was little room for improvement in educational programs and quality except as these could be squeezed into constrained budgets.
2. The redistribution of revenues from various sources remained relatively constant over the past five years.
3. The allocation of expenditures among various purposes has been stable and suggests that annual budgeting occurs on the basis of across-the-board increases.
4. The financial situation in recent years as revealed by data on current fund has changed, if at all, marginally. There are, however, a few signs of greater stringency but few, if any, indications of improvement. There has however, been no financial debacle. (42)

"A major factor in the staying power of the independent sector of American higher education has been the growth of funds for student financial aid."⁴³ The data reveals that the decision of federal and state governments to become massively involved in financial aid to students has enabled the private sector to stabilize institutional expenditures for student aid and thus reduce the percentage of dollars from unrestricted funds for this purpose.

⁴²

Ibid. p.p. 69-70

⁴³

Ibid. p. 71

While Minter-Bowen indicate that these recent developments have, on the whole, been favorable for the private sector there is no doubt that in the area of financial aid in particular, the private college has greatly increased its dependancy on the government for funding support. Since the largest percentage of tuition revenues for the individual student comes from financial aid, the private sector faces major enrollment and financial declines should this aid be reduced or eliminated.

The analysis of assets, liabilities and net worth of the private sector revealed that:

1. Over recent years, the growth in assets did not keep pace with inflation.
2. Liabilities increased somewhat more rapidly than the book value of assets.
3. The slow, steady trends toward increasing fund balances accelerated in recent years from a rate of about 5% per year to 6 to 7% but did not keep pace with inflation.
4. The changes in assets, liabilities and net worth were small during the past two years. Our main impression is one of stability. (44)

The study concludes with a suggested plan and method for providing an analysis of individual institutions through the use of a series of financial ratios which, when applied, may help measure such important characteristics as financial independence, debt burden, liquidity, adequacy of revenues and assets. The study concludes with the assertion that while the independent sector as a whole is relatively stabilized, the greatest financial strengths lie in the group of colleges described as Liberal Arts Colleges I and the least, with the Liberal Arts College II. Most of the private, church related colleges fall into the second category. Deferred maintenance of both the physical and the human capital of the private sector as a whole is the greatest concern expressed by Minter and Bowen for the future.

The Financial Condition of the Private Sector:

Having looked at some of the resources selected for an overview of the independent sector, attention is next turned to some specific studies that speak primarily to the financial condition of the private college. "Numerous studies have been conducted or planned which seek to determine why colleges and universities are in financial difficulty. Many studies conclude that all of higher education has suffered financial distress but that the private institutions have been the hardest hit."⁴⁵

According to a report given to the Congress by the Controller General's Office, during 1975-76, small private liberal arts colleges (Carnegie group Liberal Arts Colleges II) faced their most severe financial situation. Extensive deficit operations, heavy borrowing to cover current operating deficits and delinquencies in debt service were the result of insufficient revenues due to declining enrollments, inflation and rising costs and a serious lack of prompt and effective administrative controls.⁴⁶ William Jellema's study⁴⁷ on the private college sector early in the seventies documented what perceptive viewers of higher education had feared...that much of private higher education had been undergoing a financial crisis of grave proportions. Jellema concluded that some institutions were still riding out the crisis, most would ride through it if it didn't last too long and still others had succumbed or would soon succumb to it.

⁴⁵

"Problems and Outlooks" pg.1

⁴⁶

Ibid pg. 1

⁴⁷

William W. Jellema From Red to Black, (San Francisco: Jossey-Bass Pub., 1973)

Some specific regional studies of the financial conditions of the private sector showed that the financial crisis was a generalized one across all regions and states. Cameron West, in a detailed analysis of the private colleges in the State of Illinois discovered that:

...many private institutions had financial problems and that the stringencies were manifested in deferred maintenance of buildings, inadequate salaries, impoverished libraries and other deficiencies. These institutions were in less danger of total collapse than they were in declining in quality to a level that would not be attractive to the potential student. (48)

In response to these obvious concerns about the financial future of the independent sector William Arthur designed an instrument⁴⁹ to help translate educational objectives into financial strategies. As resources become more scarce, Arthur emphasized that decisions on what to fund and not fund will have to be made on sound strategies which have their foundation in the overall educational objectives of the institution. His three stage financial planning model is applied to five private college and university settings.

Numerous other studies reinforce the concern that, while the private college was generally able to survive during the decade of the seventies, financial pressures were great enough to give major concerns about what would be left to cut in the decade of the eighties if revenue, inflation and expenditure trends were to continue.

48

Cameron West. "The Public Interest in Private Colleges and Universities", speech presented at the Society for College and University Planning-Long Range Planning Conference: "Public Policy and the Relationship of Private and Public Higher Education" (New York City: Feb.7,1974) p. 12

49

William Arthur. "The Development of a System of Administering and Measuring Strategic Expenditures in Private Colleges", (Lynchburg, Virginia: Lynchburg College, 1969)

Government Impact on the Private Sector:

At the 1978 meeting of the American Association of Presidents of Independent Colleges and Universities, the role and impact of the Federal and State governments on the independent sector was discussed. 50 Major focus, at that meeting, was on the conflicts faced by Brigham Young, Academy of the New Church, Grove City College, Mississippi College and Hillsdale College with the various federal regulations including equal opportunity, housing, Title IX and others. The discussion centered around the concern of increased federal intervention on campuses that received and utilized government funds. The mood of the conference was in direct contrast to the attitude of presidents in 1969 of 31 private colleges and universities in Ohio who saw federal funding as a desirable means for supplementing financial income. 51 Concern over the loss of freedom, so crucial to the operation of the private college, had replaced the former desire to have government support financially.

As government resources decline or are unable to keep up with the demand, increasing competition between the public and private sectors for available funds has intensified. As was noted in Chapter 1,

Today there is evidence of divisiveness (between the public and private) with demands from some areas of the public sector that state aid to private higher education institutions be reduced or eliminated. On the other hand, many private institutions are requesting increased financial aid from the state, especially as traditional private sources of funding are limited and as student tuition charges reach maximum limits. In short, there was no divisiveness between the public and private sectors when they were not in competition for State dollars. (52)

50

American Association of Presidents of Independent Colleges and Universities. Private Higher Education: The Job Ahead, Annual Meeting, Volume 7, (Scottsdale, Arizona. Dec. 1978)

51

Hugh Lee Thompson, "Presidents of Liberal Arts Colleges and Federal Aid, A Study of College Administrative Financial Decision-making", Ph.D. dissertation, (Case Western Reserve University, 1969.)

52

Cameron West, p.2

The private sector has had to increase its dependance on the state and local government much to its own detriment. However, as Giametti points out:

The fault of this is not really the government's. Private colleges and universities have never adequately educated government or any number of other segments of society, in the nature of educational institutions whether public or private, while it is in the nature of government to assume that all institutions in a society ought to look like governments. (53)

Private colleges are beginning to realize, as a result of the financial pressures and government regulations of the seventies, that they can not rely on government to save them from disaster. The best role for government, from the private sector's perspective according to Bolling⁵⁴ is to explore avenues of direct aid to students and tuition tax credits. He further suggests that the hope for the private sector lies not with government but with improved educational programs, improved financial management policies and a re-examination of the role these institutions should play in changing and improving public policy for the independent sector.

53

Bartlett A. Giametti. The Private University and the Public Interest, speech given before the Department of Health, Education and Welfare, (Washington D.C., March 15, 1979)

54

Landrum R. Bolling. "Possible Solutions for the Financial Crises of the Private Sector of Higher Education", (Washington: American Association of Higher Education. 1970)

The Issue of Quality Distress:

Before concluding this overview of some of the selected literature on the private college sector, one additional theme needs to be discussed...the issue of "quality distress". It was noted earlier that West indicated that the private college seems less in danger of total collapse and more likely to face the major issue of declining quality. Students often choose the private sector for reasons of quality, be it academic, social, cultural or spiritual. If the stringencies faced by the private college have an observable, qualitative impact on the private sector, then enrollments, private philanthropic support and alumni loyalties may well decline and lead to the eventual demise of the institution.

At the beginning of the decade, Richard Wynn⁵⁵ addressed himself to the major concern, expressed later by many, of the quality of private education. In his comprehensive study of 48 liberal arts colleges he noted that accelerating expenditure growth had seriously outstripped income growth producing numerous and larger deficits in 1969-70. These trends reversed themselves in the period of 1971-73 leading him to conclude that "quality distress" might well replace "financial stress" in the decade of the seventies. Survival might well become the dominant operating principle for the private sector with quality deterioration a byproduct. The theme of concern for financial survival at the expense of quality education is one that traces through the literature on the private college during the decade of the seventies.

55

G. Richard Wynn. "At the Crossroads. A Report on the Financial Condition of the Forty-eight Liberal Arts Colleges Previously Studied in the Golden Years, the Turning Point". (The University of Michigan: Center for the Study of Higher Education, April 1974.)

Summary of the Selected Studies on the Private Sector:

No attempt was made in this section to be thoroughly exhaustive of the numerous articles, books, research projects and dissertations published on the private college in the United States during the decade of the seventies. What has been attempted is to select those publications that are representative of the major concerns and issues raised during the decade. Financial studies dominate the literature raising serious concerns about the funding of the various components necessary to a quality private educational effort. Deferred maintenance, program entrenchment, employee morale, increased dependence on the government and quality distress are all products of the financial pressures faced by the independent sector during the past decade. Declining enrollments have not resulted as some would have expected; however, student attendance at colleges did level off during the decade...a phenomenon that is not expected to improve in the decade ahead. While the private sector has survived the decade better than many had expected, the challenges that faced these institutions in the seventies are expected to continue into the decade of the eighties. The major question now facing many researchers of the private college sector is, "What will happen to these institutions in the ten years ahead?" Will the predictions that began the seventies now come true in the eighties?

Selected Studies on the Church Related Sector

In Chapter 1, major attention was given to the review of a number of pieces of literature that spoke specifically to the role, history and future of the church related institutions of the American higher educational system. This material was presented in the first chapter in order to provide an unfolding rationale for the overall study of the topic of higher education in the Free Methodist Church during the decade of the seventies. While much of that material could be repeated here, it is assumed that having reminded the reader of its presence is sufficient for the purposes of this section. What remains to be done is to draw attention to the remaining selected studies not mentioned earlier.

Much of Pace's book⁵⁶ on the history of Protestant higher education in the United States was drawn from the dissertation project entitled Evangelical Awakenings in Collegiate Communities⁵⁷ done by J. Edwin Orr. This study traced the revival movement of spiritual emphasis through a number of denominationally related colleges and universities emphasizing the importance of the religious heritage of each of these institutions. The material on the history of the Protestant higher educational movement, mentioned in Chapter 1, is of considerable value to those attempting to understand the motivations behind the Church communities in the establishment of educational institutions. The conclusion of

⁵⁶

Robert C. Pace, Education and Evangelism

⁵⁷

J. Edwin Orr, "Evangelical Awakenings in Collegiate Communities " (An Ed.D. dissertation, University of California-Los Angeles, 1971)

the study is that evangelism and education are both central components of the Christian faith and thus are inextricably related. It was this basic understanding of the Christian faith that motivated a number of denominations to sponsor and support religiously oriented institutions.

Pace goes on in his adaptation of the Orr research to suggest a helpful, four category grouping of Protestant Colleges.⁵⁸ The first: those that had their roots in Protestant Christianity but are now no longer directly related to those roots. The second: those who are nominally related to Protestantism but are probably on the verge of disengagement. The Christian heritage on these campuses is a controversial topic and rarely discussed. The largest group is the third category: church-sponsored institutions that retain an active relationship to a particular denomination. These tend not to be strongly fundamental or evangelical. The final category includes those institutions visibly identified with the evangelical, fundamentalist or inter-denominational churches. Pace notes that these are the fastest growing group of schools in terms of enrollment and new institutions.

Another excellent history of the church related college in the United States is Peterson's The Church-Related College.⁵⁹ Here an emphasis

58

Robert Pace, Education and Evangelism

59

Charles E. Peterson Jr., The Church-Related College: Whence Before Whither (Washington: Association of American Colleges., 1980)

is provided on the important role the various denominations play in the founding of these institutions, the circumstances surrounding the foundings and a discussion of the varying financial support these institutions have as a result of their denominational affiliations.

Pattillo and MacKenzie, in a 1966 study⁶⁰ of the church affiliated sector overviewed the purposes and positions of 817 colleges connected with some sixty-four religious bodies. Their general conclusion was that these campuses have the potential to develop a more meaningful and experimental approach to living, learning and leadership in higher education. In order to accomplish this, they suggested that there is a major need for better institutional cooperation, a clearer statement of objectives and philosophies, more intellectual leadership for church constituencies and a general need for change in administrative forms and procedures.

Ann Ida Gannon's article, while dealing primarily with the higher educational movement within the framework of the Roman Catholic Church, has much to say to the Protestant higher educational movement particularly in the area of purpose, philosophy and objectives. As was mentioned previously, she summarizes the role of the Christian college from a contribution-to-society perspective rather than a retreat-from society vantage point. "Aware of the cultural history of both the

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Manning M. Pattillo and Donald M. MacKenzie, Church Sponsored Higher Education in the United States (Washington: American Council on Education., 1966)

Church and the country, a Christian college is in an excellent position to be a critic, prophet and historian of Christian culture and of the interplay of religion, politics, culture and technology."⁶¹

Holmes' book entitled The Idea of the Christian College presents an excellent perspective on the philosophical and methodological approaches of those institutions that fall into Pace's fourth group of the evangelical, fundamental and interdenominational. From his perspective as Chairman of the Department of Philosophy at Wheaton College, the leading institution in this set of colleges, he addresses the historical and contemporary reasons behind the existence of the conservative, Christian college. He lays a basis for the founding of these schools and emphasizes the theological foundations that undergird them. He provides a perspective on the importance of the liberal arts and addresses two of the most troubling issues confronting the conservative Christian college...the effective integration of faith and learning and the issue of academic freedom. The fundamental purpose of this group of Christian colleges, Holmes suggests, is to cultivate a meaningful academic experience by stressing the integration of faith and learning and by religiously treating all learning as a religious process.

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Ann Ida Gannon. "The Future of the Church-Related Colleges: the Impact of Vatican II", Liberal Education, Vol. 58 (May 1972)

Then why a Christian college? Its distinctive should be an education that cultivates the creative and active integration of faith and learning, of faith and culture. This is its unique task in higher education today. While the reality is often more an interaction of faith and learning, a dialog, than a completely ideal integration, it must under no circumstance become a disjunction between piety and scholarship, faith and reason, religion and science, Christianity and the arts, theology and philosophy or whatever the differing points of reference may be. The Christian college will not settle for a militant polemic against secular learning and science and culture.....All truth is God's truth, no matter where it is found, and we can thank him for it all. (62)

Ramm's synthesis of the writings and contributions to Christian higher education of Aurelius Augustine, Phillip Melanchthon, John Henry Newman, Abraham Kuyper and Sir Walter Moberly provides an historical focus for the work and role of the church related college today. The first two lectures lay a foundation for Christian higher education with the last three addressing what Rammviews, as the major problems facing the Christian college in the twentieth century.....the interaction of Christianity with culture, the relationship between the college and the church and the conflict between the technological and applied with the liberal arts. Ramm summarizes the writings of the five men he has discussed under the following:

1. A university is Christian only as it is Christian throughout.
2. A Christian university has the Liberal Arts at the center of its curriculum.
3. A Christian university, within the common grace of God, shares in the transmission of culture.
4. A Christian University relates itself vitally to the Christian Church.
 - i. the church must recognize the necessity of scholarship and academic freedom within the university
 - ii. the Church must be careful regarding its creed
 - iii. the professor must not confuse the freedom of speech with academic freedom

- iv. the professor must realize that academic freedom is also a set of responsibilities,
- v. if the gift to the professor by the Church and the university is academic freedom, the gift of the professor to the Church and the university is integrity. (63)

Both Holmes and Ramm have excellent bibliographies of articles and books on the philosophical and theological foundations of the Christian college that were considered in this study. Note the bibliography in this dissertation for other sources considered.

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Donald Scott's dissertation is representative of a number of the studies that have been conducted on the small, church related college. In this study, seven small colleges which had recently received regional accreditation were analyzed in areas of physical plant, budget, library, teaching methodology, services to students, staff, administration, charter, governing body and the curriculum. The area of greatest change and improvement was in the library. Scott concluded that the key factors in the achievement of accreditation for these schools were the implementation of proven methods and the demonstration of quality education. Robert's Wesleyan College was one of the colleges in this particular study.

One of the major concerns raised during the decade of the seventies was a consideration of the impact of church related colleges severing their relationship with the sponsoring/supporting denomination.

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Bernard Ramm. The Christian College in the Twentieth Century (Grand Rapids: Wm. B. Eerdmans Publishing Co., 1963) p.p. 115-123

64

Donald Griggs Scott. "Small Colleges in Transition: Case Studies of Small Colleges Which Have Recently Achieved Regional Accreditation for the First Time". Ph.D. Dissertation. (Florida State University, 1966)

In a study done by the Association of American Colleges ⁶⁵ it was noted that such separation could well lead to a greater dependance on the federal, state and outside philanthropic interests for needed revenues. The impact on enrollments could also be severe if the denominations were providing large numbers of students. Such an increased dependance on government support could well lead to the loss of important autonomy through increased controls.

Throughout the literature on the church related sector of private higher education a number of concepts, concerns and questions have arisen. The Church established institutions of higher learning, not as a bastion from which to escape the problems and needs of the world but as a laboratory in which those problems and needs could be examined from a Christian perspective and the role of the Church in meeting those needs could be considered. While some Christian colleges have strayed from this original mission, many are discovering the importance of maintaining this important focus. Those that commit themselves to this mission may be among the ones most likely to maintain a standard of excellence and effectiveness in the future.

It is clear from the literature that the college and the Church are inextricably related. Since evangelism and education are two complementary aspects of the Christian faith, the church related college can no more sever its relationship with the Church and be faithful to its mission than the Church can sever its relationship to the college and remain faithful to its call. Both are seen as necessary, completing components of the other.

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Charles S. McCoy The Church Related College in American Society (Washington: The Association of American Colleges., 1980)

The private, church related institution appears to have a unique opportunity to explore, develop and implement meaningful approaches to living and learning based on the moral and ethical teachings of the Christian faith. Its ability to accomplish this hinges on a number of factors common to the other colleges and universities in the private sector. The church related sector is facing serious challenges in areas of finances, enrollment, capital construction, debt service, employee and program retrenchment. Can the church related segment respond as quickly to these pressures as its private college counterparts? Many believe that the very nature of the church related college will make it less capable of responding quickly and effectively to the challenges that lie ahead. What does appear to be clear from the literature is that the survival of this subset of private colleges will continue to hinge on their clarity of and commitment to a unique mission and a capacity to adapt and adjust rapidly to changing environmental influences without sacrificing historical distinctives and educational quality.

Studies on Free Methodist Higher Education

In this final section of the literature review, attention will be focused on the major studies available on the higher educational system of the Free Methodist Church of North America. Numerous articles, papers and studies have been done on the various colleges of the denomination both individually and collectively. Most of these have been adequately summarized in the research conducted by Lawrence Schoenhals and David McKenna. A comprehensive review of the work of these two men along with some limited references to materials published since the McKenna study should provide an adequate, representative review of the literature directly related to the nature and purpose of this dissertation.

The main summary available on literature related to the Free Methodist Church is Francine Walls' The Free Methodist Church: A Bibliography.⁶⁶ This 100 page publication indexes many of the historical, doctrinal, biographical and programmatical aspects of the Free Methodist Church from its inception in 1860 through 1977. The section on higher education is limited to approximately twenty-five references on or containing information about the higher educational institutions of the denomination. It appears that no significant information on the denominational schools has been developed since 1977 except for Steven's A Bridge to Our World which will be considered later. Some institutional self

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Francine E. Walls, The Free Methodist Church: A Bibliography, (Winona Lake, Ind: Free Methodist Historical Center, Free Methodist World Headquarters., 1977)

studies were conducted during the seventies, such as Spring Arbor's, for the purpose of re-accreditation. The office of Higher Education and the Ministry published, throughout the last decade, a summary report on enrollments, revenues and expenditures, libraries and net worth; no analysis was offered. These studies included the five liberal arts institutions, the one junior college and the Canadian Bible College at Moose Jaw, Saskatchewan.

The Schoenhals' Study:

The most significant of the studies done on the history and development of higher education in the denomination is the doctoral dissertation entitled Higher Education in the Free Methodist Church:1860-1955.⁶⁷

Schoenhal's states the purposes of his study as follows:

- 1) to inquire into the origin, developing objectives, and present position of higher education in the Free Methodist Church from the standpoint of the denomination as a whole;
- 2) to trace the development of the individual colleges officially recognized as Free Methodist schools;
- 3) to appraise the present status of Free Methodist Colleges with reference to their organization and control, administration, faculty and student body;
- 4) to examine the objectives and the educational philosophies of the various schools; and
- 5) to investigate certain aspects of the educational product of the two senior colleges. (68)

Considerable time was spent by Schoenhals in researching through denominational histories, institutional records, General Church and area Conference "Minutes" in order to trace the development and organizational patterns of the higher educational activities of the church.

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Lawrence R. Schoenhals, Higher Education...

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Ibid p.2

Perhaps the single greatest contribution of the Schoenhal's study is the treatment of the rationale behind the development of higher education in the denomination and the history of each individual college. He begins his study of the rationale by providing a perspective on who the Free Methodists purported to be and what distinguished them among other denominational groups.

The Free Methodists are a body of Christians who profess to be in earnest to get to heaven by conforming to all the will of God, as made known in His Word. In doctrine they are Methodists. They look upon practical godliness as the never-failing result of genuine religious experience....Hence they insist that those who profess to be the disciples of Christ should come out from unbelievers and be separate; abstaining from all secret societies, renouncing all vain pomp and glory, adorning themselves with modest apparel and not with gold, or pearls or costly array. The government is not aristocratic, but lay members have an equal voice with the ministers in all the councils of the church. They endeavor to promote spirituality and simplicity in worship. (69)

In regards to the attitude of Free Methodists toward the importance and role of education, Schoenhals lifts numerous references from the various constitutional documents of the Church in general and its institutions in particular. A few of these have been selected and placed in the body of this study to provide a perspective for the denomination's attitude toward its colleges.

No church can meet its obligations without making provision for the education of the children under her care. Our church needs one or more literary institutions....Education is the handmaid of true religion. Ignorance and superstition go hand in hand....Without education, it is impossible for us to accomplish our goals....Our great and leading want, as a denomination is a school in which sound learning may be promoted and true piety encouraged....hence it is the duty of the Church to do all in her power to educate the rising generation; first, in knowledge of the Scriptures and secondly, in that of the sciences. (70)

The attitude that pervaded the early years of the church in the area of education is best revealed in the following quote taken from the 1874 "Minutes" of the General Conference of the denomination:

We regard, as too evident to need supporting arguments, the following propositions.

1. A well educated Christian is capable of much greater usefulness....than an ignorant one.
2. That to neglect the proper cultivation of our mental powers is sinful
3. That human intellect can only obtain its greatest perfection of development when controlled and inspired by the saving grace of God.

We believe, therefore, it is our imperative duty to secure for ourselves, and our children, such means of education as shall be pervaded most eminently by the salvation element. (71)

While the early church sought to work out its beliefs in this area primarily through the development of "seminaries" or, what would be called to-day, residential elementary and secondary institutions, their activities soon expanded to Bible, Junior and Senior colleges.

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these quotations were lifted from various sources that Schoenthal identified including records dating from 1870 to 1875 and referenced on pages 10-12 of his dissertation.

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Ibid p.13

Of interest is Schoenhals' noting that the denomination did not develop a centralized educational system under the direct control of the General Church. Area Conferences took up the challenge of education at the local level, leaving the institutions somewhat autonomous in their direction and operation. The schools were affiliated with, but not under the control of, the denomination. Continued affiliation depended on the school's willingness to honor the specific doctrinal, theological and behavioral expectations of the denomination. That same system of affiliation persists to-day with all of the colleges related to the denomination.

Major events of historical significance are mentioned in the study including the development of the Board of Education, the constitution of the Commission on Christian Education and the influence of the denominational schools on the establishment of higher standards of training for the clergy.

After dealing with the important events in higher education at the denominational level, Schoenhals turns to a discussion of each of the colleges in existence at the time of his study. He traces the history and adds comments about curricular and administrative mileposts for Roberts Wesleyan College, Spring Arbor Junior College, Central College, Wessington Springs College, Seattle Pacific College, Greenville College and Los Angeles Pacific College. He concludes this massive historical analysis by mentioning the discontinued schools including Evansville, McKinney and the Seminaries.

The last section of the Schoenhals' project involved an analysis of the educational product of two of the senior colleges of the denomination, Seattle Pacific College and Greenville College. Surveys were sent

to graduates of the two institutions in an attempt to gather feedback on attitudes about the educational experience, current location, education and vocation of the graduates, and reasons for selecting the colleges. An attempt was made through this survey technique to obtain an indication of the impact that the colleges were having on the denomination in terms of the services rendered by the graduates.

Chapter XII of the study summarized the findings, conclusions and recommendations that grew out of the research. Among the findings that Schoenhals indicated was the fact that the denomination never intended to establish a parochial educational system. Second, that the demand for a higher education system in the denomination did not develop until 1893 when the first college level work was offered.⁷² A third observation was that in spite of the denomination's conservative Christian position, it rejected the Bible Institute approach to higher education in favor of stressing the importance of a liberal education in the arts and sciences. It was noted earlier that these would be studied from a Christian perspective. Fourthly, ministerial training was not the motivation for the establishment of these schools since independent study was the main mechanism by which the clergy were trained and qualified until 1938.⁷³ A fifth observation was that schools were started and run by individual and local Conference incentive rather than by direct sponsorship from the denominational headquarters. Sixthly, Schoenhals observed that by 1954, according to his analysis of catalogs and other official

⁷²

Ibid. p.437

⁷³

Ibid p.438

institutional materials, the colleges had not departed from their original ideals which emphasized a concern for the moral and spiritual as well as the intellectual development of the student. These ideals appeared to be shared equally by the supporting constituencies, the administrations, the controlling boards and the faculties of these colleges. By 1954, he noted as his seventh observation, that the colleges had a uniformity of purpose in spite of the fact that there was still very little centralized control from the denomination. This was accounted for by the fact that the colleges often had a great deal of overlap as they shared presidents and other key personnel throughout their history.

Other observations regarding the function and make-up of governing boards, the descriptors of college presidents and the faculties makes interesting reading. The average tenure for presidents in 1953-54 was 9.5 years with the average tenure of faculty in the senior colleges being 9.7 years. Only two of the presidents had been recruited from the Gospel ministry. There were more men than women on the faculties and the median number of Free Methodists on the faculties was approximately seventy-five percent.⁷⁴ The range of Free Methodist students in the junior colleges was from 69.8% to 88.3% with the senior colleges ranging from 26.6% to 66.0%.⁷⁵

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Ibid. p.445-6

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Ibid. p.446

In conclusion, Schoenhals noted that there was a distinct trend toward a greater centralization of educational authority with the denomination exhibiting an increasing desire to control the various institutions by asking local boards to voluntarily relinquish legal powers. A second conclusion was that a denominational-centered emphasis might be a major hinderance to a dynamic growth pattern due to the small size of the denomination at the time. Schoenhals also observed that social and religious conservatism did not seem to be a deterrent to growth; Free Methodist schools increased at a rate comparable to the national average.⁷⁶

Five recommendations were offered by Schoenhals as a result of his comprehensive study. They included the suggestion that a uniform method of student enrollment data gathering be implemented, that historical resources and materials should be exploited and preserved, that follow-up studies of graduates should be carried on at the denominational level, that patterns of college organization and control should be studied and that officers of the denominations headquarters should not have vested interests in any school. An interesting sidelight and follow-up to this review of Schoenhal's study is, that after a successful tenure as a Free Methodist college faculty member, administrator and president, he would finally come to denominational headquarters as the General Secretary for Higher Education and the Ministry and be instrumental in implementing a number of his own recommendations and suggestions before his retirement in December of 1980.

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Ibid. p.449

The McKenna Study:

In the Fall of 1960 a project to study Free Methodist higher education was conceived under the joint sponsorship of the Commission on Christian Education of the Free Methodist Church and the Association of Free Methodist Colleges. A sum of \$8,000 was set aside and Dr. David L. McKenna, then Coordinator of the Center for the Study of Higher Education at The Ohio State University, was named as Study Director. A joint committee from the two sponsoring organizations was assigned to assist with the project and individual study directors for each of the campuses established. The purpose of the study was to provide the denomination and the colleges with a report on the present conditions and future prospects for higher education within the framework of the Free Methodist Church. The final report, presented to the Church-School Relations Committee in June of 1962 was entitled The Study of Free Methodist Higher Education.⁷⁷ Due to the thoroughness and significance of the study, it will be reviewed in detail. Additional references will be made in Chapter 4 and again in Chapter 7 as a means of providing a long range perspective for the summary and conclusions offered by the current project.

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David L. McKenna. The Study of Free Methodist Higher Education (Winona Lake, Ind: The Commission on Christian Education and The Association of Free Methodist Colleges, 1962)

McKenna outlined the five major steps for the study as follows:

- 1) a survey of Free Methodist ministers, under church appointment, for identifying the present and future college population within the church.
- 2) the completion of Institutional Study Reports from the individual colleges
- 3) visits to the colleges by the Study Director
- 4) compilation and analysis of the collected data; and
- 5) preparation of the Study report. (78)

The survey included a study of the present college age population of the denomination, the colleges these students were attending and reasons for their choices, the present population of the Sunday Schools and the college plans of the high school youth with an inquiry as to the reasons for those plans. About 56% of the ministers surveyed returned the report. The Institutional Study Reports requested information on "purposes, constituency, curriculum, administration, faculty, library, physical plant, finance and long-range planning".⁷⁹ The visits to the campuses by the Director attempted to clarify and standardize data between the schools since, at that time, no uniform method of data collection and reporting had been established.

McKenna's first section deals with the historical and present purposes of Free Methodist higher education. He provides a helpful summary of the historical purposes of the denomination by synthesizing Schoenhals' previous work with other institutional histories.

⁷⁸

Ibid p.65

⁷⁹

Ibid p.65

First, each of the histories of the Free Methodist Church stresses the fact that the founders of the Church and their predecessors were actively interested in the education of the membership through formal means....Second, each of the schools was founded by individual or annual conference initiative and the persistent attempts to bring the schools under centralized control have failed....Third, in spite of the lack of coordination among the colleges, Free Methodist higher education has maintained a uniformity of purpose.(80)

In terms of the present purposes of the colleges, McKenna noted that the educational objectives demonstrated a concern for the development of a Christian philosophy of life among students, a three-fold emphasis on individualized instruction, liberal education and scholarship and a concern for social, vocational and physical health needs that were typical of the small, private college.⁸¹ The relationship between the colleges and the Church were more informal and voluntary; McKenna noted that words such as "auspices", "sponsorship" and "approval" were characteristic in reports and other documents where the relationship between the colleges and the church was described.⁸² He concludes that "The relationship of the colleges to the church is, therefore, moral rather than legal".⁸³ Two additional observations about the downward shifts in the percentages of Free Methodists on the Boards of Trustees and the decreasing percentage of Free Methodist students as the colleges look to the broader, evangelical constituency, noted that those shifts had not seriously changed the overall purposes of the colleges,

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Ibid p.2-5

⁸¹
Ibid p.6-8

⁸²
Ibid p.13-14

⁸³
Ibid p.15

The second dimension of the McKenna study dealt with an analysis of the present and future enrollments of Free Methodist colleges as it related to the numbers of students identified with the denomination. The Minister's Questionnaire was sent to the clergy of the denomination for the purpose of determining:

- 1) What is the college age population in the Free Methodist Church?
- 2) How many Free Methodist youth in the college age population of the Church are enrolled in institutions of higher education?
- 3) How many are enrolled in Free Methodist colleges in contrast to other types of institutions?
- 4) What is the potential college age population in the Free Methodist Church based on projections to 1972?
- 5) What are the college plans of high school youth in the Free Methodist Church at the present time? (84)

More detailed reference to the findings in this area will be mentioned later in this project as a discussion of enrollments during the decade of the seventies is attempted. Of the fifteen findings of the study, McKenna concluded that:

First, the Free Methodist Colleges are drawing denominational college age youth from a depleted, but relatively select population....Second, the service potential of the Free Methodist colleges for college age youth in the Sunday School population is already close to the maximum based on comparable national and church population figures...Third, unless there are significant changes in the Sunday School and Church populations, the potential enrollments in Free Methodist colleges from among college age Free Methodist youth will be seriously limited. (85)

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Ibid p.24

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Ibid p.38-39

Based on the information gleaned from the individual campus reports and the personal visits made by the Director to each college, an evaluation of the Free Methodist colleges was offered in the areas of the quantity and quality of students, curriculum content and emphasis, library resources, administration, faculty, finances, facilities and long range planning. Students, library, finances and facilities will be mentioned again later as comparisons are offered. McKenna offered the following observations on strengths and weaknesses:

Strengths which immediately come forward are the purposes of the colleges, the educational and religious heritage, the faith of their leadership, the dedication of the faculties and long standing pattern of survival under adverse conditions. Counterbalancing these strengths, however, are some glaring weaknesses, such as the limitations of potential Free Methodist enrollments, the duplication and proliferation of the curriculums, the low faculty salaries, the unstable financial status, the serious need for new facilities and the inadequate basis for long-range planning. In other words, most of the Free Methodist colleges are fairly good denominational colleges. Serious questions arise, however, about the colleges having that element of distinctive quality which would put them on a competitive basis for recruiting non-Free Methodist students who may seek an outstanding Christian college. (86)

McKenna concludes the study with some forty-seven different findings which he groups under the categories of the purposes of the colleges, populations for the colleges, and programs of the colleges. Some of the conclusions coming out of the study included the observation that higher education in the Free Methodist church was changing from a strict denominational view point to a broader evangelical one;

that the shift in the percentage of students from outside the denomination indicated that the church was unable to sustain seven colleges; that the service potential of the colleges to the denomination was close to its maximum; that unless the denomination saw major growth in its Sunday School and youth program it would not be able to provide the needed students for the colleges; that the concept of "Free Methodists Higher Education" is more accurately expressed as a "fraternal affiliation" since the colleges, as a group, are essentially uncoordinated and independent; that the long-range planning of the colleges for future growth and expansion were unrealistic in terms of the current evidence and information; that the church was "neither highly sensitive to the needs of the colleges nor fully aware of the contributions the colleges make to the church" ⁸⁷ and that the key to improving the relationship between the college and the denomination was increased financial support from the denomination.

The study concludes with a series of recommendations designed to improve the awareness of the church about its colleges, establish better coordination between the colleges and implement research activities that would provide information for both the colleges and the denomination to assist with more accurate and realistic planning. It is observed that the McKenna study provided a milestone in the development of higher education in the Free Methodist Church. The results of his study were disseminated among various organizations within the denomination and provided important incentive, it appears, for the colleges individually and collectively. Later it will be noted that the colleges did take major steps to

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Ibid p.79

improve in the areas where McKenna expressed concern.

Additional Literature on the Denominational Colleges:

In the period following the McKenna study, the colleges and the denomination made major strides. The Association of Free Methodist Educational Institutions took on an important coordinational task providing a focus for individual institutional mission and programs while not limiting the autonomy of the colleges. In 1965, Los Angeles Pacific College merged with Azusa College to become Azusa Pacific College; in 1968 Arlington College, a Church of God school, affiliated with Azusa giving the college more of an interdenominational relationship while remaining affiliated with the Free Methodist Church. Under the leadership of David L. McKenna, appointed as President in 1961, Spring Arbor moved from a junior college to a senior college with regional accreditation accomplished by 1965. Robert's Wesleyan College celebrated its centennial of service in 1966 with Spring Arbor celebrating its centennial in 1973. A significant history of Spring Arbor College⁸⁰ was published in 1973 to commemorate this event. Greenville College continued to prosper during the sixties and into the seventies adding, as did the other colleges, significantly to the academic programs, physical facilities and student enrollments. Azusa Pacific and Seattle Pacific added some limited graduate level programs with Seattle Pacific College changing its name to Seattle Pacific University in the mid-seventies. The years following the McKenna study into the mid-seventies were unquestionably the "Golden Years" of higher education in the Free Methodist Church.

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Howard A Snyder, 100 Years at Spring Arbor: A History of Spring Arbor College 1873-1973, (Spring Arbor, Mich, 1973)

As the decade of the seventies drew to a close, leveling enrollments, financial difficulties and changing academic interests began to raise concerns about the future of higher education in the denomination. Church growth had levelled off and the number of college age students in the denomination had begun to decline. In August of 1979, W. Richard Stephens, President of Greenville College, addressed the World Convocation meeting of the Free Methodist Church on the issues facing the denomination's institutions. In an address entitled A Bridge to Our

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World Stephens reminded the Convocation of the 120 year history of commitment by the denomination to education; "In fact, our principal expression of Christian witness and service outside of America has been in the form of schools and in more recent years in the provision of medical

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services". Based on some research, Stephen's developed in preparation for the speech he noted the following:

First, all of our existing colleges now meet the highest accreditation standards..Second, more than 30,000 people have earned degrees at these schools and they have serviced an alumni group that totals 145,000....Of the 2,300 living Pastors and missionaries listed in the 1978 yearbook, 65 percent are alumni of one or more of our colleges and 50% are graduates....it is significant to note that the colleges have given directly to this present group approximately \$1.3 million in financial aid to help forward their preparation as ministerial leaders. (83)

⁸¹

W. Richard Stephens A Bridge to Our World, speech given before the World Convocation of the Free Methodist Church August 21, 1979. (Winona Lake, Ind., Department of Higher Education and the Ministry, 1979)

⁸²

Ibid p.2

⁸³

Ibid p.3-4

Stephens summarizes the current resources of the colleges noting that the combined book value of the physical plants was \$55,000,000; that total Fall enrollments for 1978/79 were 7,000 students; that the faculty totalled 450; that operating budgets exceeded \$30,000,000 and that library resources included some 550,000 volumes.⁸⁴ He adds, however, that "there⁸⁵ are some foreboding factors which dim the glow of their potential".

First, there will be a 25 percent decline in the number of college age youth by the year 1990....The figures from 1971 through 1977 show drops of 2,866 in the junior Sunday School, 2,021 young teens and a drop of 1,736 senior highs in our church.....Second, that runaway inflation pushes up college costs (with the result being) our colleges become increasingly involved with the government. Hence, the third factor of government regulations and issues of church and state are ever before us. Fourth is the continued secularization of the cultures of the world on one hand and the rapid rise of subjectivism and mysticism in religion, on the other.(86)

Stephens proceeds to emphasize the interdependence necessary for the denomination and colleges if both are to accomplish their respective missions in the years ahead. He concludes his address with some recommendations on how the church and the colleges might improve their relationship including the importance of mutual trust and respect for each others mission, the call for the colleges to maintain high academic quality, the importance of the colleges developing programs for the improved churchmanship of the laity, the fact that the churches need to actively recruit college age students into membership and that each qualified Free Methodist student should receive scholarship assistance made available from General Church endowment funds.⁸⁷ Stephens summarizes and concludes with the following:

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Ibid p.5

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Ibid p.5

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Ibid p.5-6

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Ibid p.7-10

While the church plans new forms and strategies of ministry, it must not commit the error of ignoring or neglecting the programs of ministry that already have strengthened it...but the strong point remains that the church will not go nearly as far alone in doing the work of Christ as it otherwise will with a creative, cooperative program of intense support for an utilization of its colleges. Our urbanized and complex world and its people require a ministry from the church and the colleges that calls for the service and caring of Christian people who are growing in spiritual depth, in competency of thought and skill and in cultural sensitivity.(88)

Summary on Free Methodist Related Literature

Throughout the literature reviewed in this chapter, it has been noted that the denomination has retained a strong commitment to the importance of a "liberal education" for its people. The educational experience was not to be sectarian but multi-denominational in nature. The clarity of purpose and mission for the colleges individually and collectively has persisted throughout the history down to the present. It should be noted that the growth periods of the denomination's colleges have followed, for the most part the growth and development patterns of the public sector of higher education in general and the private sector in particular. The same influences that are currently impacting these sectors are believed to be having an equal effect on the Free Methodist colleges. What has been their impact on the denomination's colleges during this last, difficult decade for higher education and what will be the future? After a consideration of the methodology employed in this study, attention will be turned to these important questions.

CHAPTER 3

METHODOLOGY

Introduction

The purpose of this chapter is to outline the methodology employed in the study by describing the procedures used to identify the major issues to be addressed, the data collection, assimilation and collation process and the statistical analyses utilized to infer conclusions and make projections.

Each dissertation appears to begin with the struggle to balance the ingredients of personal interest, scholarly excellence and pragmatic expediency. It was assumed, in the case of this study, that the closer aligned the project was with the personal interests and professional goals of the researcher the more likely would be its long term meaning and value. Scholarly excellence came to be defined as the demonstrated ability to do acceptable research through appropriate survey and statistical methodology and to communicate that research in a cogent and effective style. Expediency played an important role in that the project needed to be completed within the parameters of available personal resources and time frames. The result, it is believed, is a study that achieves an acceptable balance between personal/professional interests, scholarly excellence and expediency.

The Identification of the Issues to be Studied

Based on the criteria of personal and professional interest the nature of the study was delimited to a consideration of the private church related colleges of the Free Methodist Church of North America. Having spent most of my career within the context of this group of schools during the decade of the seventies and having familiarity with the operations, administrations, programs and challenges of the colleges during that period, it was decided to study the major issues impacting these schools during the period of 1969/70 through 1978/79. More detailed rationale for selecting the Free Methodist Church as the denominational context for the study was explained previously in the first chapter.

Having delimited the denominational group and the time frame for the study, attention was turned to a survey of the literature published during the seventies on the private college sector in general and the church related segment in particular. An ERIC search of the two major indexes ⁸⁹Resources in Education and ⁹⁰Current Index to Journals in Education was conducted to identify materials published during the decade in the areas of "Private Higher Education", "Church Related Higher Education", "Independent Higher Education", "Private Colleges and Universities", "Christian Colleges" and other related materials. The review of the relevant materials discovered in this search is found in Chapter 2.

⁸⁹Resources in Education (Washington: U.S. Dept. of Health, Education and Welfare, National Institute of Education)

⁹⁰Current Index to Journals in Education, (Phoenix, AZ., The Oryx Press)

A "Datrix II"⁹¹ computer search of theses and dissertations on file with University Microfilms International is recommended to identify additional research done on this topic if this study should be replicated or expanded in the future. It was not done for this study since sufficient sources had been identified through manual means.

Dr. William Shoemaker, Vice President for Research of the Council for the Advancement of Small Colleges in Washington, D.C. was contacted; advice was sought on what he believed to be the major issues facing the private and particularly church related colleges during the seventies. Projections for the eighties on the future of these schools were also solicited. Dr. Virginia (Fadil) Hodgkinson, Executive Director of the National Institute of Independent Colleges and Universities, was contacted for the same purpose. Information from Dr. Hodgkinson on the Minter-Bowen studies was received and her own research on the openings, closings and mergers of private colleges during the decade was obtained. Permission to quote extensively from the Minter-Bowen studies was received. Both organizations provided bibliographies of materials thought to be of relevance to the study.

In order to have meaningful comparison of the group of denominational schools to a national group, it was decided to utilize the research done by John Minter and Howard Bowen on a stratified sample of private colleges for the period under consideration. The annual reports on financial and educational trends in the independent sector are highly respected and valued among all who were consulted on this topic. Much of the literature reviewed contained comments and references

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University Microfilms International, "Datrix II: A Computer Search and Retrieval System for Dissertations and Theses" (Ann Arbor, Mi., University Microfilms, 1979.)

to this study of 100 private colleges and universities. It was decided to delimit the study to many of the same issues addressed by Minter-Bowen in order to facilitate meaningful comparisons. With this as a part of the study, the three elements for the dissertation emerged as trends during the decade of the seventies; a comparison of trends with the private college sample, and projections for the eighties.

The Historical Center of the Free Methodist Church provided a bibliography of materials, available in their archives, that addressed the colleges in the denomination. The colleges were asked about historical, self-study and other materials that they deemed to be relevant. Dr. Lawrence Schoenhals, General Secretary for the Association of Free Methodist Educational Institutions, was interviewed; he provided statistical summaries of research his office had done on the colleges, comments on his own dissertation on the topic and suggestions on issues that would be of value for consideration in the study.

Dr. David McKenna, President of Seattle Pacific University and President of the Association of Free Methodist Educational Institutions for the 1979/80 academic year was interviewed. His observations on what had happened to the private colleges during the decade and the Free Methodist schools were solicited. Dr. McKenna also assisted in enumerating a number of the major trends impacting these schools during the decade and suggested a number of major issues that might face the private church related sector in the eighties. Advice on delimiting major issues for this study was also received.

The results of the literature review, the interviews, and the Minter-Bowen studies were collated into a working paper of possible issues to be addressed in the study. This was mailed to each of the colleges

presidents for the purpose of soliciting input and comments on their willingness to participate in such a study. The feedback was assimilated and a dissertation proposal presented to the Doctoral Advisory Committee for review, comment and approval. A time frame was established at the February 1980 meeting of the Committee which was subsequently modified due to family illness.

The revised proposal was resubmitted to the college Presidents at the Spring, semi-annual meeting of the A.F.M.E.I. held in Orlando, Florida in March of 1980. Azusa Pacific College was not represented at this meeting thus adding to the rationale mentioned in Chapter 1 for their exclusion from the study. At a lengthy breakfast meeting, the procedures for collecting the data were established. Major concerns about how the data would be published and the nature of institutional comparisons within the group were resolved when the decision was made to aggregate data and show it in a format similar to the Minter-Bowen studies. A time table for campus visitation was explored and a tentative schedule for data collection agreed upon.

The major issues to be addressed by this study were grouped under three main headings; revenue and expenditures, enrollment, and academic program and faculty. An analysis of trends in each of these areas for the decade of the seventies and a projection of trends for the eighties was then planned. The trends and projections were developed in such a way as to address, in question form, the concerns discovered from the literature search, the personal interviews and the Association meeting. The three main headings included the following:

A) Revenue and Expenditure Analyses

1. What have been the tuition and revenue trends for the period?
2. What have been the endowment growth and yield trends?
3. What are the indebtedness trends for the period?
4. Is there an increasing dependency on government assistance?
5. What are the trends in the denominational financial support?
6. What are the trends in student financial aid?
7. What are the trends in alumni support?
8. What are the trends in corporate and foundation support?
9. What has happened to the net worth of the colleges during this period?
10. What has happened to the per capita costs to educate a student?

B) Enrollment Analyses

1. What are the trends in undergraduate enrollments?
2. What are the trends in the % of the student body identified with the supporting denomination?
3. What are the trends in new students?
4. What are the trends in male vs. female enrollment?

C) Academic Program and Faculty Analyses

1. What are the trends in the % of the budget utilized for academic and instructional support purposes?
2. What are the trends in the number of degrees awarded?
3. What are the trends in library expenditures and additions?
4. What are the trends in the student/faculty f.t.e. model?
5. What are the trends in the number of women faculty?

Each of these questions was formulated to address the overall concern for the "health" of the institutions in the study, compared to the national data base, during the decade of the seventies and the possible health of these in the decade of the eighties.

The Data Collection Process

In this next section, a description of the data collection process is provided detailing the use of standardized forms, pilot testing of the instrument and the on-campus visits and mail collection procedures.

Having identified the major issues and worked out the cooperation of the various colleges, attention turned to the process of collecting the appropriate data elements needed to meaningfully address the issues. Previous experience had shown that, while most institutions followed data collection and reporting procedures outlined by the National Association of College and University Business Officers (NACUBO) and prescribed by the Higher Education General Information Survey (H.E.G.I.S.) distributed by the Department of Health, Education and Welfare, there was a major tendency to repackage and present data in different ways in order to meet the information needs of the various college publics. For example, fund raising data often would be calculated in such a way as to demonstrate to the Board of Trustees the maximum effort made by the Development Office and may or may not include monies raised for capital as well as annual gifts. In some cases an individual donor could be categorized as an alumnus, an employee of the institution and a friend of the college; a single contribution could show up in all three categories thus significantly inflating revenues. Similar variations could be found in the expenditure reporting process as well as in enrollment records.

After considering the various nuances present in the collection and reporting of data by the colleges, it was decided to design a

collection instrument utilizing data elements and definitions that were common to higher education reports. Since all private colleges are expected to file the various reports annually requested in the H.E.G.I.S. data, the decision was made to utilize these reports and definitions as a major component of the data collection activity.

The following H.E.G.I.S. sub reports were utilized for the development of the data collection instrument: "Financial Statistics of Institutions of Higher Education", "Salaries, Tenure and Fringe Benefits of Full Time Instructional Faculty", "College and University Libraries", "Fall Enrollment in Institutions of Higher Education", and "Degrees and Other Formal Awards Conferred". Each of the above reports for the years 1969/70 through 1978/79 were reviewed and a portion of the data collection instrument developed based on these semantics and definitions. Due to a major revision in the "Financial Statistics" report in 1973/74 it was discovered that data before 1973 was not as reliable as that for the period 1973/74 through 1978/79. After reviewing Minter-Bowen, it was decided, as a result of this problem, to collect and analyze fiscal data for the period 1973/74 through 1978/79 only.

While the H.E.G.I.S. reports provided most of the data elements for the study, it was necessary to utilize a second source of information for the details needed on the revenue aspect of the analysis. The Council for Financial Aid to Education published an annual report of voluntary giving based on data submitted from private and public institutions across the United States. While institutions are not required to submit information, most do in order to provide a national comparison in the

fund raising area. The Council graciously made available all of their published reports for the years 1971/72 through 1978/79.⁹² A review of these reports revealed that most of the colleges in the denominational group had submitted data during this period. After reviewing the report, it was decided to collect information on private gifts for operational and capital purposes in the catagories of: 1) Corporations, Foundations, Business Concerns, 2) Religious Denomination, 3) Alumni, and 4) Other Voluntary Sources. In addition, information reported on endowments, endowments yields, current fund revenues and expenditures were recorded.

Finally, data needed on denominational contribution factors including finances and student enrollments was collected utilizing the annual reports published by the Association of Free Methodist Educational Institutions and checked against the records of the colleges.

A data collection instrument, was finally formulated as the major tool for the collection of the information necessary to address the major issues. Appendix C contains a copy of the data collection device and a set of guidelines for transferring data from the data source to the form.

The completed data collection instrument was taken to Spring Arbor College for pilot testing and adjustment. During the collection process it was discovered that a major change in definitions and formats occurred in the H.E.G.I.S. reports during the 1973/74 year as previously mentioned. Considerable time was spent in attempting to reconcile the differences in order that an appropriate analysis of financial data for the full ten year period could be attempted. The decision was finally reached, and subsequently born out by future use, that financial data for the last half of the decade would be sufficient to answer the questions addressed by the issues of the study. Few changes were necessary in the overall design of the form. A schedule and procedure for collecting and verifying data was established for use on the other campuses. Mrs. Eurette Ward, research assistant at Spring Arbor College, was very helpful in clarifying H.E.G.I.S. data collection procedures and definitions having worked with this data throughout the decade covered by the study.

At the Spring meeting of the Association of Free Methodist Educational Institutions, a tentative schedule for the visitation of each of the campuses was established which would have completed the data collection process by mid-May. A major family illness interrupted those plans and postponed most work on the project until early June. Subsequent phone calls with the colleges during this period surfaced the possibility of collecting the data by mail with the possibility of later phone follow-ups and visitations if necessary. The mail collection process was tested with Robert's Wesleyan College and proved to be workable in their case. Greenville College was unable to provide a staff member to work

on the data; a visit was scheduled for mid-August and completed with all data necessary being collected. Seattle Pacific proved to be the most difficult in the collection process. A convenient time to visit the campus could not be worked out; in November, after numerous phone calls, Dr. Don Kerley at Seattle was given the task of pulling the needed data together and forwarding it for analysis and completion.

In retrospect, the planned visitations to the campuses were, without question, the most effective and efficient way to collect the data. The time frame for this phase of the project could have been shortened considerably had the personal visit schedule been adhered to in total. However, the final accuracy of the data does not appear to be seriously affected by the mail and phone solicitation process.

The Collation and Assembling of Data

With the necessary data collected, final display formats were constructed to address the issues. Minter-Bowen displays provided the major design pattern for the data formats. Each colleges' data was transferred to an interim collation page to allow for the statistical manipulations necessary to achieve the outcomes for the final displays. A sample of the interim collation page is included for information in the Appendix C. Gaps in the collected data were noted and evaluated. Where missing information appeared to be central to the meaningful processing of data, phone calls were made to the respective schools and information or clarification solicited.

Due to the nature of the project and the relatively limited volume of the data utilized, the collation and assembly procedure was handled manually. While data processing support could have been utilized, it was decided, given the nature of the statistical procedures employed, that the costs in time and finance did not warrant the transfer of data to computer manipulation at this point in the study.

Statistical Methodologies Employed

Perhaps the most difficult aspect of the development of the research methodology for this project was the decision regarding the nature and level of sophistication statistically necessary to accomplish the objectives. The first step in the decision process was to review the basic elements of statistical research and design. The major tools used in this review were Anderson's Encyclopedia of Educational Evaluation⁹³ and Kerlinger's Behavioral Research: A Conceptual Approach.⁹⁴ Step two involved a thorough review of the methodology of analyses employed by Minter and Bowen⁹⁵ in their study of the private college sector. Since Chapters 4 and 5 were to make major use of the data from the Minter-Bowen project, it was decided to let their statistical methodology guide the design for these two chapters. Chapter 6 required a higher level of statistical procedure for the projections into the eighties; as a result step three involved an in-depth review of the methods employed in trend line analyses, linear regression and least squares. While it is

⁹³
Scarvia B. Anderson, Samuel Ball, Richard T. Murphy and Assoc., Encyclopedia of Educational Evaluation (San Francisco: Jossey-Bass Pub. 1973)

⁹⁴
Fred N. Kerlinger, Behavioral Research: A Conceptual Approach (New York: Holt, Rhinehart and Winston, 1979)

⁹⁵
Minter and Bowen, Independent Higher Education

assumed that most individuals reading this dissertation will have a high level of statistical awareness, for the purpose of clarity, time will be spent in describing and defining the major components of the statistical methodology employed.

Since the size of the sample utilized in this study was small enough to include all four of the full member institutions, it is noted that in statistical terms that the sampling is from a "finite population" utilizing the "total universe" of subjects available in the population.

⁹⁶ (N=4) Further study concluded that due to the small nature of the sample, "non-parametric statistics" (a test whose model does not specify conditions about the parameters of the population from which the sample was drawn ⁹⁷) would be employed. In chapters 4 and 5, based on the approach utilized by Minter and Bowen, an emphasis would be placed on the "measures of central tendency" including the "mode and median" but, most meaningfully the arithmetic "mean". ($\bar{M}$) Since the data that is used in this study is from the "ratio scale", the mean as the measure of central tendency is an appropriate descriptive statistic. ⁹⁸ Throughout the study the mean is calculated as the total sum of the raw scores divided by the total number in the sample (usually 4 since N=4).

⁹⁶

William Hays, Statistics for the Social Sciences, Second Edition, (New York: Holt, Rhinehart and Winston, Pub. 1973) p.287

⁹⁷

Fred N. Kerlinger, Foundations of Behavioral Research Second Edition, (New York: Holt, Rhinehart and Winston, Pub. 1973) p. 283

⁹⁸

Herbert Terrace and Scott Parker, Psychological Statistics (San Rafael, Calif., Individual Learning System, 1971) p. 3-11

Due to the agreement reached with the college presidents, data is reported in aggregate form only in order to protect the confidentiality of some of the data reported. Index numbers were employed, particularly in Chapter 5, in order to provide a meaningful comparison with Minter-Bowen. An index number is a measure of relative change in a group of numbers from a base period to another period. An unweighted, aggregate index number is utilized in this study.

Chapter 6 of this study relies heavily on the statistical procedures utilized to make predictions called "trend line analysis." Trend lines depend on linear relationships and regression analysis. The regression formula utilized in Chapter 6 for prediction purposes can be stated in words as follows where Y=the year and X=the particular value represented such as dollars, enrollments, library volumes etc.:

Y predicted = the mean of Y + (coefficient of correlation) times (ratio standard deviation Y to that of X) times (the deviation of X from the mean)

or in terms of statistical formula: $Y' = \bar{Y} + r \frac{S_y}{S_x} (X - \bar{X})$ ⁹⁹

While it was noted that computer assistance was not employed in this study, the trend line analysis was simplified greatly by the use of a desk top calculator, the Texas Instrument SR-51-II, which was capable of calculating the regression formula from the raw data that was entered.

While some thought was given to the utilization of correlation coefficients in order to calculate levels of significance (the Pearson-Product Moment for example) it was felt that these were neither necessary nor appropriate to the nature and outcome of the study. Further explanation of statistical procedures will be noted in chapters 4 through 6 where necessary.

⁹⁹
Ibid. p.8-22

CHAPTER 4

TRENDS IN FREE METHODIST HIGHER EDUCATION DURING THE DECADE OF THE SEVENTIES

Introduction to the Trends

In this chapter, the data will be collated and presented in such a way as to address some of the major trends faced by the Free Methodist colleges during the decade of the seventies. The first consideration is given to selected financial trends that developed during the period; the second section, addresses undergraduate enrollments including trends in both headcount and full time equivalent students, the number of students identified with the denomination and an analysis of the percentages of new, part time and female students. In the third section, the trends selected to address concerns in the area of academic programs and faculty will be observed, including the percent of budget utilized for academic and instructional purposes, the total number of degrees awarded, expenditures and total volume growth in the library, student/faculty ratios, the number of women faculty, the growth in full time equivalent faculty and the per capita costs to educate students. This chapter will conclude with a summary discussion of the trends discovered during the years under consideration.

Table 1 provides a comparative perspective under the eight major headings of current fund revenues, current fund expenditures,

endowment market value, physical plant assets, indebtedness, student full time equivalency, faculty full time equivalency and the number of degrees awarded. All information presented is for the 1978/79 fiscal year. This display of information is necessary to give the reader a perspective on the four institutions in order to make the presentation and interpretation of data more meaningful. As was noted earlier, all data will be presented in aggregate terms utilizing either index numbers or percentages so as to comply with the requests of the college presidents that data be kept confidential and that comparisons between schools not be made. Raw data is presented in Table 1, however, to illustrate the range that exists between the institutions in each of the major categories. Seattle Pacific University is significantly larger than its sister institutions; it also has a graduate level curriculum not characteristic of the others. The aggregating of data, due to the differences between Seattle and the others, tends to produce a mean picture that is somewhat skewed.

The totals in Table 1 also serve to provide a collective picture of the four Free Methodist colleges which is important for comparisons the reader may want to make with other denominationally related colleges, private colleges or public institutions. The colleges as a group, represent resources and assets comparable to a small public institution or some of the larger private colleges in the Minter-Bowen group. The reader is encouraged to keep the raw data of this table in mind throughout the study in order to provide the perspective necessary for meaningful interpretation and application.

TABLE 1
A SELECTED COMPARISON OF THE FREE METHODIST COLLEGES
1978/79 FISCAL YEAR

Institution	Current Fund Revenues	Current Fund Expenditures	Endowment Market Value	Physical Plant Assets	Physical Plant Indebtedness	Student F.T.E.	Faculty F.T.E.	Degrees Awarded
Greenville College	\$ 3,996,412	\$ 3,978,461	\$ 505,368	\$ 4,750,924	\$ 1,270,607	801	46	147
Robert's Wesleyan College	3,190,931	3,479,750	188,632	6,672,745	1,979,856	621	54	111
Spring Arbor College	4,178,621	4,374,797	262,635	9,161,374	3,386,289	790	48	180
Seattle Pacific University	11,997,058	11,950,691	1,045,715	22,197,127	5,103,752	2300	93	387
Total	\$23,363,022	\$23,783,699	\$2,002,350	\$42,782,170	\$11,740,504	4512	241	825
Mean	\$ 5,840,756	\$ 5,945,925	\$ 500,588	\$10,695,542	\$ 2,935,126	1128	60.25	206

Financial Trends

The largest area of concern for this study are the financial trends that developed in the denomination's related colleges during the decade of the seventies. Since, as was noted in the review of the literature, the fiscal health of private colleges is perhaps the greatest question mark in the minds of those researching this subject, these trends will be considered first.

Data for the years 1973/74 through 1978/79 was collected and grouped into three main categories for consideration: current fund revenue trends, current fund expenditure trends and net worth trends. As was noted earlier, data was limited to these six years due to two major factors: first, H.E.G.I.S. data became standardized during this period with all of the colleges in the study participating providing information within the context of common definitions; secondly, the Minter-Bowen studies, which will form the major focus for comparisons in the next chapter, consider data only for this period.

Index numbers utilizing the 1973/74 fiscal year as a base are employed to provide meaningful comparisons in Chapter 5 and to protect the confidentiality of the data. Where percentages are more illustrative, they are utilized and noted.

Current Fund Revenue Trends:

Tables 2 through 5 provide the working data for a consideration of the current fund revenue trends during the time frame under consideration. Current fund revenues refer only to those funds collected from various sources to provide revenues for operational but not capital purposes. Current fund revenues include such categories as tuition and fees,

state and federal governments, private gifts, endowment income, other revenues such as departmental sales and services, contributed services and auxiliary enterprises such as bookstores, residence halls, food services and others.

Table 2 provides a perspective on the total current fund revenue trends for the six years under consideration.

TABLE 2
TOTAL CURRENT FUND REVENUES
1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Current Fund Revenues	100	110	122	145	156	169
Standard Deviation	54	60	69	91	105	119
Range: Low	69	72	78	88	87	92
High	181	199	224	279	313	347
N = 4						

Table 2, and those following, make use of the index number 100 as the indicator for the base year 1973/74. Utilizing the mean current fund revenues for the four institutions with 1973/74 mean as the base figure, trends for the six year period were calculated and displayed. The range information is displayed along with the standard deviations to provide a basis for reminding the reader of the differences that exist between the colleges. Ranges were calculated by taking each institution's current fund revenue for the year and dividing it by the aggregate mean

for the base year. Index numbers were cross checked by running means of the index numbers for the four colleges for each of the years under consideration. This basic methodology was employed throughout the study; where methodology varied, it will be noted and explained.

As can be seen from Table 2, the total current fund revenues for the six year period grew from 100 in 1973/74 to 169 in 1978/79. As will be noted in the next chapter, this 69% increase in revenues is comparative to overall groups of colleges in the Minter-Bowen sample. The range of growth compared to the base mean among the four colleges is dramatic.

Table 3 provides a percentage distribution analysis of the current fund revenues for the colleges under five major groupings.

TABLE 3
PERCENTAGE DISTRIBUTION OF SELECTED CURRENT FUND REVENUES
1973/74 - 1978/79

	Percent of Total Revenues					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Tuition and Fees	56.1	55.6	56.3	54.1	54.7	55.1
Government (all sources)	1.3	2.0	3.1	6.9	6.9	6.9
Private Gifts	10.7	11.2	9.9	7.5	10.0	11.3
Endowment	2.4	2.4	2.3	2.6	2.4	2.4
Other Revenues	29.5	28.8	28.4	28.9	26.0	24.3
Total Revenues	100%	100%	100%	100%	100%	100%
N = 4						

Tuition and fees include those educational costs paid for by the student for course work, lab fees, student activity costs, registration charges

and others directly related to the learning process. During the period, tuition and fees declined slightly forcing the colleges as a group to become more dependent on other sources of operating revenues. It would appear that the colleges collectively did not raise tuition and fees at a rate necessary to keep up with the increasing revenue needs. This is marginal, however, and is more accurately stated as having kept pace generally with the other revenue increases. Government revenues imply those operational gifts, primarily for research and public service activities, that were provided by federal, state or local agencies. Initially a small part of the revenue did come from this source; however, government funding increased almost six times from 1.3% to 6.9% revealing an increasing dependence on government funds for operating resources. Some of this support was from research grants provided by various federal government agencies. Some came from the State such as that from Michigan in the form of tuition equalization grants. As far as could be determined from the data, local government assistance was negligible. Private Gifts will be analysed in more detail in Table 4. These funds have traditionally been the major source for narrowing the difference between revenues and expenditures for the small college. Over the period, actual giving increased dramatically in terms of total dollars but remained relatively constant in terms of the percentage of revenues provided. It could be said that the Free Methodist colleges have become slightly more dependent on private gifts over the period. Endowment funds for operational purposes have traditionally been a small resource for the colleges in the study. While endowments have grown slowly over the time frame under consideration, there has been no significant shift in the percentage of revenues this resource provides. Other Revenues include income from auxiliary enterprises such as dormitories, food

services, bookstores and other related activities. While as a total group, these revenues declined some 5% during the period, revenues for room and board did increase at a rate higher than that for tuition and fees. The decline in the auxiliaries may have been caused by major jumps in energy and food costs thus making the colleges more dependent on the other sources mentioned for operational revenues. In summary, Table 3 reveals no significant change in the dependance on tuition and endowment, a slight increase in dependance on private gifts, a dramatic but relatively small increase in dependance on government sources and a decline in dependance on other revenues.

Since the private gift area of operational resources was a major interest in this study, time was spent in detailed analysis of the various sources of private gifts. The Voluntary Support report forms were used primarily to evaluate the trends in private gifts particularly for alumni and the denomination. Table 4 portrays this data as a percentage distribution of private gifts in total and Table 5 shows the same data as a percentage distribution of total operational revenues. It needs to be noted that since institutions are not required to submit a report each year, many gaps in the data were discovered between the four colleges. Where gaps existed, other records were checked including Annual Reports issued by the President to the Boards of Trustees, Development Office records and annual audits. As was noted earlier, categories for the reporting of private gift revenues tend to be mixed and unclear, influenced by the purpose and audience for the report. While the Voluntary Support form definitions do help clarify, the categories are not as clean as might be found in the more standardized reports of the H.E.G.I.S. data.

PERCENTAGE DISTRIBUTION OF PRIVATE, OPERATIONAL GIFTS
1973/74 - 1978/79

	Percent of Total Gifts					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Alumni	31.4	30.6	34.1	32.2	31.4	29.5
Denominational	8.0	6.0	7.4	6.1	6.2	5.4
Corporate,Business,Foundation,Other	60.6	63.4	58.5	61.7	62.4	65.1
Total	100%	100%	100%	100%	100%	100%

N = 4

PRIVATE, OPERATIONAL GIFTS AS A PERCENT OF TOTAL REVENUES
1973/74 - 1978/79

	Percent of Total Revenues					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978 1979
Alumni	3.4%	3.4%	3.4%	3.1%	3.1%	3.3%
Denominational	.9	.7	.7	.6	.6	.6
Corporate,Business,Foundation,Other	6.4	7.1	5.8	3.8	6.3	7.4
Total Gifts	10.7	11.2	9.9	7.5	10.0	11.3

N = 4

The total gift revenues in actual dollars grew 160% over the six year period from a total of \$1,474,706 in 1973/74 to a total of \$2,367,247 in 1978/79. The range for the four institutions was from 133% to 208% for the period. Table 4 reveals that both alumni and denominational giving declined over the period in terms of the percentage of dollars these groups contributed to the total gifts revenues, making the colleges as a group more dependent on corporate, business, foundation and other outside sources. For the period, alumni giving increased by 168% and denominational giving by 160%; these increases did not keep pace with the need and thus caused a trend of increased dependence on sources outside of the college "family" for support. Table 5 considers the same data from the perspective of a percentage of total revenues. The same trends of decrease in alumni and denominational support are noted along with the increase in outside sources. The implications of this change will be discussed later in this study. It does need to be noted here that this area of gift revenues should be researched in great depth in the future to provide additional information on the changes that appear to be occurring. The colleges should be studied individually and collectively; in order for this to occur, standardized definitions and reporting procedures will need to be established to insure accurate and comparable data.

In summary, total current fund revenues rose at a rate of 69% during the years 1973/74 through 1978/79. According to Minter and Bowen, the consumer price index for this same period rose at 49.6% revealing a real growth in revenues of approximately 20% for the period. Tuition

remained the dominant source of revenues for the colleges with some 55% of current fund revenues being supplied from this source. Endowment income as a source of revenue remained steady throughout the period, with private gifts showing a slight increase. The major changes were the marked increase in the percentage of dollars being provided from government sources (1.3% to 6.9%) and the significant decline in revenues from auxiliary enterprises and similar sources. While the actual dollar amounts of private gifts did increase dramatically (some 60% overall) total gifts as percentage of total revenues only increased slightly. Of import is the downward shift in the percentage of dollars being provided by alumni and denominational sources and the increase in dependence on outside providers such as businesses, foundations and corporations.

Current Fund Expenditures:

Having noted the general trends in current fund revenues, attention is next turned to the current fund expenditures for this same period. Current fund expenditures are usually recorded under two main categories: education and general which includes expenditures for instruction, research, public service, academic support, student services, institutional support, plant operation and maintenance; the second being auxiliary enterprises including those costs incurred as a part of operating the various auxiliary services of the institution. Tables 6 through 11 address the current fund expenditure trends.

TABLE 6

TOTAL CURRENT FUND EXPENDITURES
1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Current Fund Expenditures	100	115	128	153	168	184
Standard Deviation	43	62	71	97	113	124
Range: Low	75	77	82	90	92	108
High	164	208	233	297	336	369
N = 4						

TABLE 7

CURRENT FUND EXPENDITURES AS A PERCENT OF CURRENT FUND REVENUES
1973/74 - 1978/79

	Percent of Current Fund Revenues					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Current Fund Expenditures	97.0%	98.9%	99.1%	98.7%	100.4%	103.3%
Standard Deviation	8.3	1.4	1.1	2.1	1.4	4.6
Range: Low	84.6	97.3	97.6	95.8	98.9	99.6
High	102.2	100.2	100.0	100.8	102.2	109.1
N = 4						

Tables 6 and 7 address the data relevant to a consideration of total current fund expenditures. In 1973/74 the institutions had a combined expenditure of \$12,948,639; by 1978/79 that had risen 84% to total of \$23,783,699. Means for the period were from \$3,237,160 to \$5,945,925. Table 7 confirms the fact that expenditures did outstrip revenues over the six years resulting in a deficit budget for the colleges as a group in the last two years of the period. In 1973/74 mean expenditures stood at 97% of mean revenues producing a mean surplus of \$220,084; by 1978/79, mean expenditures stood at 103% of mean revenues producing a mean deficit of \$105,170. Table 7 points out the range that existed between the colleges. In 1978/79 two of the colleges showed a combined operating deficit of \$484,995 while the remaining two showed a surplus of \$64,318.

Education and general expenditures are the areas of budget spending most often scrutinized by academic evaluators. Table 8 addresses the trends in expenditures in this area while Table 9 pictures the trends in education and general expenditures as a percent of the total expenditures. As was noted, expenditures for academic salaries and instruction, student services, instructional support and plant operations and maintenance are included in these figures. As with revenues, no figures for capital expenditures are included here; however, amounts for debt service which are budgeted as a part of the annual operations budget are included in these figures. As can be seen from Table 8, E. & G. expenditures have increased a full 107% over the base year with a mean of \$2,231,641 in 1973/74 growing to a mean of \$4,608,203 in 1978/79. Further analysis of the academic and instructional component of these expenditures along with a consideration of library costs will be covered

TABLE 8

	Index Numbers : 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Education & General Expenditure	100	128	144	173	188	207
Standard Deviation	48	77	87	119	132	145
Range: Low	65	78	85	91	95	110
High	171	243	273	349	384	422
N = 4						

TABLE 9

	Percent of Total Expenditures					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Percent Education and General	68.9%	76.7%	77.4%	77.9%	77.4%	77.5%
Range: Low	60.0	70.4	71.3	70.2	71.2	71.3
High	72.0	80.6	80.7	81.0	79.1	78.8
N = 4						

later in the section on academic program and faculty. Table 8 is important to pointing out again, the range and variation between the institutions in the expenditure area. Table 9 speaks to the E. & G. expenditure trends as a percent of the total expenditures. Over the period, an increase of 8.6% can be seen representing a shift in expenditure emphases and priorities. Expenditures for the academic and related functions of the colleges edged up leaving a smaller percentage of funds available to service the needs of the auxiliary enterprises. While the data does not specifically illustrate this, it is assumed that salary increases and inflation in the areas of goods and services probably accounted for the major shift in these costs.

One category of education and general expenditures that will be noted here is the scholarship and fellowship component. Since these dollars are considered to be an important part of the recruitment and retention of students, it was decided to briefly look at trends in this area over the six years. Table 10 shows a 100% increase in the mean expenditures for this item from a mean of \$225,146 in 1973/74 to a mean of \$449,983 in 1978/79. In 1978/79, the combined colleges were spending a total of \$1,799,933 for student financial aid, some \$899,348 over the 1973/74 base period. Table 11 addresses the item as a percentage of some selected components. As a percent of total expenditures, scholarships and fellowships saw a 2.8% growth. However, they experienced a slight decline of total education and general expenditures for the period. Scholarships and fellowships, as a percent of tuition and fee revenues, however, saw an overall increase of 3.4% pointing out that the colleges may have found it necessary to place larger amounts of revenues into this category to attract and hold students.

TABLE 10

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Scholarships and Fellowships	100	101	121	210	199	200
Standard Deviation	70	64	74	219	206	178
Range: Low	55	51	62	62	63	77
High	204	195	223	535	505	462
N = 4						

TABLE 11

	Percent of Totals Indicated					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
% of Tuition and Fees	11.6%	10.8%	11.5%	17.5%	15.1%	14.0%
% of Education & General Expenditures	10.1	8.0	8.5	12.3	10.7	9.8
% of Total Expenditures	7.0	6.1	4.0	9.9	8.6	9.8
N = 4						

Total current fund expenditures, in summary, increased 84% over the base year period, outstripping the growth in current fund revenues by approximately 15%. This left the institutions with a combined operating deficit for the 1978/79 year of \$420,677. While the first two years showed respectable surpluses, the last two hinted at the possibility of continued deficit spending into the eighties. Education and general expenditures increased a substantial 107% based on the expenditures for 1973/74. As a percent of total expenditures, E. & G. rose at a rate of 8.6% indicating that more dollars were necessary to compensate for the increased costs of goods and services. Scholarships and fellowships also rose at a rate of 100% illustrating the commitment to improving the attracting and keeping power of students. Over 3% more of tuition revenues, however, had to be expanded to cover this increase in aid.

Institutional Net Worth:

In this final section of the financial trend considerations, the concept of net worth will be briefly and simplistically dealt with. Tables 12 and 13 consider the two main components of net worth - assets and liabilities. Table 12 speaks to the basic indebtedness trends as reported in the H.E.G.I.S. data. While debt load increased by 15% through 1975/76, it declined to about 3% of the 1973/74 base of 100. Total indebtedness of the colleges in 1978/79 was \$11,740,504, some \$350,214 increase over the period. Table 13 shows that mean assets grew 41% from \$30,337,633 in 73/74 to \$42,782,170 in 78/79. Assets are difficult to accurately determine due to the variation among the colleges in determining plant value. Book values, as reported to H.E.G.I.S., are utilized here. Table 14 illustrates the growth in net worth of the colleges

TABLE 12

INDEBTEDNESS: 1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Indebtedness	100	106	115	112	107	103
Standard Deviation	69	62	63	63	60	59
Range: Low	42	42	50	48	47	45
High	200	191	193	190	183	179
N = 4						

TABLE 13

Assets: 1973/74 - 1978/79

	Index Numbers 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Assets	100	105	119	133	135	141
Standard Deviation	57	59	63	93	95	104
Range: Low	62	64	67	60	61	63
High	184	192	208	267	273	293
N = 4						

TABLE 14
NET WORTH: 1973/74 - 1978/79

	Index Numbers 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Net Worth: (Assets-Liabilities)	100	105	153	146	152	161
N = 4						

as a group for the time frame under consideration. The net worth increased by 61% to approximately \$31,000,000 by 1978/79.

Summary of Financial Trends:

A summary of financial trends is offered here with a discussion of these trends left to the final section of this chapter. The six year period under study saw the financial picture of the colleges collectively move from a position of fragile stability to deficit operations. While current fund revenues did increase dramatically at a rate of some 69%, the inflationary spiral impacting goods and services saw expenditures increase at a rate of 84% thus resulting in deficit operations by the end of the decade. Tuition and fees continued to be the major source of revenues for the colleges. However, in an effort to keep the student cost burden as low as possible, the colleges shifted to an increased dependence on government support and other outside sources. Alumni and

denominational giving, while increasing in terms of dollars, decreased in the percentage of funds they were able to provide to meet the increased needs in private gifts for institutional operations.

Expenditures in the current fund rose sharply during the six years with a 6% shift upward occurring in the percentage of dollars expended for educational and general purposes. Student financial aid in the form of scholarships and fellowships accounted for a major portion with the amounts expended for this purpose increasing at a full 100%. However, as a result, an increased percentage of tuition and fees (3.4% to a total of 14%) had to be expended for this purpose leaving, what will be noted later, a smaller percentage of dollars available for the academic and instructional aspects of the colleges' functions.

Institutional net worth for the six years increased about 61% over the base 1973/74 year. While some of this was due to new capital improvements, most can be credited to debt service and the increase in book value of the physical plant. The institutions collectively showed a total net worth at the end of the decade of approximately \$31,000,000.

During the decade, then, the four Free Methodist colleges saw their financial stability decline. While the picture for the individual schools varies, this generalization appears to be appropriate for all. Revenues, unable to keep pace with increased expenditures, led to more stringent financial operations and controls with the result, at the end of the period, being a collective 3% operating deficit.

Enrollment Trends

In this next section, a focus on enrollment trends for the decade of the seventies will be presented. Emphasis is on undergraduate enrollments only. Since it was not possible to accurately separate Seattle Pacific University's graduate enrollments from the totals, particularly in the area of denominational affiliation, only the three undergraduate institutions are considered. Trends in opening Fall enrollments along with the percentage distribution of students identified as new students, part time, female and denominationally affiliated will be presented for Greenville, Robert's Wesleyan and Spring Arbor Colleges.

Data for this analysis was collected from the various H.E.G.I.S. reports on opening fall enrollments for the period Fall 1969 through Fall 1978. Where gaps existed, the Registrar's Office at each of the colleges was contacted. A third source, were the annual reports of the Association of Free Methodist Educational Institutions. While definitions for full time equivalents and the other categories have been well standardized, there may be some minor variation from college to college. As far as can be determined, however, these variations do not significantly skew the results.

Opening fall enrollments for the ten year period are displayed in Table 15. Both the total student headcount and the full time equivalent for the period are noted. The 1969 Fall point was chosen as the base for comparisons since it provides a meaningful starting point for the decade to show growth over the ten years. It also facilitates the comparisons with the Bowen-Minter data presented in Chapter 5.

TABLE 15

OPENING FALL ENROLLMENTS: HEADCOUNT AND FULL-TIME EQUIVALENTS
1969/70 - 1978/79
(Index Numbers: 1969/70=100)

	Fall of the Year									
	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Total Headcount	100	104	100	102	104	103	108	110	107	106
Standard Deviation	5	6	13	18	18	14	17	16	18	17
Range: Low	96	99	96	90	86	87	89	91	87	86
High	105	111	114	123	105	112	121	121	122	116
Full-Time Equivalent	100	105	103	102	102	98	105	106	103	106
Standard Deviation	5	6	12	19	17	13	16	14	14	15
Range: Low	95	100	94	90	85	86	87	90	88	89
High	105	112	116	124	119	111	117	115	113	117
N = 3										

As can be noted from Table 15, opening fall enrollments grew steadily through most of the decade, peaking in 1976 at 10% above the base year for a total headcount enrollment of 2416 students. The next two years, however, showed a decline in the growth trend to a total of 2332 students in 1978 or 6% above the 1969 figures. An interesting aside is that during this period, Seattle Pacific showed a similar pattern of growth through 1976; however, the 1977 and 1978 years revealed the highest enrollments for the period ending the decade at 23% higher than in 1969. It should be noted that the headcount growth was erratic during the period with no discernible or predictable upward trend. The mean growth for the period was 4.4%.

Full time equivalent enrollments showed an even more erratic trend for the ten years with a mean growth over the period of only 3%. There appears to be no meaningful correlation and thus no significant predictability between full time equivalents and headcounts. In 1974 the f.t.e. dropped 2% below the 1969 base with 1976 and 1978 showing the highest increase of 6% above the 1969 year. Predicting accurately full time equivalents is an important part of budget planning and projecting. While there has been some debate about the validity of academic full time equivalents when compared with the more accurate financial full time equivalent method, it appears, for the Free Methodist colleges, that academic f.t.e. is still a valid tool in planning.

Table 16 presents the headcount data in a different fashion addressing the percentage distribution of headcount related to new students, part time students, individuals affiliated with the denomination and the full time equivalents related to the total.

TABLE 16
PERCENTAGE DISTRIBUTION OF TOTAL HEADCOUNT
1969/70 - 1978/79

		Percent of Fall Headcount									
		1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Percent New Students											
Range: Low		29.4	31.2	30.3	29.6	30.6	30.7	26.5	36.7	28.8	36.6
High		25.1	22.9	24.3	21.5	24.4	27.2	23.8	34.1	26.2	32.6
		35.5	41.3	36.0	38.2	35.1	32.9	34.2	41.1	32.7	42.9
Percent Part Time Students											
Range: Low		8.1	4.9	5.0	5.8	6.2	5.0	7.7	7.7	8.4	9.5
High		5.8	3.9	4.1	4.1	1.7	2.9	4.7	6.4	4.7	6.2
		11.3	6.4	6.9	8.3	9.3	8.6	11.7	10.0	12.2	12.3
Percent Female Students											
Range: Low		47.9	52.5	53.9	52.2	54.0	58.9	53.8	54.4	56.6	59.7
High		42.2	50.6	50.0	45.0	47.5	47.7	43.9	47.6	48.7	52.4
		51.6	55.0	58.0	59.0	61.9	66.9	69.0	64.3	67.7	69.9
Percent Denominational Students											
Range: Low		37.8	38.9	40.3	37.1	35.0	32.6	30.9	31.1	29.7	31.0
High		34.6	34.7	35.1	29.8	29.9	28.9	26.9	28.1	24.3	24.7
		40.4	43.3	44.9	43.6	38.3	37.9	36.0	33.2	32.7	34.3
Percent Full Time Equivalent											
Range: Low		96.1	97.0	99.2	96.2	98.7	91.9	93.2	93.2	93.3	96.8
High		94.6	97.0	97.5	95.9	94.0	85.4	92.5	87.9	90.0	93.5
		97.6	97.0	102.0	96.8	107.0	95.7	94.3	95.0	97.5	99.8
		N = 3									

New student enrollments showed an overall upward trend, closing out the decade at a 5.2% increase over the 1969 base point. The mean percent of new students for the period stood at 31% with the decade closing at a full 5.6% above that mean. It appears then, that much of the overall growth in enrollments was due to the significant increase in freshman and transfers into the program. This will be confirmed later when the number of graduates is noted in Table 19. This trend may well be a result of the increased efforts made by Admission's staffs and the added incentive of improved student financial aid. Retention of students can not be accurately determined by the data collected but is an issue that the institutions individually and collectively need to address in the light of the projected levelling of college age students during the decade of the eighties.

Part time student enrollment fluctuated somewhat during the period revealing a mean for the ten years of 6.8%. During the last four years, part time students did increase closing out the decade at 2.7% above the mean and 1.4% above the base year. It would seem safe to assume that part time enrollments will continue to remain at a higher rate into the eighties. Accurate projecting of part time students is an important dimension of meaningful headcount and full time equivalent projecting.

The co-educational nature of the colleges was noted in Chapters 1 and 2 as was the commitment to maintain a balance between male and female populations. During the decade, the colleges experienced an increase in the number of women choosing to become a part of the academic program. Every year, except for 1969, women were a dominant force on the campuses. The mean percent of women for the decade stood at 54.4%,

a respectable average for the period and well within the overall goals of the colleges to maintain a balance between men and women in the program. Of importance, however, is the trend of the final six years of the decade where the mean percent stood at 56.1% and the decade ended with a total of 59.7% of the student body as women. A major concern regarding the ability of the colleges to maintain a co-educational balance needs to be raised.

The number of students the colleges are able to attract and serve from the Free Methodist church, their sponsoring denomination, has continued to be a concern of both the institutions and the church. Over the decade the percentage of students identified with the Free Methodist Church attending the denomination's schools had declined from 37.8% to 31%. The mean for the period was 34.4%. It is important to note that not only had the percentages declined but the actual numbers had also declined from 839 students in 1969 to 801 in 1978. It appears then that the colleges have had to rely on students from outside the denomination to see enrollments grow. What is unknown is whether the pool of available students in the denomination had declined. It might well be that the colleges are doing at least as good a job, and perhaps better, in recruiting church related students if the college age and college bound students in the denomination have declined. A thorough analysis of the college pool within the denomination needs to be conducted in keeping with the procedures established by McKenna in 1962.

Finally, it is noted in Table 16 that the percentage of full time equivalent students has remained relatively constant throughout the period thus helping clarify the data presented in Table 15. The mean

for the decade stood at 95.6%, just slightly lower than the 1969 base year. This does reinforce the position that the trend in part time students was upward throughout the ten years and leads one to infer that this trend might well continue into the decade of the eighties.

In summary, the Free Methodist colleges showed an overall upward trend in total headcount enrollments of 4.4% for the decade of the seventies. Full time equivalent enrollments followed the general growth pattern of headcount and ended the period with a mean increase of 3%. New students, composed of freshmen and transfers, accounted for the largest amount of the overall growth showing a 5.2% increase from the base of 29.4% in 1969. A dramatic shift occurred in the number and percentage of female students attending the institutions from 47.9% in 1969 to a record 59.7% in 1978. The number and percent of students identified with the Free Methodist Church declined seriously from 37.8% to 31% producing a mean enrollment of 34.4%. The reasons for this drop are not readily apparent but may be due more to the shrinking pool of college age and college bound students within the ranks of the denomination than the colleges failure to recruit these students. Whatever the case, this along with a study of part time, new students and retention needs to be conducted on each of the campuses to ascertain information essential to future planning in the enrollment areas. Each of these factors have major implications for the colleges collectively fulfilling their stated mission as church related, residential and co-educational institutions of higher learning.

Academic Program and Faculty Trends

The third and final area for the consideration of trends in Free Methodist higher education during the decade of the seventies deals with a collection of concerns grouped under the general heading of Academic Program and Faculty Trends. In this section, an attempt is made to address some of the remaining issues raised by the college presidents and the literature search that speak to the question of quality distress. The reader is reminded of the fear expressed by Richard Wynn, mentioned in Chapter 1 that "financial distress may give way to quality distress"¹⁰¹ and thus the private colleges would lose their major edge of academic creativity and excellence. While quality of an educational experience is a difficult ingredient to meaningfully quantify, data that speaks to trends in funding priorities, number of graduates, library operations, faculty/student ratios and the percapita educational costs of students may provide a helpful, however admittedly limited, perspective. In addition to covering the above, an aside will be taken to discuss the trends in women faculty on the campuses in light of the significant growth in the number of female college students enrolling.

Tables 17 and 18 contain data that speaks to the trends in expenditures for academic and instructional purposes. This sub category of education and general expenditures contains what might be considered the heart of the colleges' academic program. Here, the costs for faculty salaries, instructional support, professional development and other costs directly related to the educational process are budgeted.

¹⁰¹

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TABLE 17

ACADEMIC AND INSTRUCTIONAL EXPENDITURES 1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Academic and Instructional Expenditures	100	118	130	150	158	168
Standard Deviation	58	76	92	116	118	134
Range: Low	58	66	73	78	84	89
High	185	231	268	324	334	369
N = 4						

TABLE 18

PERCENTAGE DISTRIBUTION OF ACADEMIC AND INSTRUCTIONAL
EXPENDITURES: 1973/74 - 1978/79

	Percent of Selected Expenditures					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Percent of Total Expenditures	34.5%	35.3%	34.6%	33.5%	32.9%	31.4%
Standard Deviation	5.0	3.8	4.4	3.8	2.0	3.3
Range: Low	27.6	30.8	31.9	31.2	30.9	28.3
High	40.5	39.9	41.2	39.1	35.7	35.9
Mean Percent of Educational and General Expenditures	50.5	46.9	45.4	43.9	43.1	40.9
Standard Deviation	5.1	2.3	3.9	3.3	3.3	4.0
Range: Low	46.0	43.8	42.5	41.2	39.2	35.8
High	56.3	49.3	51.0	48.3	46.2	45.5

N = 4

The growth in expenditures, as reflected in Table 17, show a 68% increase over the six year period of 1973/74 through 1978/79. This represents a slower growth rate than the 84% for total expenditures mentioned in Table 6 and the 10% for education and general expenditures as illustrated in Table 8. Table 18 points out that, while expenditures for the academic and instructional activities did increase, its percentage of both total expenditures and education and general declined for the period. (A 3.1% decline in the first and a 9.6% decline in the second.) Mean percentages for academic and instructional purposes were 33.7% for total expenditures and 45.1% for the education and general. While the means tend to modify the initial impact of the change in expenditures for this purpose, the overall downward trend is still significant and serious. As will be noted later in the consideration of Tables 21 and 24, some of this decline may be the result of smaller percentages, for library operations and a decrease in the number of full time equivalent faculty. While data was not collected in enough detail to determine the actual areas of expenditure decline within the academic and instructional area, it is believed that further analysis would show that faculty salaries did not keep pace with other increases, budgets for travel and other professional development activities declined and that staff and other support was probably streamlined. These assumptions are based on the researcher's personal experiences in budget planning and adjustment at one of the colleges in the study during four of the six years under consideration. The range between the four colleges is again significant and should be noted.

In Table 19, the growth in the number of undergraduate degrees awarded by the institutions over the decade of the seventies is illustrated. A slight growth pattern could be assumed if 1978/79 is compared to 1969/70. It is noted that Seattle Pacific was included in this table since data on undergraduate degrees was made available separately from the total degrees. It is difficult to accurately infer any pattern in overall student retention since each graduate would need to be followed specifically to determine if entrance into the program came as a freshman or as a transfer. It would appear that the institutions have been able to maintain their ability to attract and hold students through to graduation following the similar pattern of growth in total enrollments as mentioned in Table 15.

Library growth and expenditures are generally considered to be important indicators of institutional commitment to educational quality. Tables 20 through 22 provide a summary of data on the libraries of the four institutions for the period 1973/74 through 1978/79. The expenditure trends in Tables 20 and 21 demonstrate a steady growth of approximately 16% per year throughout the period for an overall growth of 59%. Total expenditures include salaries for professional and support personnel and operational budgets for library acquisitions. Given the other expenditure patterns noted, the libraries seem to have maintained a respectable growth pattern. Table 21 looks at the expenditure data from the standpoint of a percentage comparison and distribution with total expenditures, education and general and academic and instructional. The library expenditures remained at a constant 3.3% of total expenditures for the period, while they declined slightly as a percent of total education and general.

TABLE 19

UNDERGRADUATE DEGREES AWARDED
1969/70 - 1978/79

	Number of Undergraduate Degrees											
	69/70	70/71	71/72	72/73	73/74	74/75	75/76	76/77	77/78	78/79		
Total Number of Degrees Awarded (All Schools)	807	881	807	817	856	840	813	860	869	825		
Mean Number of Degrees Awarded	202	220	202	204	214	210	203	215	217	206		
Standard Deviation	143	134	120	126	127	148	134	112	129	124		
Range: Low	88	133	130	128	133	125	115	148	127	111		
High	408	420	379	392	400	431	402	382	408	387		108
Growth in Degrees (Index No. 69/70=100)	100	109	100	101	106	104	101	107	108	102		
N = 4												

* Seattle Pacific University was included here since the number of undergraduate degrees was recorded separate from the graduate degrees.

TABLE 20

	Index Numbers 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Total Expenditures	100	117	131	148	153	159
Standard Deviation	31	64	64	81	75	67
Range: Low	73	77	95	100	110	116
High	144	211	227	269	264	259
N = 4						

TABLE 21

	Percent of Selected Expenditures					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Percent of Total Expenditures	3.3%	3.7%	3.8%	3.6%	3.0%	3.3%
Percent of Education and General	4.8	4.4	4.4	4.1	3.9	3.7
Percent of Academic and Instructional	9.3	9.2	9.5	9.1	10.0	8.8
N = 4						

The most meaningful statistic is the comparison of library expenditures to the academic and instructional costs of which the library is a subset. While, as was noted before, academic and instructional costs grew at a rate of 68%, the library grew at a rate of only 59%. In addition, the amount of dollars for libraries declined throughout the period, as a percent of academic and instructional, moving from 9.3% in 1973/74 to 8.8% in 1978/79.

Table 22 shows the total volume growth for the period. The numbers refer to hard volumes purchased and do not include microforms, journals, magazines and other media that may have been purchased during the period. A healthy 21% growth overall in volumes is recorded for the period. If the institutions are regularly culling outdated volumes from their collections, as is assumed, this represents a positive commitment to library maintenance and improvement. It does appear that the institutions maintained a commitment to library quality throughout the period under study. Since this is one of the more tangible areas of the academic enterprise that can be objectively evaluated by outside examiners, it represents a positive effort to insulate against one of the areas of quality distress.

TABLE 22

TOTAL VOLUME GROWTH IN LIBRARY
1973/74 - 1978/79

	Volume Growth					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Total Volumes: (All Schools)	292,105	303,790	318,353	330,840	343,461	353,379
Growth of Total: (Index No. 1973/74=100)	100	104	109	113	118	121
Mean Number of Volumes	73,026	75,948	79,588	82,710	85,866	88,345
Standard Deviation:	22,102	22,349	22,749	23,178	22,221	22,137
Range: Low	45,927	48,842	52,193	55,285	61,402	64,423
High	96,961	100,716	104,471	108,226	111,981	115,735

N = 4

Student/faculty ratios are often a part of assessing educational quality. Since the small, private college has, as one of its distinctives, a strong commitment to individual growth and development of its students, the number of full time equivalent faculty available to provide such personal attention is important. Table 23 reveals that student/faculty ratios for the six year period edged up from 15/1 in 1974/75 to 17.8/1 in 1978/79. (These five years are utilized to provide a comparison with Minter-Bowen in Chapter 5.) Table 24 seems to indicate that the major reason for this shift was the combined impact of a decreasing number of full time equivalent faculty and gradually rising enrollments. While faculty f.t.e. rose steadily through 1976/77, the enrollment growth illustrated in Table 15 along with Table 23 shows that 1978/79 became the major turning point. In this year faculty f.t.e. dropped 14% while student/faculty ratios jumped 14.4% from 15.3/1 to 17.5/1. It appears that the institutions may have made a concerted effort to reduce salary expenditures through the process of few new hirings and replacements. Whether or not this had a serious impact on the quality of student/faculty relationships is difficult to determine. Quite possibly faculty morale was impacted and work loads, both in the classroom and on committees, increased. While quality can not be judged from this data, it would be expected that the time available to students would be greatly reduced. This decline in f.t.e. and subsequent increase in ratios bears close scrutiny and evaluation. Given the importance of faculty and student interaction, any significant change, such as that which has been observed, deserves further investigation to determine if quality has been adversely effected.

TABLE 23
STUDENT/FACULTY RATIOS
1974/75 - 1978/79

	F.T.E. Student/F.T.E. Faculty=X/1				
	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Ratio of Students to Each Faculty	15.0	15.2	15.3	17.5	17.8
Standard Deviation	2.2	2.0	1.5	3.6	4.6
Range: Low	12.4	12.3	13.0	12.7	11.5
High	17.3	16.6	16.3	21.0	21.9
N = 4					

TABLE 24
FULL TIME EQUIVALENT FACULTY (ALL RANKS)
1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean F.T.E. Faculty	100	102	105	106	92	87
Standard Deviation	49	57	58	60	41	36
Ranges: Low	66	72	75	74	60	59
High	173	188	192	196	152	140
N = 4						

While on the topic of faculty, an aside will be taken to consider the trends in the percentage of women faculty on the campuses for the five year period. Table 25 reveals that the percentage of women, both full and part time combined, increased steadily from 27.9% to 29.5%. This shift is important since it appears to reflect the colleges' efforts to add more women to the ranks. These results are beneficial from a student development point of view, since more women role models appear to be desirable for the increasing percentage of female students. Additional study on rank and salary distributions of women faculty in comparison to their male colleagues is desirable.

TABLE 25
WOMEN FACULTY: FULL AND PART TIME
1975/76 - 1979/80

	Percent of Total Faculty				
	1975- 1976	1976- 1977	1977- 1978	1978- 1979	1979- 1980
Mean Total Women Faculty	27.9%	28.6%	28.5%	29.2%	29.5%
Standard Deviation	9.7	9.6	11.5	10.6	11.6
Range: Low	17.0	20.0	16.7	19.6	18.8
High	35.0	36.3	38.6	39.0	41.6
N = 4					

This section on academic program and faculty trends will conclude with a consideration of the per capita costs to educate a full time student. Table 26 provides data on the trends to educate a full time equivalent student at the Free Methodist colleges between the years 1973/74 and 1978/79. This cost has risen some 60%, faster than the consumer price index of 49.6%. While most of these costs may have been passed along to the student, the colleges appeared to be hesitant to raise their charges too quickly out of a fear perhaps that this might impact enrollment and retention. While the institutions were spending more to educate a student, there was no guarantee that this was an indication of increased quality. Most of these increases seem to have gone to cover utilities, room and board, debt service and salary increases. Little, according to the data presented in this chapter, appears to have gone for increases in areas that directly impact the overall educational process.

In this section, areas that are often considered important to the maintenance of a high quality academic program have been considered. It appears that every area examined, except for the library and the increase in the number of women faculty, has experienced financial distress during the decade of the seventies. Academic and instructional expenditures, while increasing some 68%, failed to keep pace with the other patterns of expenditures. Library growth, a subset of academic and instructional, did continue a steady 16% growth pattern. The commitment of the institutions to the importance of maintaining quality in the learning resource area appears to be evident from these statistics. The number of graduates grew slightly during the decade with the

TABLE 26
PER CAPITA COST TO EDUCATE A STUDENT
1973/74 - 1978/79

	Cost Per F.T.E. Student in Dollars					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Mean Cost Per F.T.E. Student	\$3337	\$3744	\$3962	\$4541	\$4911	\$5326
Standard Deviation	598	517	319	170	442	299
Range: Low	2619	3120	3576	4330	4415	4967
High	4041	4225	4317	4745	5414	5538
Growth in Per Capita Cost to Educate a Student (Index No. 1973/74=100)	100	112	119	136	147	160

N = 4*

* Seattle Pacific University was included in this chart since f.t.e.'s and total current fund costs were available.

institutions collectively graduating an average of 838 students per year, about 3.8% over the 1969/70 base year. Of greatest concern was the serious decline in full time equivalent faculty, a 14% drop over the period, and the resulting 14.4% increase in student faculty ratios from 15.3/1 to 17.5/1. While a more sophisticated study would be necessary to demonstrate the existence of quality distress as a result of this change, the possibility of such distress looms large in the light of the accepted importance of student/faculty interaction and relationships. Women faculty have increased approximately 2% and is considered a positive trend in light of growing female enrollments. The per capita costs to educate a student at the Free Methodist colleges jumped 60% during

the last part of the decade; however, it could not be demonstrated that this increase had either a positive or negative impact on the quality of the educational experience. Detailed analysis of the educational process and product needs to be conducted to determine if any or all of the above mentioned trends had any observable impact on the overall quality of higher education.

Discussion of the Trends

In the concluding part of this chapter, emphasis will be given to a discussion of the trends observed in the group of Free Methodist colleges during the decade of the seventies. In Chapter 3 (p.68), a set of questions was formulated, based on the input of the presidents and informed by the literature search, as a means of guiding the collation and presentation of the data in a delimited context. These questions were grouped under the three headings of revenue and expenditures, enrollments, and academic program and faculty. In order to facilitate a discussion of the trends that were discovered, four additional questions, designed to encompass the concerns expressed in each of the foregoing sections, will be addressed.

1. What was the overall financial condition of the colleges at the close of the decade?
2. What was the enrollment picture for the group at the close of the decade?
3. What can appropriately be stated about the condition of the academic program and faculty as the decade ended?
4. What impact has the decade of the seventies had on the ability of the colleges to address and achieve their stated mission?

The Financial Question:

The August, 1978 report of the Controller General to the Congress concluded that "all of higher education has suffered financial distress but the private institutions have been the hardest hit".¹⁰²

Can this also be said about the overall financial condition of the group of Free Methodist colleges at the close of the decade of the seventies?

In 1973/74, where the study of financial conditions began, the Free Methodist colleges were at a point of fragile, financial stability. Current fund revenues and expenditures were in balance with a modest, but respectable surplus being recorded for the group. Over the six years, however, this position of stability gradually eroded with the colleges, by the end of the decade, showing a collected deficit of 3% in operations with current fund expenditures growing at a rate of 84%, some 15% ahead of the current fund revenue growth. The colleges continued to rely heavily on tuition revenues as the major source for funds to pay expenses. Tuition was unable to keep pace with the rising costs resulting in an increased dependance on outside sources for additional revenues including the various government agencies along with increased private philanthropy from corporations, foundations and businesses. Scholarship and fellowship expenditures rose 100% during the six year period possibly illustrating an increased concern by the colleges for the ability of students to keep pace with increasing costs. This increase reached a peak in 1976/77, levelling off in the last two years.

With this increase in aid came a decrease in the amount of tuition available to fund the other components of the educational enterprise. Scholarships climbed to a record 14% of tuition revenues some 3% higher than at the start of the period. During the six years, net worth had increased to approximately 30 million dollars compared to a net worth in 1973/74 of 19 million dollars. However, when the figures are adjusted to account for the rise in the consumer price index, a real growth in 1973/74 dollars reveals only 1.5 million dollars.

As the decade of the seventies concluded, then, the financial stability of the colleges collectively had eroded to a point of genuine financial stringency. While the deficits for the final two years were small in comparison to total expenditures and net worth, it was the steady downward trend over the period that provided the greatest concern. While the colleges, individually, showed varied degrees of financial stress, it appears appropriate to conclude that all of the schools ended the decade with more financial distress. The relativeness of this stress to the private sector as a whole and the implications of this trend for the decade of the eighties will be the subject of later considerations. At the close of the decade of the seventies, in response to the question of financial condition, the Free Methodist colleges had moved from a point of fragile, financial stability to a level of serious financial stress.

The Enrollment Question:

Colleges, in addition to adequate financial resources, need students to survive. As was noted by Minter and Bowen, "perhaps the most conspicuous mark of a healthy college or university is the capacity to attract and hold students".¹⁰³ What was the enrollment picture for this group of church related colleges at the conclusion of the decade of the seventies?

In retrospect, it appears that the colleges of the denomination were able to maintain a general upward growth trend in the overall enrollment of students for the decade at an average of 4.4% per year. Total headcount peaked in the Fall of 1976 at 10% above the 1969/70 index base and then began a slight decline ending the decade at 6% above the beginning point of the ten year period. The major growth areas appeared to be in freshmen and transfer enrollments with the number of women students rising sharply. Full time student equivalents increased at a rate of 3%, slightly behind the total headcount growth and was reflected in a slight shift upward in the percentage of part time students. The percentage of students identified with the sponsoring denomination declined significantly during the period from 37.8% to 31%.

In the area of student enrollments, continued growth has been a sign of strength for the college group. While the pattern fluctuated over the ten years, and while the institutions individually varied

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significantly, the overall upward trend is taken as a healthy indicator of the colleges' ability to attract and hold students. It would appear, from the increase in new student enrollments, that the colleges recognized the potential decline in enrollments and committed additional resources to the task of recruitment and admissions. The slight downward trend following 1976, while not immediately alarming, deserves careful attention and future observation. The colleges may want to increase efforts, particularly in the area of retention, in order to assure an adequate student enrollment to operate programs. The dramatic shift in female students is not readily explained by the data; however, the implications for academic program, student services, placement and recruitment are noteworthy necessitating future study into the reasons for this trend. Neither are the reasons for the decline in the number of Free Methodist students readily discernible; additional research into the college pool within the denomination and the colleges' recruiting efforts in this area need to be conducted. These trends in female enrollments and denominational affiliation will be considered again when the question of mission is discussed.

The enrollment concerns expressed by David McKenna in his 1962 study continue through the seventies. While the colleges have done well to maintain enrollment growth, continued analysis and monitoring is essential. As McKenna noted, so also it was observed during the seventies, that enrollment growths continued to depend on sources outside of the denomination. In conclusion, the colleges did demonstrate a healthy ability to attract and hold a sufficient number of students to make the academic program viable.

The Condition Question:

Concern for a quality education experience within the context of the denominations's colleges has persisted from their founding as was noted in the research of Schoenhals. While the desire for quality is an easily stated objective, it is significantly more difficult to quantify, measure and verify. Studies, far more complex than the one attempted here, are necessary to measure the condition of overall educational quality to be found within these institutions. Measures of academic performance, standardized tests, inventories on the academic activities and attitudes of faculty, students and alumni and numerous other data would be necessary to make any reliable conclusions. Even the 1955 Schoenhal's study of the alumni of two of the colleges only begins to address the complexity of this issue.

The data that was gathered in this study is only useful to infer some general suggestions regarding the trends in the condition of the academic program and faculty. While implications regarding quality are hinted at, it must be noted that these can not be substantiated on the basis of the research done in this project. At the very least, the trends noted in this part of the study should provoke a continuing interest in the exploration of the various factors influencing a quality educational experience. While financial distress is evident and demonstrable, quality distress can not be assumed as an inevitable outcome. The institutions, if accurate data were available, may well have emerged from the decade of the seventies leaner but stronger in the areas of educational quality.

The inability of expenditures, for academic and instructional purposes, to keep pace with other areas would seem to imply that cut backs, or at least no growth patterns, occurred during the latter part of the decade in areas of central concern to the educational process. Since higher education is a labor intensive industry, it would seem safe to assume that faculty salaries and staff additions may have been minimal or nonexistent during the period. The decline in full time faculty and the increase in the student/faculty ratios, as a result of this decline coupled with enrollment increases, would seem to raise questions about both the quantity and quality of student contact. Increased advisor loads, larger classes and perhaps fewer academic course offerings might well have been the result. Again, it must be emphasized that these outcomes can not be validated from the data collected but only hinted at as possibilities in need of further examination. Whatever the results, the data does demonstrate a downward shift in the percentage of dollars utilized for academic and instructional purposes. With the cost per student increasing faster than the consumer price index, it would seem that the colleges faced serious financial pressures in the areas of utilities, consumer goods and general plant maintenance. While the major concern expressed here has been over academic quality, attention also needs to be paid to the impact of such increases on environmental quality including facilities, student services and morale. Questions regarding the colleges' ability to recoup these increasing costs have implications for finances and enrollments as well as educational quality.

Two trends, considered positive from the perspective of the academic program, are the steady growth in library acquisitions and

expenditures and the upward trend in the percentage of women faculty. The commitment to maintaining quality in the library might be safely assumed from the data as the consistency and growth of expenditures and volume additions was noted. The upward trend in women faculty is perceived, from a student development as well as government compliance viewpoint, as a positive contribution to both quantity and quality in these two areas.

What can be appropriately stated about the condition of the academic program and faculty in these institutions as the decade ended? It would appear that, in both areas, they were leaner than when the decade began. Whether or not they were stronger or weaker can not be conclusively demonstrated from this data. While inferences regarding quality could be made, they are only valuable as they spark interest in the detailed examination of these and other areas that impact the ability of the colleges to accomplish their stated objectives. This leads to the consideration of the final question suggested as a means of addressing the trends of the decade of the seventies.

The Mission Question:

As was gleaned from the research of Schoenhals, McKenna and Stephens, the Free Methodist higher educational commitment has been to provide a quality Christian living and learning experience that serves the denomination by being liberal arts in focus, co-educational in character, non-sectarian in emphasis and personal growth oriented in purpose. What impact have the trends of the seventies had on the ability of these institutions to continue to accomplish this mission?

None of the data collected addresses the liberal arts nature of the curriculum. This question, however, has been addressed to some extent by all three men previously mentioned. Whether there was any strong move away from the predominantly liberal arts thrust is not discernible from the data amassed here. Neither was data gathered to make any legitimate determination as to the degree of commitment the institutions maintained toward the Christian faith and the Free Methodist Church. Both are intriguing topics and worthy of indepth study. The data collected, however, does provide insight into the remaining three areas of coeducation, non-sectarianism and personal growth.

In the area of a commitment to a balanced co-educational student body, the colleges did see a significant shift in the mix of male and female students. Beginning the decade with a balance that slightly favored men, the end of the decade showed a dramatic shift upward in favor of female students. While the percentages at the close of the decade are within what have been established as acceptable upper limits (no more than a 40/60 mix), should this trend continue, it could mean a major change in the colleges' co-educational emphases. It would appear that recruitment activities, course offerings and other ingredients that may influence male attendance should be examined. While a shift has occurred toward the upper limits of the prescribed percentages, it is appropriate to state that the colleges have maintained a commitment to co-education throughout the decade.

Nonsectarianism, the commitment to maintain an openness to other religious viewpoints, has seen some change. Given the enrollment data, it can be stated that the colleges have become more nonsectarian,

admitting an increasingly larger number of non-Free Methodist students. These students account for the largest portions of the enrollment growths experienced during the decade. Private gift support from sources outside of the denomination have continued to increase and may be illustrative of a continuing or growing perspective that the colleges are nonsectarian in emphasis and service. While illustrating that the colleges have maintained and perhaps even advanced in their commitment to the nonsectarian mission, certain questions do become evident. What will such a change do to the college's dependence on the denomination? Will this impact institutional loyalty to the sponsoring church? These trends would seem to imply that the denomination might expect to have less of an influence over the affairs of its loosely affiliated colleges. While no data was collected on the topic of institutional commitment to the denomination during the decade, some inferences could be made as denominational support trends in finance and enrollment are noted. With the steady decline in both of these areas, it would appear that the degree of influence the denomination would have over its colleges would be lessening. With the colleges forced to look for the additional resources necessary in order to make up for the declining support outside of the church, the colleges' loyalty to the denomination might wane. This possibility is even further enhanced when it is noted that supporting alumni, who are thought to be primarily denominationally affiliated, have lessened in percentage of support. These are disconcerting and politically explosive implications; however, they need to be recognized and appropriately addressed if the colleges and the church are to have an informed and mutually beneficial relationship.

Data available to comment on the trends in the continuing commitment to the personal growth and development of students is inconclusive in terms of this study. Assuming that one of the more significant influences on the student is the individual faculty member, it could be inferred that because of the rise in student/faculty ratios, the quality and effectiveness of this activity has diminished. While this is not the inevitable result of such an increase, the role of the faculty in student development is of such significance that the concept should be raised. Since the number of graduates have generally kept pace with enrollment increases, it seems possible to assume that attrition, and hence student dissatisfaction, has not become an increasing problem over the decade. Further research is needed on these and other issues that can address the personal development mission of the colleges.

While the data collected for this study does not provide definitive conclusions regarding the impact of the seventies on the overall mission of the colleges, it does provide some interesting stimulation to consider this question further. It can not be concluded, since adequate evidence is not available, that the decade of the seventies has had any negative impact on the institutions' commitment to and achieving of its mission. However, the data has raised certain suspicions that need additional analysis and evaluation.

Concluding Comments on the Trends of the Seventies:

The decade of the seventies was filled with major changes for colleges of the Free Methodist church. Financial stringencies increased, enrollments continued to rise and questions regarding academic program and faculty came to the surface. In general, the four colleges under consideration collectively survived the challenges of the seventies. As a group, the Free Methodist colleges emerged leaner; whether or not they emerged stronger is yet to be observed.

Two questions remain to be considered in order to draw this study to a close. The first, addressed in Chapter 5, deals with the question of how the Free Methodist colleges did during the seventies in comparison with their private college counterparts. The second, the topic of Chapter 6, considers some of the possible implications of the trends of the seventies for the decade of the eighties.

CHAPTER 5
COMPARISON OF SELECTED TRENDS WITH THE PRIVATE
COLLEGE SECTOR

Introduction to the Comparisons

The second phase of this study involves the comparison of a selected number of the trends identified during the decade of the seventies with a national, private college sample. The Minter and Bowen studies¹⁰³ were selected since they provided an available data base, recognized by researchers in private higher education as representative of the private college sector. Rationale for selecting Minter-Bowen was given in Chapter 3 and a comprehensive review of their study given in Chapter 2. While the data presented in Chapter 4 does provide some meaningful insight, a greater understanding of the trends and positions of the Free Methodist colleges should be gained by the comparisons that follow. It is also noted that this exercise does not violate the agreement reached with the denominational presidents regarding institutional comparisons. Permission for quoting from the Minter-Bowen data was obtained, in writing, from the National Institute of Independent Colleges and Universities in Washington, D.C. All data quoted is copyrighted; any excerpts for the following pages that might include Minter-Bowen should be cleared by the National Institute. Quotations are from

¹⁰³ Minter and Bowen, Independent Higher Education, Fifth Annual Report.

the Fifth Annual Report of Independent Higher Education, released in 1980.

What follows is a comparison of the Free Methodist colleges with the Minter-Bowen data base in selected areas chosen to cover the broad headings of financial, enrollment and academic program and faculty trends. Data displays will show information from Minter-Bowen on the group the Carnegie Commission identifies as "Liberal Arts Colleges II". The denominational sample is most like this category of private colleges. In addition, data on the total Minter-Bowen sample will be provided in order to make comments comparing the denominational group to the private higher education sector in general. Data on the Free Methodist colleges, noted as F.M.E.I. (Free Methodist Educational Institutions) in the Tables will be drawn from the work done in the previous chapter. The chapter will conclude with a discussion of the comparisons illustrated in the three sections described.

Financial Comparisons

Tables 27 through 31 address some of the financial comparison that can be made utilizing the national study materials of Minter and Bowen. Table 27 illustrates the current fund revenue comparisons specifically considering the categories of tuition and fees, government support, private gifts, endowments and total revenues. Utilizing the index numbers, trends in each of the three groups including Liberal Arts Colleges II, the Six Types Combined (Research Universities, Doctorate-Granting Universities, Comprehensive Universities and Colleges, Liberal Arts Colleges I and II and Two Year Colleges) and the F.M.E.I. are noted. Table 28 addresses a comparison of the percentage distribution of current fund revenues by source utilizing the same categories and groupings.

TABLE 27
CURRENT FUND REVENUE COMPARISONS
1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Tuition and Fees:						
Liberal Arts Colleges II ¹	100	110	123	133	143	156
Six Types Combined ¹	100	109	125	137	152	167
F.M.E.I. ²	100	109	122	140	152	166
Government Support:						
Liberal Arts Colleges II						
State	100	108	106	138	157	235
Federal	100	113	136	147	156	169
Six Types Combined						
State	100	122	123	145	144	159
Federal	100	111	122	129	139	152
F.M.E.I.						
State and Federal	100	175	297	791	857	928
Private Gifts:						
Liberal Arts Colleges II	100	110	119	131	168	148
Six Types Combined	100	109	114	127	143	154
F.M.E.I.	100	115	113	129	147	179
Endowments:						
Liberal Arts Colleges II	100	123	127	152	178	201
Six Types Combined	100	106	111	122	132	146
F.M.E.I.	100	111	117	157	159	172
Total Revenues:						
Liberal Arts Colleges II	100	112	124	135	149	158
Six Types Combined	100	112	122	133	146	161
F.M.E.I.	100	110	122	145	156	169

¹

Carnegie types and data as utilized by Minter and Bowen in Independent Higher Education, Fifth Annual Report, Table 30, pg. 59

²

Free Methodist Educational Institutions

TABLE 28

COMPARISON OF PERCENTAGE DISTRIBUTION OF CURRENT FUND REVENUES
1974/75 - 1978/79

	Percentage of Total Revenues				
	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Tuition and Fees:					
Liberal Arts Colleges II ¹	49%	50%	49%	46%	47%
Six Types Combined ¹	33	34	36	33	33
F.M.E.I. ²	56	56	54	55	55
Government: All Sources					
Liberal Arts Colleges II	9	9	9	10	11
Six Types Combined	21	20	19	19	18
F.M.E.I.	2	3	7	7	7
Private Gifts:					
Liberal Arts Colleges II	12	12	12	15	13
Six Types Combined	11	10	10	11	11
F.M.E.I.	11	10	8	10	11
Endowment Income					
Liberal Arts Colleges II	3	3	3	3	3
Six Types Combined	8	7	7	8	8
F.M.E.I.	2	2	3	2	2
Other Revenues ³					
Liberal Arts Colleges II	28	27	26	25	25
Six Types Combined	28	29	29	29	30
F.M.E.I.	29	28	29	26	24

¹ Minter-Bowen, Independent..., Table 32, pg. 64. Note, percentages may not total 100% due to rounding.

² Free Methodist Educational Institutions.

³ Includes all other revenues plus auxiliary enterprises.

Note that Table 27 covers data from 1973/74 through 1978/79 while Table 28 covers data for a five year period beginning with 1974/75.

The total current fund revenue growth, depicted at the bottom of Table 27, reveals that income to the current fund for the denominational group grew at a rate 11% faster than that of the Liberal Arts Colleges II and 8% faster than that for the six types of private institutions combined. The mean growth for the period 1973/74 through 1978/79 was 30% for the first category of Liberal Arts schools, 29% for the total private college sample and 34% for the Free Methodist colleges. The most rapid change between two years in overall revenue growth occurred for the F.M.E.I. group in 1976/77 with a jump from the previous year recorded at 23%. The growth trend for the other two groups was relatively steady with no comparative spurts noted.

The tuition and fees data in both Tables 27 and 28 reveals some interesting comparisons between the three groups. The church related set kept pace in growth with the combined private college sector increasing at a similar rate of 66%; however, they outstripped the Liberal Arts institutions in the Minter-Bowen sample by some 10% more in increases for the six years. Table 28 statistics shows that the F.M.E.I. continued to be the most dependent on tuition and fee revenues, an average of 7% more than the Liberal Arts II mean and 11% more than the total private college segment reported on in the sample.

In the area of government support, Table 27 shows a phenomenal growth for the six year period of 828%, better than six times the growth reported by the other two groups. It needs to be noted that this growth in the Free Methodist colleges is almost totally accounted for by Seattle Pacific University; if the remaining three colleges were considered separately, the growth would be approximately the same as the overall

growth noted for the total private sector. Here, Table 28 is important in putting the data into proper perspective. While the increase of the F.M.E.I. in this government support area is nearly exponential in character for the period, the percentage of revenues the denominational colleges gleaned from this source only rose to 7% well behind the 11% and 18% respectively for the Liberal Arts II and Six Types Combined. In Table 27, separate figures for state and federal revenues were not collected for the church related group; since it was not considered statistically acceptable to combine the figures for the two groups, they are reported as shown in the Minter-Bowen displays. The differences, even in light of this method, are still significant making the generalizations, noted above, valid.

In the private gifts revenue category the denominational group outpaced both of the other sets in growth trends. The mean increase for the F.M.E.I. was 31% compared to 29% for the Liberal Arts II and 25% for the private college sample. The growth for the Minter-Bowen group in private gifts was relatively steady throughout the six years while the church related colleges saw a slight decline in 1975/76 with a relatively more rapid increase toward the end of the period. Liberal Arts II growth was sustained through 1977/78 but saw a 20% decline from that year to 1978/79; the F.M.E.I. group, in comparison experienced a 32% increase for that same period. Despite this growth pattern, Table 28 shows that the actual percentage of revenues provided to the current fund from this source did not change dramatically for any of the three groups. The mean percentage of private gifts as a proportion of total revenues continued to vary between the three with 13% for the Liberal Arts II, 11% for the overall private sector and 10% for the F.M.E.I.

Growth in endowment income was significant for the Liberal Arts colleges jumping over 100% for the period. The Free Methodist colleges experienced a 79% increase for the period while the total private sector in the sample saw a growth of 54%. The F.M.E.I. had the largest growth in the 1976/77 year, a jump of 40%, while the total sample saw a steady upward climb throughout. Again, Table 28 reveals no dramatic change among any of the three groups in terms of the percentage of revenues provided from endowment sources. The denominational colleges in this study did lag slightly behind the Liberal Arts colleges by approximately 1% and well behind the overall private sector by some 6% in income.

The category of other revenues includes other education and general revenues not mentioned earlier and the income collected from auxiliary and other related enterprises. Both the Liberal Arts II colleges and the denominational group experienced declines in this source of revenue in terms of the total percentages in any given year as noted in Table 28. The F.M.E.I. saw a 5% decline in the percentage of dollars provided from these sources compared to the 3% decline of the Liberal Arts colleges. The total private sector in the sample, however, experienced a small, but steady rise over the five years ending the period with an approximate 2% increase in dependence on this category for revenues compared to the 1974/75 starting point.

TABLE 29
COMPARISON OF TOTAL CURRENT FUND EXPENDITURE TRENDS
1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Liberal Arts Colleges II ¹	100	108	117	126	135	147
Six Types Combined ¹	100	111	122	133	145	161
F.M.E.I.	100	115	128	153	168	184

¹
Minter-Bowen, Independent..., Table 33, pg. 66

Table 29 provides a comparison of the total current fund expenditure trends for the three groups under consideration for the fiscal years 1973/74 through 1978/79. The Liberal Arts Colleges II category in the Minter-Bowen sample showed a steady growth pattern for the period averaging about 9% per year to produce a mean growth of 22% and a total growth for the six years of 47%. The Six Types Combined developed a similar pattern of growth with an average of 12% per year producing a mean growth of 29% and a total range of growth of 61%. The F.M.E.I. pattern of expenditure growth was generally upward throughout the period but increased at a more rapid pace of 17% per year for a mean growth of 41% and an 84% overall range. The 1976/77 year saw the denominational colleges with their largest single year to year expenditure increase of 25% compared to a revenue increase for that same year of 23% approximately. Current fund expenditures, as was noted in Chapter 4, for the

denominational colleges increased at an overall rate of growth faster than revenues. Comparing Tables 29 and 27, the F.M.E.I. expenditure growth pattern outstripped revenues by some 15% for the six years. In contrast, the Liberal Arts colleges saw revenues outpace expenditures ending the period with revenues having grown at 11% faster than expenditures. For the combined private college set, revenue and expenditure increase ran parallel throughout the six years closing the period with a 61% increase in both budget classifications.

TABLE 30
COMPARISON OF EDUCATION AND GENERAL EXPENDITURE TRENDS
1973/74 - 1978/79

	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Liberal Arts Colleges II ¹	100	110	120	131	142	155
Six Types Combined ¹	100	111	122	133	145	160
F.M.E.I.	100	128	144	173	188	207

¹

Minter-Bowen, Independent..., Table 33, pg. 66

In the education and general expenditure growth trends, contained in Table 30, divergent patterns between the F.M.E.I. and the other two sets can be seen. The denominational group saw an overall 107% increase for the six year period in the various expenditures catagorized under the educational and general heading. The average increase per year was 21% with a mean increase pattern for the period of 57%. Large increases between 1973/74 and 1974/75 of 28% and between 1975/76 and 1976/77 of 29% occurred. In comparison, the total private sector sample saw a 60% increase overall with an average of 12% per year and a mean of 29% for the six years. Growth patterns for the private sector were consistently upward with a slight increase in the pattern for the final two years of 12% and 15% respectively. The liberal arts sample experienced the slowest overall growth for the group ending the period some 55% above the base year. Average growth per year stood at 9% while the mean growth for the six years was recorded at 26%. Education and general expenditures grew at a faster rate for both the liberal arts and the denominational sets than did current fund revenues. The total college group, however, grew at an education and general expenditure rate equal to its total expenditure growth rate for the fiscal years under consideration.

A final trend, to be considered in this section on financial comparisons, deals with the student aid expenditures. Table 31 provides data for 1977/78 and 1978/79 for the F.M.E.I. and the median institutions for all types of schools in the Minter-Bowen project. The overall private sector saw a median increase of 11% in expenditures for this category compared to the median of 12% for the denominational colleges. The percentage of education and general expenditures utilized for student aid in the 1978/79 year for the median Minter sample was 17% compared to the median in the F.M.E.I. of 9%.

TABLE 31
COMPARISON OF STUDENT AID AWARDS

	Median Institutions All Types ¹	F.M.E.I.
Percentage change in total dollars for student aid from 1977/78 to 1978/79	11%	12%
Student aid as a percentage of Education and General Expenditures: 1978/79	17%	9%
¹ Minter-Bowen, <u>Independent...</u> , Table 37, pg. 75. Note: "All Grants" category utilized to provide comparison with F.M.E.I. data base.		

A brief summary of the financial trends is offered next with discussion left to the final section of the chapter. In the area of current fund revenues, the denominational colleges had a growth rate well above that of the Liberal Arts Colleges II (11% more) and the Six Types Combined (8% more). Tuition and fees for the F.M.E.I. evidenced a 66% growth rate in keeping with that experienced by the general private college group. The growth rate, in comparison with the liberal arts sector, was a full 10% greater. The church related colleges continued to remain significantly more dependent on tuition and fees throughout the six year period for revenue support. While revenues attributable to government sources increased at a rate of six times that of the liberal arts and overall private college sector, the percentage of revenues gleaned from this source by the church colleges remained at a level well

below that of the others. The denominational colleges continued to outpace in the growth trends of private philanthropic gifts. While remaining comparable to the general private sector, the F.M.E.I. did drop behind the liberal arts set in terms of the percentage of dollars raised each year from this source of revenue. Endowment income continued to provide a small, but consistent percentage of annual revenues for the church related colleges. Growth trends in this category were above the private sector but below the liberal arts group. Other revenues, as a source of income for each year, declined for the F.M.E.I. and the Liberal Arts Colleges II while increasing slightly for the Six Types Combined.

In the category of total current fund expenditures, the F.M.E.I. experienced the largest increase exceeding the Liberal Arts Colleges II by 37% and the Six Types Combined by 23%. These increases, however, did not keep pace with the revenue growths. While the liberal arts set saw revenues exceed expenditures for the period and while the private college sector as a whole saw revenues and expenditures grow at an equal rate, the denomination's schools had expenditure growth exceed revenue growth by 15% overall. Education and general expenditures grew at a rate far more rapid than overall expenditures for the church group increasing at a rate of 107% compared to 60% for the private sector and 55% for the liberal arts institutions.

While the information on financial aid, for comparison purposes, is limited, the F.M.E.I. median increase in student aid exceeded that of the Minter-Bowen group by 1%. However, student aid as percent of education and general expenditures for 1978/79 fell 8% below the Minter-Bowen median of 17%.

Enrollment Comparisons

How did the colleges of the Free Methodist church compare with the private college sector in the areas of student enrollment during the decade of the seventies? Table 32 offers a comparison of opening Fall enrollment trends for full time equivalent students during the period covered by the years 1969 through 1978. Data was not collected by Minter and Bowen for the years 1970 and 1972; in order to show the trend line, however, data for those two years is reported for the denominational group.

Over the ten year period, the F.M.E.I. institutions showed an upward, but erratic, growth pattern in student academic full time equivalents when compared to the other two selected sets of private schools. The denominational group demonstrated a mean growth over the period of 3% and an overall increase for the decade of 6% from the 1969 base year. The average yearly growth for the church related group was 1% per year compared to the average growth of the Liberal Arts Colleges II of 1.14% and the group, All Types Combined, of 1.71%. The liberal arts colleges experienced a mean growth of 3% and a decade growth increase by 1978 of approximately 8%. The private sector sample saw a mean growth of 8% with an overall growth of 13% for the decade. (Note: calculations for the denominational schools were made excluding the data for 1970 and 1972 in order to provide data compatible with the other two sets.)

Liberal arts colleges in the sample showed a decline in growth between 1971 and 1973 with a steady upward trend developing following 1973 through to the close of the decade. Enrollment patterns for the private sector were sustained throughout the seventies with a steady

TABLE 32
COMPARISON OF OPENING FALL ENROLLMENTS, FULL TIME EQUIVALENTS
1969/70 - 1978/79

	Fall of the Year									
	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Liberal Arts Colleges II ¹	100	-	103	-	100	101	104	105	106	108
All Types Combined ¹	100	-	106	-	106	107	111	111	113	113
F.M.E.I.	100	105	103	102	102	98	105	106	103	106

¹ Minter-Bowen, Independent..., Table 1, pg. 9

upward increase resulting in no major declines recorded. The Free Methodist colleges experienced an initial spurt of growth but declined in f.t.e. enrollments through 1974 ending that year below the 1969 starting point by a 2% margin. Enrollment jumped some 7% the following year but tended to plateau at the 6% increase level for the remainder of the period.

In summary, on enrollment comparisons, the F.M.E.I. did see enrollment growth in f.t.e. students throughout the decade but at an erratic rate. Enrollment did not keep pace, either in pattern or degree, with the other sectors falling some 2% behind the growth pattern demonstrated by the Liberal Arts Colleges II and 7% behind the All Types Combined private college sample by the end of the decade.

Academic Program and Faculty Comparisons

The consideration of academic program and faculty comparisons will be limited to an analysis of instructional support expenditures, changes in the number of full time equivalent faculty with an additional look at the trends in women faculty and the student/faculty ratio changes for the period.

Table 33 provides a comparison of trends in instructional support for the three groups of colleges. The growth of instructional support for the years 1973/74 through 1978/79 is recorded at the top section of the Table. Data for the denominational group was combined to include instruction and academic support from the H.E.G.I.S. categories; it was not possible to do a similar grouping for the Minter-Bowen data. While this does admittedly limit the usefulness of the data displayed, it does not detract significantly from the similarities which

TABLE 33
INSTRUCTIONAL SUPPORT COMPARISONS
1973/74 - 1978/79

	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Growth in Instructional Support (Index Number: 1973/74=100)						
Liberal Arts Colleges II ¹						
Instruction	100	105	117	129	137	145
Academic Support	100	119	124	136	150	170
Six Types Combined ¹						
Instruction	100	102	105	120	133	142
Academic Support	100	113	127	141	152	173
F.M.E.I.						
Instruction & Academic Support Combined	100	118	130	150	158	168
 Instructional Support as a Per- cent of Education and General						
Liberal Arts Colleges II ²		52%	53%	53%	53%	52%
Six Types Combined ²		54	54	55	55	53
F.M.E.I.		47	45	44	43	41

¹

Minter-Bowen, Independent..., Table 33, pg. 66

²

Ibid. Table 34, pg. 67. Note: figures are a combination of those reported for Instruction and Academic Support categories.

will be noted. As can be seen, the growth pattern for the denominational group is similar to the Liberal Arts Colleges II and the Six Types Combined. The overall F.M.E.I. increase in dollars committed to the instructional support functions appears to be slightly larger than the overall private sector. It would appear then, that in terms of growth in expenditures, the denominational group is similar to the others.

The major differences are clearly seen in the last section of the display which addresses the percentage of education and general dollars committed by the three groups to the instructional support process for the years 1974/75 through 1978/79. In order to provide comparable figures with the F.M.E.I. group, the elements of instruction and academic support from the Minter-Bowen data are combined. The F.M.E.I. showed a 6% decline over the five years in the percent of education and general dollars they were able to commit to instructional support services while the liberal arts colleges were relatively constant throughout the period with the private sector declining slightly. Of significance is the change in range between the three groups over the five years. While the church related group showed 5% less than the liberal arts colleges and 7% less than the private college sample at the start of the period, that range had increased by 1978/79 to 11% and 12% respectively. The gap between the percentages of dollars committed to instructional support widened as the Free Methodist colleges expenditures declined. While caution does need to be exercised in inferring conclusions about comparative quality as a result of this observation, it is important to note this difference in educational expenditures for the major academic process within the institutions.

Faculty trends for the years 1973/74 through 1978/79, Table 34, reveal significant differences between the F.M.E.I. and the private college sample. During the six years, the private colleges saw a steady increase in the number of full time equivalent faculty closing out the period with an 11% increase over 1973/74. The denominational group experienced a similar pattern of growth through 1976/77 but then saw a sharp decline the final two years closing the decade 24% behind the total private sector with 13% fewer faculty f.t.e. than in 1973/74.

TABLE 34
COMPARISON OF CHANGES IN NUMBER OF FULL
TIME EQUIVALENT FACULTY
1973/74 - 1978/79

	Index Numbers: 1973/74=100					
	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
All Types of Institutions Combined ¹	100	101	103	106	108	111
F.M.E.I.	100	102	105	106	92	87

¹
Minter-Bowen, Independent..., Table 10, pg. 22

TABLE 35
WOMEN AS A PERCENTAGE OF ALL FACULTY
(FULL AND PART TIME)
1978/79 - 1979/80

	1978/79	1979/80
Liberal Arts Colleges II ¹	36.8%	37.0%
All Institutions Combined ¹	25.1	25.5
F.M.E.I.	29.2	29.5

¹
Minter-Bowen, Independent..., Table 15, pg. 29

Table 35 addresses the comparative percentage of women faculty for the years 1978/79 and 1979/80. The F.M.E.I. group experienced a slight increase, as did the liberal arts and overall private college groups, in the number of women making up the total full and part time faculty. In both years, the denominational group had approximately 8% fewer women when compared to the Liberal Arts Colleges II and 4% more when compared to the All Institutions Combined category. Little can be inferred in terms of comparative trends since only two years of data on this subject was available from Minter and Bowen.

The decline in full time faculty did have a significant impact on the student/faculty full time equivalent ratios for the denominational colleges. As demonstrated in Table 36, the church related colleges began the period with approximately the same student/faculty ratio, 15/1, as the other two groups. Over the period, however, the F.M.E.I. saw the student/faculty ratio steadily climb to a point of 17.8/1 compared to the 15.1/1 of the Liberal Arts Colleges II and the 14.9/1 ratio of the All Institutions Combined categories. In contrast to the denominational colleges, the liberal arts colleges saw their ratio remain relatively constant throughout while the overall private sector saw a slight decline.

In summary, on the topic of academic program and faculty comparisons, the F.M.E.I. experienced an overall growth in instructional support expenditures comparable to that of the Liberal Arts Colleges II and the Six Types Combined. However, a sharp decline in the percentage of education and general revenues committed to instructional support was noted; the decade closed with only 41% committed to this purpose by the denominational schools compared to the 53% of the overall private sector.

TABLE 36
STUDENT/FACULTY RATIOS
1974/75 - 1978/79

	F.T.E. Student/F.T.E. Faculty=X/1				
	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979
Liberal Arts Colleges II ¹	15.5	15.5	15.2	15.3	15.1
All Institutions Combined	15.6	15.8	15.4	15.3	14.9
F.M.E.I.	15.0	15.2	15.3	17.5	17.8

¹
Minter-Bowen, Independent..., Table 10, pg. 22

The denominational colleges closed the period with 6% less of education and general revenues being spent for academic and instructional purposes than what they began with in 1974/75. While the full time faculty equivalent grew over the time frame for the private college sample in general, the F.M.E.I. closed the decade with 24% fewer faculty f.t.e. than the private sector and 13% below their own 1973 starting point. The denominational schools reported about 7% fewer women faculty than the liberal arts colleges and 4% more than the private sector for the last two years of the study. Student/faculty f.t.e. ratios increased for the F.M.E.I. putting them well ahead of both the liberal arts colleges and the overall private college sector represented in the sample.

Discussion of the Comparisons

Following the precedent established in Chapter Four, questions will be formulated to guide the discussion of the comparisons of the denominational group with the private college sample found in the Minter-Bowen studies.

1. What was the comparative financial condition of the denominational colleges at the close of the decade?
2. What was the comparative enrollment picture for the church related colleges as the seventies closed?
3. What can appropriately be said about the comparative condition of the academic program and faculty trends noted during the decade?
4. What comparative impact has the past decade had on the denominationally related colleges in terms of their ability to address and achieve their stated mission?

The Financial Comparison Question:

In commenting on the overall condition of the private sector in the revenues and expenditures areas, Minter and Bowen state:

Current revenues and expenditures approximately kept pace with the combined increases in the Consumer Price Index and enrollments. This was a major accomplishment though it left little room for upgrading programs or adding new programs. The distribution of revenues among sources and of expenditures among purposes remained fairly constant. There was, however, a downward drift in the percentage from the federal government and from endowment income....On the whole, the current financial situation has changed little over recent years. (104)

In comparison, the financial situation for the denominationally related colleges in this study has changed significantly over the last few years. Expenditures rose much more rapidly than that recorded by the Minter-Bowen groups, outstripping revenues and producing operational deficits as the decade closed. Having begun the period in comparatively good condition, the church related colleges saw their financial stability erode while the Liberal Arts Colleges II actually experienced overall growth in terms of operational balances. This group of colleges, most like the F.M.E.I., closed the decade with a 9% increase in revenues over expenditures compared to the 15% loss of the church related group. In comparison to the broad private sector, which was able to hold its own throughout the decade, the church colleges lost ground. Unquestionably, the denominational group ended the decade with significantly more financial distress than the rest of the private sector.

During this period, the F.M.E.I. continued to remain more dependent on tuition and fee revenues, some 8% higher than the liberal arts colleges and 22% higher than the private sector in general. This level of dependance placed a greater load on students in the church colleges to carry the major portion of educational costs. The impact on recruitment and retention may have been negative but can not be illustrated from the data collected. The denominational colleges, while increasing more rapidly in terms of the amount of dollars gathered from government sources, remained well behind the private sector in the degree of dependance on this source for operational revenues. If future government cutbacks should occur in these areas of direct support, the church related group appears to be less likely to be hurt. However, if the trend in dependance continues to increase, the church related college may be in the same position as its colleagues. The degree of

dependance on the government increased far more rapidly for the denominational group than the others indicating, perhaps, a concerted change in the traditionally held position of avoiding the utilization of such funds. It may be that, out of a need for increased revenues, the denominational group may have been looking to the government with increasing expectation for support to make up operational differences.

Trends in private gifts were much higher for the F.M.E.I. than the private sector as a whole. However, despite the major increases, the percent of dollars provided from this source for current fund revenues remained somewhat constant throughout the decade. While overall giving did not decline, neither did it increase at a rate significant enough to reduce the burden placed on tuition and government revenues. Endowment income was comparable for both the denominational and liberal arts groups; however, it fell well below that gleaned from this source by the overall private sector. Endowment support, as a percent of revenues, remained relatively constant for all three categories of institutions indicating that no major thrusts were recorded in this area that resulted in observable changes.

Education and general expenditure trends for the denominational group far outstripped the rest of the private sector. Major commitments in improved funding in this area appear to have occurred. However, expenditures for instructional purposes did fall behind the other private college groups indicating that E. and G. growth came in areas other than the instructional program. Financial aid expenditures continued to be comparatively less for the church related colleges despite the rapid increase in dollars put into this category by the F.M.E.I. Concerns regarding the disadvantage these institutions may have as they compete with both the private and the public sector do need to be raised and

evaluated.

In overall terms then, the Liberal Arts Colleges II came through the decade financially in much better condition than the denominational group and in somewhat a better position than the overall private sector. The Free Methodist colleges, as a group, experienced significant financial distress comparatively, ending the decade with deficits and declines in crucial areas of revenues and expenditures. Having begun the period in relatively stable condition, the church related group saw their fiscal stability erode steadily throughout the remainder of the decade. In light of these comparisons, the concerns and research suggested in Chapter 4 have even more weight and implication for the future.

The Enrollment Comparison Question:

Minter and Bowen, commenting on the enrollment data they collected state:

The enrollment trend among independent institutions has been slowly but steadily upward....The mix of students has changed over time increasing proportions of graduate, professional, part-time and adult students and decreasing the proportion of full-time undergraduate students. The absolute number of undergraduate students has not declined. (105)

105

Minter and Bowen, Independent..., pg. 104

For the denominational group, as was noted in Chapter 4, the total number of students increased over the decade. An increase in student full time equivalents did occur also but at a rate below the liberal arts colleges in the study and well below the overall private sector. Like the national data base, the denominational colleges saw a shift upward in the number of part time students. The fluctuation of this enrollment growth was much more erratic than the other two groups leading to the conclusion that the denominational colleges may be somewhat more susceptible to declines in enrollment growth than the general private college sector.

While more detailed data would be necessary to fully account for the enrollment differences, it does appear appropriate to state that the denominational colleges emerged from the decade in good condition from a student enrollment vantage point but not as well as the liberal arts colleges and somewhat behind the total private college sample. In comparison, the Free Methodist colleges did nearly as well as the overall private sector in the area of the enrollment of student full time equivalents. Additional research, that would deepen an understanding of why the overall private sector did generally better, would be helpful.

The Condition Comparison Question:

In general, the institutions report overwhelmingly that overall performance is not deteriorating, that little important retrenchment is taking place and that the level of morale and confidence remains adequate. We notice little change from previous years in the status of the institutions...(106)

In general, Minter and Bowen report that there was no perceivable decline in the overall quality of the academic program in the private sector. It must also be concluded, in reference to the denominational group, that no comparative decline in quality is directly evidenced by the data that has been considered in this chapter. However, as was done in the previous chapter, concerns regarding some comparative trends in the area of academic program and faculty should be noted.

In comparison to the private sector, the denominational group experienced a sharp decline in the percentage of revenues committed by the education and general budget to academic and instructional purposes. Over the period, the denominational institutions saw the difference in percent dollars increase from 7% to 12% when compared to the general private sector. What impact this actually had on the quality of the academic program can not be conclusively demonstrated; however, it does raise questions that should be explored. Whatever the actual outcome, the denominational schools were putting less dollars from the education and general budget into this area than their institutional colleagues.

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Minter and Bowen, Independent..., pg. 105

The decline in full time equivalent faculty with the resulting comparative increase in student faculty ratio for the F.M.E.I. is also not an automatic indicator of a decline in quality instruction and interpersonal relationships. An additional two full time students per faculty member can not be shown to seriously jeopardize the academic process. On the positive side, it might well be an indicator of a more efficient handling of course offerings and other faculty related activities. This, however, is in need of extensive internal investigation to verify the outcome of such a shift in ratios.

All that can be appropriately stated about the comparative condition of the academic program and faculty of the denominational colleges at the end of the seventies is that they emerged much leaner than the private college sector. Perhaps this will become an indicator of efficiency and strength; perhaps it will result in a demonstrated loss of quality. The nature of the questions raised by the data makes it imperative that the comparative quality of the private college sector be continuously examined in this important area of institutional excellence.

The Comparative Mission Question:

Has the decade had a greater negative impact on the denominational colleges in the study to perform their mission than on their private college colleagues? Again, it must be emphasized that the data presented does not provide substantial evidence to come to firm conclusions. It would appear, if the availability of financial resources and students are accepted as the major resources necessary for the achievement of institutional mission, that the denominational colleges were faced with more of challenge in this area than the liberal arts colleges overall. It can also be stated that these colleges probably

felt more restrictions than the private sector as a unit. Without question, the serious financial stress caused some major shifts in the funding patterns that speak to the co-educational, non-sectarian, personal growth oriented, liberal arts emphases of the church related set. This, in turn, quite possibly gives cause to speculate about and thus encourage investigation into, the impact of the decade on the comparative ability of the Free Methodist colleges to address and accomplish their mission.

Concluding Comments on Comparisons:

In any comparative activity, important and significant differences are present that raise serious cautions about the validity and benefit of such an exercise. In this chapter, elements of the church related college trends that developed during the decade of the seventies have been compared to similar trends in the private sector. Data, for the most part was comparative and, as a result, does produce some meaningful conclusions. It can be stated that the decade of the seventies did prove to be much more challenging for the denominational colleges in this study than it did for either the liberal arts colleges or the general private sector. It would appear that the church related schools emerged from the decade leaner than their colleagues. While the seventies had no major negative impact on liberal arts college development, to the degree that can be discerned from the data, and limited impact on the private sector as a group, it unquestionably may go down as the most difficult period in the recent history of the church related colleges considered in this study. What implications this will have for the church related colleges in the decade of the eighties is the next topic of discussion.

CHAPTER 6

IMPLICATIONS FOR THE EIGHTIES

Introduction to the Implications

Forecasting the future of higher education is a process which has come to interest many who are involved with the academic enterprise. Futuristics, as this process has come to be known, involves the observation and quantifying of the past in such a way as to allow the observer to make informed predictions about the future and, as a result, plan accordingly. These guesses and speculations range from generalized assumptions such as those noted in the Carnegie Council study entitled Three Thousand Futures: The Next Twenty Years in Higher Education¹⁰⁷ to the more detailed and definitive statistics represented by the research done for the U.S. Department of Health, Education and Welfare entitled Projections of Education Statistics to 1984-85.¹⁰⁸

The validity and usefulness of such projections has often been contested given the rapidity with which factors, influencing educational trends, have changed and the relatively poor results of previous predictive attempts.¹⁰⁹ Lyman Glenny, for example in 1976, predicted the

¹⁰⁷

Carnegie Council on Policies Studies, Three Thousand...

¹⁰⁸

Kenneth A. Simon and Martin M. Frankel, Projections of Education Statistics to 1984-85 (Washington, D.C.: Department of Health, Education and Welfare, U.S. Government Printing Office, 1976)

¹⁰⁹

Lyman Glenny, "Pressures on Higher Education".

rapid demise of a large number of private colleges by the end of the decade while Virginia Fadil's 1980 research¹¹⁰ demonstrated that the demise was not nearly as disastrous or widespread as had been anticipated. The decade of the seventies illustrated how quickly stable factors could change and thus influence institutional growth and stability. Projective techniques are based on the assumption that the conditions and influences that impacted the seventies will continue into the decade of the eighties. As Simon and Frankel noted, "The projections shown here assume that the past 11 years' trends in enrollment rates, retention rates, class sizes and per-pupil expenditures will continue through 1984-85".¹¹¹ The validity of such assumptions can only be demonstrated in historical retrospect.

In this chapter, projective techniques will be utilized to cautiously look into the decade of the eighties in an effort to suggest some implications for the Free Methodist colleges in areas of finance, enrollment and academic program and faculty. The limitations of the results must be noted in light of the high probability that the eighties might see as many unanticipated changes as the decade of the seventies. The rationale for including this aspect in the study, then, is to provide a stimulus for future research, planning and action. What the data reveals is what may happen if internal or external factors remain unchanged from the decade of the seventies. Rather than just being an interesting academic exercise which demonstrates the researcher's ability to handle

¹¹⁰

Virginia Ann Fadil, Openings, Closings, Mergers...

¹¹¹

Simon and Frankel, p. iii

linear regression and trend line analysis, it is assumed that what follows will provide an incentive for further research which will result in a plan of action that uses, to advantage rather than disadvantage, the trends. "No claim is made here for any particular theory to explain the observed trends...It is believed that projections are useful and contribute to the base line for other analysis".¹¹²

While specific comments on the statistical methodology utilized in this chapter were made in Chapter 3, the reader does need to be reminded that the data displayed here is the result of trend line analysis techniques which are a specialized form of linear regression methodology. Some thought was given, in previous chapters and again here, to the value of calculating correlation coefficients and levels of confidence. Some specific calculations of this sort were made in the preparation of the data for this chapter such as with the growth trends in tuition and fees. The correlation coefficient produced was .997, which, with the use of accepted "r values" tables produced a 99.9% confidence level with six samples and four degrees of freedom. Given the smallness of the denominational sample and the results of the correlation calculations, it was decided that this process would be a mathematical exercise of limited value to the goals and objectives of the study.

112

Ibid, p.2

Financial Projections

The financial projections offered in this section will follow the pattern developed in previous chapters addressing information on current fund revenues, current fund expenditures and net worth. These projections will only project into the decade as far as the 1984/85 year providing six years of data for analysis. It was felt that projections should be made no further into the decade than were recorded from the previous decade in order to limit distortion in the projective methodology. As a result, the projections will be no wider than the base upon which they are built. This pattern is followed throughout the chapter. The data, upon which the trend line analysis was developed, is noted at the bottom of each table; references are made to the tables in the previous chapters that form the foundation for the projections.

Table 37 projects the potential growth of current fund revenues through 1984/85 in the catagories of tuition and fees, government support, private gifts, endowments and total revenues. Table 38 projects the percentage distribution of these revenues in similar catagories. Based on the trends noted in the seventies, it is anticipated that the denominational colleges will continue to grow in total revenues at a rate some 13% faster than the Liberal Arts Colleges II or the Six Types Combined. Tuition and fees may continue to demonstrate a steady upward trend with Table 38 revealing that the church related group should continue to remain some 10% more dependent on this source than the liberal arts group and 20% more than the general private sector. Dependance on tuition and fees may lessen slightly for all catagories as other sources begin to provide additional revenues for operational needs.

TABLE 37

COMPARISON OF CURRENT FUND REVENUE PROJECTIONS
1979/80 - 1984/85

	Index Numbers: 1973/74=100 ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Tuition and Fees:						
Liberal Arts Colleges II	166	176	189	200	211	222
Six Types Combined	179	193	207	220	234	247
F.M.E.I.	179	193	207	220	234	247
Government Support:						
Liberal Arts Colleges II ²	185	199	213	227	241	255
Six Types Combined ²	161	171	181	191	201	211
F.M.E.I.	1193	1384	1574	1765	1956	2147
Private Gifts:						
Liberal Arts Colleges II	172	184	196	209	221	233
Six Types Combined	163	174	185	196	207	218
F.M.E.I.	181	196	210	225	239	254
Endowment:						
Liberal Arts Colleges II	216	236	256	276	296	316
Six Types Combined	151	161	170	179	188	197
F.M.E.I.	190	206	222	237	253	268
Total Revenues:						
Liberal Arts Colleges II	171	183	194	206	218	230
Six Types Combined	171	183	195	207	219	231
F.M.E.I.	184	199	213	228	242	257

¹

refer to Table 27, pg. 131 for base data

²

federal figure only

TABLE 38

COMPARISON OF PERCENTAGE DISTRIBUTION OF CURRENT
FUND REVENUE PROJECTIONS
1979/80 - 1983/84

	Percentage of Total Revenues ¹				
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984
Tuition and Fees:					
Liberal Arts Colleges II	46%	45%	44%	43%	43%
Six Types Combined	34	33	33	33	33
F.M.E.I.	54	54	54	53	53
Government: All Sources					
Liberal Arts Colleges II	11	12	12	13	13
Six Types Combined	17	17	16	15	15
F.M.E.I.	9	11	12	14	15
Private Gifts:					
Liberal Arts Colleges II	14	15	15	16	16
Six Types Combined	11	11	11	11	11
F.M.E.I.	10	10	10	10	10
Endowment Incomes:					
Liberal Arts Colleges II	3	3	3	3	3
Six Types Combined	8	8	8	8	8
F.M.E.I.	2	2	2	2	2
Other Revenues:					
Liberal Arts Colleges II	24	23	22	21	21
Six Types Combined	30	31	31	31	32
F.M.E.I.	24	22	21	20	19

¹

refer to Table 28, pg. 132 for base data

In government support, the Free Methodist colleges, if past trends are accurate indicators, may see exponential growth in this area compared to the other groups, with government funds making up about 6% more of current fund revenues by 1983/84, closing at 15%, equal to the overall private sector. Private gifts may continue to grow in terms of total dollars but the percent of revenues gathered from this category, as well as for endowments, may remain steady. The liberal arts colleges could see a slight upward shift in the percent of current fund revenues gleaned from private gifts. In other revenues, such as auxiliary enterprises, the Free Methodist group might experience a steady decline through the period to a low of 19% of revenues being provided from this area. The decline here may be greater for the church related colleges than the liberal arts colleges with the overall private sector experiencing a slight upward trend in resources from auxiliary services.

Table 39 offers some projections for the percentage distribution of private operational gifts for the six year period into the eighties. It is anticipated, given this data, that the dependence on outside sources for philanthropic support from business, corporations and foundations will continue to increase with a slight downward shift noted for alumni support and a larger decline (2%) noted in denominational financial support. By 1984/85, it is possible, the church related colleges may only be receiving .2% of their total revenue needs from the sponsoring denomination.

TABLE 39

PROJECTIONS OF PERCENTAGE DISTRIBUTION
OF PRIVATE, OPERATIONAL GIFTS
1979/80 - 1984/85

	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Percent of Total Gifts ¹						
Alumni	30.6%	30.4%	30.1%	29.9%	29.6%	29.4%
Denominational	5.2	4.8	4.4	4.0	3.6	3.2
Other(Business etc)	64.2	64.9	65.5	66.1	66.8	67.5
Percent of Total Revenues ²						
Alumni	3.1	3.1	3.0	3.0	2.9	2.9
Denominational	.5	.4	.4	.3	.3	.2
Other(Business etc.)	6.2	6.2	6.2	6.2	6.3	6.3

1

refer to Table 4, pg. 85 for base data

2

refer to Table 5, pg. 85 for base data

Current fund expenditure trends, illustrated by Table 40, may see the denominational colleges continue to outpace both the private sector and the liberal arts colleges in the Minter-Bowen sample. Throughout the six years projected, the statistics reveal that the church related group may see current fund expenditures outstrip revenues by approximately 25% per year. In comparison, the liberal arts colleges may show a surplus of revenues over expenditures while the general private sector could maintain a balance between revenue and expenditure growth.

In the category of education and general expenditures, the projections in Table 41 reveal that the Free Methodist colleges may show increases of an overall 106%, compared to the 54% projected for the liberal arts institutions and 59% for the private college sample. Table 42 anticipates that education and general expenditures as a percent of total, may continue to rise throughout the period closing the 1984/85 fiscal year some 7% higher than at the start. If this does result, only 13% of projected expenditures will be available for operational purposes outside of the education and general expenditure category.

Scholarships and fellowships trends may increase in the eighties, if the projections in Table 43 are accurate, rising some 126% over the period. If such trends do develop, student aid will move to a point of 12.4% of total expenditures and 20.9% of tuition and fee revenues.

TABLE 40

COMPARISON OF CURRENT FUND EXPENDITURE PROJECTIONS
1979/80 - 1984/85

	Index Numbers: 1973/74=100 ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Liberal Arts Colleges II	155	164	173	183	192	201
Six Types Combined	171	182	194	206	218	230
F.M.E.I.	202	219	236	254	271	288

¹
refer to Table 29, pg. 136 for base data

TABLE 41

COMPARATIVE PROJECTIONS OF EDUCATION AND GENERAL
EXPENDITURES: 1979/80 - 1984/85

	Index Numbers: 1973/74=100 ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Liberal Arts Colleges II	165	176	186	197	208	219
Six Types Combined	170	182	193	205	217	229
F.M.E.I.	231	252	274	295	316	337

¹
refer to Table 30, pg. 137 for base data

TABLE 42

PROJECTION OF EDUCATION AND GENERAL EXPENDITURES
AS PERCENTAGE OF TOTAL EXPENDITURES
1979/80 - 1984/85

	Percent of Total Expenditures ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Percent Education & General	80.5%	81.8%	83.1%	84.4%	85.7%	87.0%

¹
refer to Table 9, pg. 90 for base data

TABLE 43

PROJECTIONS OF SCHOLARSHIP AND FELLOWSHIP EXPENDITURES
1979/80 - 1984/85

	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Growth Trend of Scholarships and Fellowships: (Index No: 1973=100) ¹	244	269	294	319	344	370
Scholarship & Fellowship as % of Education and General ²	10.9%	11.2%	11.5%	11.8%	12.1%	12.4%
Scholarship & Fellowship as % of Tuition and Fees ²	16.5%	17.4%	18.3%	19.2%	20.0%	20.9%

¹
refer to Table 10, pg. 92 for base data

²
refer to Table 11, pg. 92 for base data

TABLE 44

PROJECTIONS OF NET WORTH
1979/80 - 1984/85

	Index Numbers: 1973/74=100 ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Net Worth	180	193	205	218	230	243

¹
refer to Table 14, pg. 95 for base data

Table 44 indicates that the possible net worth of the denominational colleges may increase some 63%, almost two and one half times from the 1973/74 base year. This projection assumes that no major capital projects will be initiated during the period and that debt amortization as well as plant value, will continue to grow at a rate comparable to the past decade.

In summary, the financial projections for the first part of the eighties reveal that the denominational colleges may see expenditure trends continue to outpace revenues by approximately 25% per year if factors that influenced these categories in the seventies persist. Dependence on government support as well as reliance on outside sources for philanthropic support could increase. There may be little change in the percentage of support that could come from endowment and private gifts, with the revenues from auxiliary enterprises and tuition and fees declining somewhat. Education and general expenditures may increase significantly with some 87% of expenditures possibly going for these

purposes. Student aid will take an increasingly large segment of revenues rising to approximately 21% of tuition and fees by the year 1984/85. If no major capital projects are implemented in the eighties and other factors remain constant, the colleges could see net worth climb to some 243% above the 1973/74 starting point.

Enrollment Projections

Since data for the full ten years of the decade of the seventies was available for analysis, projections through the decade of the eighties are offered. Projections for opening Fall enrollments for 1979/80 through 1988/89 are presented in Table 45. It is anticipated, given the previous trends, that the total enrollment could experience a steady upward drift for the decade of approximately 1% per year ending the period some 11% above the Fall of 1978.

Full time equivalents, noted in the bottom section of Table 45, could show a steady upward trend. This may not be as rapid as the growth in total headcount. The F.M.E.I. may demonstrate a 3% growth in this area of student f.t.e. compared to a 6% growth for the Liberal Arts Colleges II and the 13% growth projected for the All Types Combined of the private college sample.

Table 46 provides a perspective on the possible percentage distribution of total headcount for the eighties among the categories of new students, part time students, female students, denominationally identified students and full time equivalents. New students may increase

TABLE 45

PROJECTIONS OF OPENING FALL ENROLLMENTS
1979/80 - 1988/89
(Index Number: 1969/70=100)

	Fall of the Year									
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Headcount ¹	109	110	111	112	113	113	114	115	116	117
Comparative Full Time Equivalent ²										
Liberal Arts Colleges II	107	108	108	109	110	111	111	112	113	113
All Types Combined	115	117	118	119	121	122	124	125	126	128
F.M.E.I.	105	105	106	106	107	107	107	108	108	108

¹ refer to Table 15, pg. 98 for base data

² refer to Table 32, pg. 142 for base data

TABLE 46
PROJECTIONS OF PERCENT DISTRIBUTION OF TOTAL HEADCOUNT
1979/80 - 1988/89

	Percent of Fall Headcount ¹									
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
New Students	33.4%	33.8%	34.3%	34.7%	35.1%	35.5%	36.0%	36.4%	36.8%	37.3%
Part Time Students	8.7	9.0	9.3	9.7	10.0	10.3	10.7	11.0	11.3	11.7
Female Students	59.3	60.2	61.1	62.0	62.9	63.8	64.6	65.5	66.4	67.3
Denominational Students	28.0	26.9	25.7	24.5	23.4	22.2	21.0	19.9	18.7	17.5
Full Time Equivalent	93.4	93.0	92.6	92.2	91.8	91.4	91.0	90.6	90.2	89.8

¹ refer to Table 16, pg. 100 for base data

at a rate of 4% overall for the decade with over 37% of the student body in the Free Methodist colleges being freshmen or transfers by the Fall of 1988/89. With this growth being slightly behind total headcount, it is possible that the colleges may see an improvement in their rate of retention for the decade. Part time students may continue to grow at an overall rate of 3% for the decade thus accounting for the corresponding decline in the percentage of full time equivalent students from 93.4% in 1979 to 89.8% in 1988. It appears that the percentage of female students could continue to rise in the decade of the eighties closing the period with some 67.3% of the student body on the campuses being women. The percentage of the students identified with the Free Methodist denomination may continue to decline by approximately 11% for the decade resulting in a 13.5% decline in the percent of denominationally affiliated students over the twenty year period.

In summary, the Free Methodist colleges could experience a general upward increase in the total number of students on the campus during the decade of the eighties. Full time equivalents may continue to grow but, due to the upward shift in part time students, at a less rapid increase than overall growth noted in the private sector could result. Women students may continue to dominate the campuses leaving, possibly, only 23% of the student body as males by the close of the eighties. The percent of the Free Methodist students could continue to decline to the lowest point in the twenty year history with only 17.5% of the student body visibly identified with the Free Methodist Church.

Academic Program and Faculty Projections

In the category of academic program and faculty, projections dealing with instructional support, faculty full time equivalents, women faculty, student/faculty ratios and trends in the per capita costs to educate a student are presented. Projections are limited, for the most part, to the years 1979/80 through 1984/85 except in the case of student/faculty ratios and women faculty where projections extend only through the 1983/84 year due to the data base available from the seventies.

Generally, it is anticipated that expenditures for instructional support, Table 47, will continue their pattern of increase into the decade of the eighties closing the 1984/85 fiscal year at a rate some 69% above 1979/80. Growth in this area, however, may remain some 20% behind

TABLE 47
INSTRUCTIONAL SUPPORT PROJECTIONS
1979/80 - 1984/85

	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Growth in Instructional Support ¹ (Index No. 1973/74=100)	185	199	213	227	240	254
Instructional Support as a Percent of Education and General ¹	40%	38%	37%	36%	34%	-

¹
refer to Table 33, pg. 144 for base data

education and general expenditures and 37% behind total current fund expenditures in the six year time frame considered. Instructional support, as a percentage of education and general, may decline steadily from 40% in 1979/80 to 34% in 1983/84. Comparative trends were not calculated but it is anticipated, given the trends of the seventies, that the decline of expenditures in this area of instruction will be more pronounced for the denominational colleges than that found for the Minter-Bowen sample.

Tables 48 and 49 address the growth trends in faculty for the eighties through 1984/85. While the total combined growth of the private sector could see a continued upward swing in the number of full time equivalent faculty, the F.M.E.I. may see a steady decline, possibly dropping 13% in faculty f.t.e., for the period. The percent of women on the church related college faculty may see a continued upward increase rising to a point approximately 1.5% higher than that at the beginning of the decade.

Table 50 illustrates the combined impact of increasing student enrollments and reducing full time faculty resulting in a student/faculty ratio increase of 17% during the eighties to a total of 21.7 full time students per full time faculty. This is a rate 65% above the comparative private sector if trends continue. Table 51, addressing the projections in the increase in per capita costs to educate a full time student, shows a steady upward growth rate of 61% from a total per student of \$5706 in 1979/80 to \$7710 by 1984/85.

TABLE 48

COMPARISON OF FULL TIME EQUIVALENT FACULTY PROJECTIONS
1979/80 - 1984/85

	Index Numbers: 1973/74=100 ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
All Institutions Combined	113	115	117	120	122	124
F.M.E.I.	89	87	84	81	79	76

¹
refer to Table 34, pg. 146 for base data

TABLE 49

PROJECTION OF WOMEN AS A PERCENT OF TOTAL FACULTY
1979/80 - 1983/84

	Percent of Total Faculty ¹				
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984
Women as Percent of Faculty	29.5%	29.9%	30.3%	30.7%	31.0%

¹
refer to Table 25, pg.114 for base data

TABLE 50

COMPARISON OF STUDENT/FACULTY RATIO PROJECTIONS
1979/80 - 1983/84

	F.T.E. Student/F.T.E. Faculty=X/1 ¹				
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984
Liberal Arts College II	15.0	14.9	14.8	14.7	14.6
All Institutions Combined	14.8	14.6	14.5	14.3	14.1
F.M.E.I.	18.5	19.3	20.1	20.9	21.7

¹

refer to Table 36, pg. 148 for data base

TABLE 51

PROJECTIONS OF PER CAPITA COST TO EDUCATE A STUDENT
1979/80 - 1984/85

	Cost per F.T.E. Student in Dollars ¹					
	1979- 1980	1980- 1981	1981- 1982	1982- 1983	1983- 1984	1984- 1985
Cost Per F.T.E. Student	\$5706	\$6107	\$6507	\$6908	\$7308	\$7710
Growth in Per Capita Cost to Educate an F.T.E. Student (Index No. 1973/74=100)	171	183	195	207	219	232

¹

refer to Table 26, pg. 116 for base data

The decade of the eighties may bring significant changes for the denominational colleges in the area of academic program and faculty. Should the trends of the seventies persist, instructional support costs will continue to increase but not a rate high enough to prevent a decline of approximately 6% of education and general expenditures utilized for this purpose. Faculty full time equivalents may continue to decline resulting in an increase of student/faculty ratios closing the period at a rate of 21.7/1 some 65% higher than the ratios found in the other sectors of private colleges. The per capita costs to educate a student could continue upward closing the 1984/85 fiscal year some 61% higher than at the start of the decade of the eighties.

Implications of the Projections

A portion of the Minter-Bowen research project involved the soliciting of opinions from the presidents in the private college sample regarding the future condition of their institutions in the decade ahead.¹¹³ In 1979/80, 36% of the private college presidents believed that the decade of the eighties would see their institutions improving substantially with 53% anticipating some improvement. The presidents of the Liberal Arts Colleges II were more optimistic with 44% projecting substantial improvement in the decade ahead and 44% foreseeing some improvement. Minter and Bowen summarized their findings as follows:

¹¹³

Minter and Bowen, Independent..., p.p.54-55.

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The expectations of the institutions for the next several years, as expressed by the presidents, are overwhelmingly optimistic. However, 4 percent of the Liberal Arts Colleges II presidents reported in 1979-80 that they thought their institutions would deteriorate seriously in the next five years, and a substantial percentage of presidents, mainly in the large universities and Comprehensive institutions, expected their institutions to slip a bit. (114)

The projections offered in this chapter would seem to confirm some of the optimism for the Liberal Arts College II group which anticipated substantial improvement in the eighties, while reinforcing the overall presidential position which envisioned some improvement in the decade ahead. The Free Methodist colleges, given the results of the projections, would probably best be represented by the 4% of Liberal Arts II presidents who saw serious deterioration ahead. This concluding section will attempt to address some of the implications for the eighties, inferred by the data, that have been presented.

In general, it can be stated, that the results of these projections for the denominational group tend to reinforce the discussion of the trends reported in Chapters 4 and 5. In keeping with the pattern previously established, the implications of these projections will be discussed within the context of the four questions of finance, enrollment, condition and mission. Again, it must be emphasized that caution be used in the interpretation of what has been demonstrated statistically. What follows is most valuable if it is seen in the context of raising levels of awareness and concern that lead to informed action.

Implications for the Financial Future:

What are the possible implications of the financial projections for the continued fiscal stability of the church related colleges in the study? While current fund revenue growth may continue to increase substantially at a rate well above that of the private sector, current fund expenditures may grow more quickly producing potential operating deficits with expenditures exceeding revenues by as much as 25% per year. Expenditures for education and general could climb to 87% of the overall budget causing serious impact on other areas of campus operations including debt retirement, physical plant maintenance and auxiliary services. If it is assumed that inflation rates in the costs of goods and services continue to climb at a rate equal to that of the seventies, larger amounts and percentages of dollars will be utilized for utilities, supplies and other essentials. What impact this will have on faculty and staff salaries can only be speculated upon; however, it is possible that salaries will not keep pace with costs of living.

Tuition and fee rates while declining marginally in terms of the percentage of revenues provided from this source, will probably climb significantly. Government resources may well be more diligently sought to make up the differences in the revenues that are not raised from tuition, private gifts, endowments and auxiliaries. Scholarship and fellowship allocations, if increased at the rate projected, will result in a significant decline in the percentage of tuition dollars utilized for other parts of the educational budget. While institutional net worth may well climb, most of this will be a "paper increase" providing no immediate resource for current operations. Possibly, the colleges

will consider the re-mortgaging of assets in order to maintain fiscal balance throughout the decade.

If the trends develop that have been projected, the denominational colleges could see a continued eroding in their financial stability resulting in a shift from financial stress and stringency to serious financial distress and exigency. They will be in much more serious straits than their private college counterparts if these trends materialize.

Implications for Future Enrollments:

The projections anticipate that the overall upward enrollment trend, experienced by the denominational colleges, will continue into the decade of the eighties. While headcount may increase, the percentage of full time equivalent students might decrease resulting in the need for larger numbers of students to produce the needed revenues for operations. This continued growth could be seen as a sign of strength for the colleges even though it is a growth which is somewhat behind that of the rest of the college sector as projected. The increase in the percentage of new students is a positive indicator of the potential ability of the church colleges to attract students. With this increase being slightly less than the overall enrollment growth, it might be anticipated that the colleges will see an improvement in the rate of student retention. Efforts in both new student recruitment and retention will need to remain at a level comparable and perhaps above that of the seventies to achieve these outcomes.

The continued increase in the percentage of female students may have major impact on the overall mission of the colleges. The need to provide appropriate academic programs and student services will be

intensified if this trend should materialize. The implications for a variety of areas within the student services operation including housing, counseling, inter-collegiate athletics and health services are obvious.

The continued decline in the number of students identified with the denomination has major implications for mission and church service. The recommendation, suggested in the previous chapters, that major attention be given to the reasons for these declines, perhaps patterned after the McKenna research, is reinforced in the light of these possible declines. The enrollment growths, if this trend develops, will depend increasingly on students from outside of the denomination.

Enrollments do look relatively promising for the decade of the eighties. However, the mix of male and female students, the decline in the number of church related students and the shift from full time to part time must be factored in to the overall planning of the colleges if this increase is to be used to any major advantage.

Implications for Future Condition:

If the trends develop as projected, what impact will they have on the future condition of academic quality? Only inferences can be made and some questions raised in response to this since conclusive data on institutional quality was not collected in this study. It does appear appropriate to generalize, however, that the institutional flexibility to respond to changing conditions that impact quality may be seriously restricted should the trends develop.

Instructional quality could well be in jeopardy, more so in the eighties than in the seventies, when the combined impact of reduced instructional support (in terms of the percent of total education and general expenditures), enrollment increases and full time equivalent faculty are considered. While the percent of dollars expended for instructional purposes may not keep pace with other expenditures, this does not reliably conclude a reduction in quality. Reduction in areas of faculty travel, professional meetings, equipment and other related areas could, however, impact the quality of the academic process. It does appear that financial stringencies may have increased impact on faculty salaries and additions. Quite possibly, faculty f.t.e. will be reduced through the nonreplacement of retiring or moving personnel at a rate greater than that experienced in the seventies. Again, it must be emphasized that the data does not substantiate this but only hints at the possibility.

The increase in women faculty could be seen as a positive step in the light of the rising level of female students. Increased student/faculty ratios may begin to impact the quality of the instructional, inter-personal and academic processes of the colleges.

Whatever the outcome, awareness now of these possibilities should be utilized to develop a means of monitoring the overall quality and condition of the academic program of the colleges. In comparison, it does appear that the church related group may face greater challenges in this area than the rest of the private sector. Tracking needs to be developed to monitor and compensate for such a contingency should it occur.

Implications for the Future Mission:

What implications are there for the colleges of the Free Methodist Church to be able to provide a quality, liberal arts educational experience, under the influence of the denomination, that is coeducational, non-sectarian and personal growth oriented? Having already addressed the issue of quality to a limited extent and being unable to speak to the trends in the liberal arts emphases, the components of denominational influence, non-sectarianism, co-education and personal growth will be discussed.

Given the decline in the number of denominational students and the reduction in the percent of general financial support, both from the church and alumni, it would appear that the colleges could be increasingly influenced by outside forces. Perhaps the most significant influence, given the projected rise, will come from the various governmental sectors and agencies. The non-sectarian nature of the colleges should continue to be strong as a result of this shift in support. Negative implications, however, for the effectiveness of the colleges in serving the denomination and the commitment of the denomination to supporting the colleges would appear to be obvious. The fraternal rather than direct control relationship that exists between the colleges and the church may be the major factor in holding the two organizations together in some form of continuing support. It would appear that attempts to change such a relationship to one of more control would not be successful in the decade ahead given the level of influence suggested by the trends in finances and students. The previous recommendations for in-depth research into the reasons for this decline are even more salient in light of the potential future trends.

The dimension of institutional mission which seems to be the most threatened by the projected trends is the component of co-education. The prescribed balance which sets upper limits at a 60% level for either sex, will be exceeded early in the decade of the eighties for the colleges as a group. The awareness of this possibility should cause the colleges to, first of all, re-examine this aspect of the mission and secondly move to an evaluation of why such a trend has occurred. If co-education remains a major descriptor of the Free Methodist educational activity, changes in curriculum, recruitment and other factors need to be addressed. This shift is only perceived as having a negative impact on the mission of these colleges as they now stand. Awareness of the future possibilities provides opportunity to re-examine the mission and plan accordingly.

Personal growth of students is the final area of examination of the implications that the projections of the eighties might have on the mission of the institutions in this study. As was noted in the previous chapter, an increase in student/faculty ratios does not inevitably result in a loss of quality in student/faculty relationships. However, given the importance of this relationship to both academic and personal development, significant changes in this ratio raise major questions about this possibility. Comparatively, it would appear that the Free Methodist colleges may find the quality of student/faculty interaction a greater challenge to maintain in the eighties than they did in the seventies. They may also find this more difficult than the rest of the private higher education sector. Given the priority and emphasis placed on the personal development dimension, the change in ratios, the increased financial stringencies and the impact of these on the quality of student life in the college setting, these will have to be thoughtfully and thoroughly monitored as the decade begins.

All that can be legitimately concluded about the impact of the projected trends for the eighties on institutional mission is that the colleges will find it increasingly difficult to manage and control those various factors that directly influence the components of the mission. The data has raised serious questions that should encourage a continuing inquiry into the effective accomplishment of the established mission of these colleges.

Concluding Comments on the Implications:

This chapter began with a series of cautions about the validity of projective techniques and the conclusions that should be drawn from them. It concludes with the same degree of emphasis reinforcing the fact that such methodology is based fully on the assumption that the trends and influences that produced the results of the seventies will continue into the eighties. Futurists are mixed in their estimations of what similarities and differences, compared to the seventies, will occur in the eighties. Enrollment projections, based on the seventies, appear to be consistent with what others have projected in the eighties. Financial considerations, however, are both mixed and extreme. The general consensus is that the economy in general, and higher education in particular, will be seriously depressed in the decade ahead.

The purpose of this chapter was to push the results of the seventies to some form of statistically valid conclusions for the eighties. In general, these conclusions indicate that the decade that lies ahead will be more difficult for the colleges of the Free Methodist Church as a group than the one just concluding. While enrollments will

continue an upward shift, financial pressures, created by the possibility of expenditures continuing to exceed revenues, may result in severe financial distress. Whether this will result in significant quality distress can not be demonstrated by this study. What can be concluded is that the eighties will require a greater understanding of the factors influencing institutional stability and health than perhaps any period to date. At the time of writing this study, the decade of the eighties has begun with some evidence that the negative factors that produced some of the trends in the seventies could be changing. A politically conservative government has taken control of the federal process which could benefit the private religiously oriented institutions. Legislation such as the proposed tuition tax credit could be enacted. Another positive harbinger is the significant increase in the number of private elementary and secondary schools which could increase the number of students attending church related colleges in the eighties. These along with other changes could make the next decade much more positive for the church related colleges than projected by this chapter.

Whatever the outcome of the eighties in actuality, the projections offered in this chapter should create a higher level of awareness of trends thus permitting the colleges to more accurately anticipate and manage the challenges of the next ten years.

CHAPTER 7

FINDINGS AND CONCLUSIONS

Introduction to the Findings and Conclusions

This study began with the recognition that the private sector of higher education had moved from the golden years of unparalleled growth experienced through the decade of the sixties into a period of major challenge and crisis at the start of the decade of the seventies. The increase in competition for students and dollars between the public and private sector, the necessity for the private colleges to raise tuition and fees widening the tuition gap between the public and private institutions, spiralling inflation and the continued uncertainties about the future have placed the private colleges of the nation in the most challenging position in their two hundred and fifty year history. The church related and affiliated institutions of the private college community appeared to be the most susceptible to the trends that have impacted all of the higher education enterprise. According to Jonsen, these types of colleges made up the largest number of institutions closing or merging during the past decade.

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Richard W. Jonsen, Small Liberal Arts Colleges: Diversity at the Crossroads? (Washington: American Association of Higher Education, ERIC Higher Education Research Report No. 4, 1978) p.4

It was in response to the challenges facing the private college sector in general and the church related subset in particular, that the questions guiding the development of this study emerged. What have been the trends in finances, enrollments and academic program and faculty of the church related colleges during the decade of the seventies? How do these trends compare with those noted in the overall private sector? What are the implications for the church related colleges in the decade of the eighties should these trends continue?

In this final chapter, a summary of the findings of the study is presented followed by a consideration of the conclusions that can be inferred from the results. The conclusions that are offered are considered to be the ones of greatest significance to the colleges given the past decade. Following the conclusions, some recommendations for further research and investigation are offered. The chapter and the study will conclude with comments on the importance of institutional leadership in the future of the private, church affiliated sector.

Findings of the Study

The findings of this study begin with an overview of the insights gleaned from the review of the literature done in Chapter 2 focusing on the major points made by the literature that impact this study. In addition, a digest of the literature on the Free Methodist colleges is presented as a base for reporting the findings of Chapters 4 through 6. The findings in these three chapters will be grouped under the headings of financial, enrollment and academic program and faculty.

Findings from the Literature:

The review of the literature, and the findings that resulted from it, are important foundations for the statistical conclusions of this study. Since these add to the weight of the conclusions that follow, they are briefly reviewed here.

It appears that the decade of the seventies was an important turning point in the growth and development of the private college sector. Numerous factors contributed to the decline in institutional growth including increased competition for operational resources, spiralling inflation, government regulations and intervention, diminishing pools of college age students, a widening gap between the tuition rates of the public and private colleges, a decline in the perceived value of a purely liberal arts education and increased uncertainty about the factors affecting the future of the private sector.

The church related colleges appeared to be the hardest hit among the private colleges. Mergers and closings of these institutions were far more prevalent during the period than for any other sector of the private college community.

Despite the difficulties of the seventies that pressed all of higher education, the private sector demonstrated a surprising and for many, unanticipated resiliency adapting and adjusting to the challenges of the decade with varying degrees of success. For the most part, it appeared that the private colleges in general emerged leaner but perhaps stronger due to the challenges. Should the pressures and problems of the seventies not persist too long into the eighties, the prognosis is one of a generally positive nature.

The literature of the four institutions was reviewed, noting from the historical records and from the research done by Schoenhals and McKenna, that the denomination has had a long history of commitment to the importance of higher education within the framework of the church. From the beginning, the denomination sought to establish educational institutions that would provide learning opportunities for both clergy and laity. More specifically, the educational mission of the denomination involved the establishment of a series of colleges which would be co-educational in nature, liberal arts in emphasis and non-sectarian in religious viewpoint. While there had been some attempts to change the pattern of control, the colleges and the church continued to co-exist in a fraternal rather than legal relationship. The colleges have maintained this relationship through voluntary rather than mandatory methods.

Throughout the literature of the denominational colleges the concern for the church's ability to provide the number of students and volume of dollars to sponsor a viable educational program had been raised. Studies, particularly in the area of the college age population, demonstrated that the number of such students was declining making it necessary for the colleges to seek additional enrollments from beyond the borders of the denomination.

The problems experienced by the private sector, as a whole, were also experienced by the denominational institutions. Concerns over the quality of education, both from an academic as well as religious viewpoint, were expressed. Some concern was raised over the ability of the colleges to successfully accomplish their mission should the current trends continue.

The trends, identified as having the greatest influence on the denomination's colleges during the decade of the seventies included the projected decline in the number of college age youth, the ability of the denomination to develop higher levels of support for its colleges, spiralling inflation with its impact on utilities and salaries and the increasing potential of direct government interference in the academic process and mission of these colleges.

In Chapter 3, the methodology for the analysis of the financial, enrollment and academic program and faculty trends was presented. In the remainder of this section, the findings in each of these areas are discussed under those respective headings. While the statistical methodology utilized for trend analysis is considered to be adequate, the reader is again reminded of the stated limitations of the projective techniques employed since they are based on the questionable assumption that the trends which developed during the seventies will continue into the eighties.

Financial Findings of the Study:

The analysis and comparison of financial data collected from the four colleges along with the projections for the eighties are presented here under the categories of current fund revenue findings, current fund expenditure findings and net worth findings. A comment on revenues, particularly in the gift area, needs to be added for emphasis. The percent figures utilized in the section that follows tends to detract from the fact that the colleges and their constituencies did raise considerable funds in terms of total dollars.

1) Current Fund Revenue Findings:

Current fund revenues for the Free Methodist colleges under consideration grew at a rate of 69% over the six years between 1973/74 and 1978/79. This was 11% ahead of the liberal arts colleges and 7% ahead of the combined private sector in the Minter-Bowen sample. Projections for the eighties anticipated that the denominational colleges could continue to increase at a rate well ahead of the private college sector.

Tuition and fee revenues developed at a pace slightly below that of the overall revenue growth with some 55% of revenues gleaned from this source by the church related schools. While the private college sample also experienced growth in this area, the Free Methodist colleges were consistently more dependent on tuition for revenues by as much as 22% over the private college group. Projections for the eighties revealed no significant change in the degree of dependance on tuition and fees for operational revenues even though continued growth, in terms of total dollars, is expected.

The denominational colleges experienced a dramatic increase in the amount of revenues gathered from government sources becoming almost six times more dependent over the period. While the rest of the private sector experienced upward trends in this area, the denominational colleges, even with the major increase, still received significantly less from this source than their colleagues. Should the trends of the seventies continue, the Free Methodist colleges could catch up by the mid-eighties.

Endowment income, as a source of revenues, remained minimal for the denominational colleges not rising above a level of 2% of revenues provided from this source. This was well below the 8% for the

private sector. While dollars could continue to grow, the projections revealed no overall increase in the percent of revenues in the eighties, collected from endowment sources.

Private philanthropy, in the form of gift revenues, increased steadily through the decade with total gifts increasing some 79% over the period. This was well above the growth rate experienced by the Minter-Bowen sample. As a percentage of total revenues, however, the church colleges remained relatively constant throughout the period with approximately 11% of revenue resources gathered from this source. This was slightly below the liberal arts colleges in the sample but equal to the trends noticed for the overall private college sector. Continued growth in this area for the Free Methodist colleges is anticipated into the decade of the eighties; however, the percentage of revenues gathered from private gifts may not increase.

The recorded decline in the percentage of private gifts received from alumni and the denomination was recorded. The alumni charitable giving, as a percent of total gifts, dropped 1.9% while denominational giving declined 2.6%. An increase in giving was noted from business, foundations and corporations making the colleges more dependent on outside sources for private gifts over the decade. Projections for the eighties revealed that these trends could continue with still further declines in the percentage of needed gift revenues being provided by alumni and denominational sources.

2) Current Fund Expenditure Findings:

Total current fund expenditure trends for the church related group grew at a rate some 15% faster than revenues resulting in deficit spending by the close of the decade. In comparison the private sector remained in balance while the liberal arts colleges saw a healthy growth that left revenues well ahead of expenditures for the period. Should this trend continue, the projections showed that the denominational colleges could develop expenditure trends some 25% ahead of revenues for the eighties.

Education and general expenditures for the denominational set grew at a rate some 23% faster than total expenditures outpacing the liberal arts colleges by 52% and the overall private sector by 47%. Projections for the eighties anticipated that education and general expenditures could continue to grow exceeding overall expenditures by as much as 50% by the middle of the next decade. Should this trend develop, the Free Methodist colleges could see these expenditures rise to a level of 87% of total expenditures.

Scholarship and fellowship expenditures doubled during the decade of the seventies with the Free Methodist group seeing 14% of tuition and fee revenues and 9% of education and general expenditures being utilized for this purpose. In 1978/79, by comparison, the private sector saw 17% of education and general expenditures utilized for student aid. By 1984/85 it is anticipated that scholarships and fellowships will grow at a rate of 126% with 12% of education and general expenditures and perhaps as much as 21% of tuition and fee revenues being utilized for this purpose.

3) Net Worth Findings and Summary:

Net worth for the denominational colleges grew at a rate of 61% through the final six years of the seventies with overall assets climbing 41% above the 1973/74 base year. Should these trends continue, net worth could climb to a level of 143% above the 1973/74 base year by 1984/85. Most of this increase, however, would be a "paper growth" due to the projected increase of plant value due to inflation.

Findings in the financial area for the Free Methodist colleges from this study showed that the colleges, as a group, had moved from a point of fragile financial stability in 1973/74 to a point of serious financial stress. The financial condition of these schools appeared to be much more serious than the rest of the private college sample. Should the trends in finances continue into the eighties, financial stress could turn to financial distress with serious deficits becoming more common, and financial stringencies multiplying.

Enrollment Findings:

The decade of the seventies, in enrollment, was a positive one for the denominational colleges with total headcount growing at an overall rate of 6% for the decade. Student full time equivalents also grew but at a rate slightly behind that of headcount. New student growth including freshmen and transfers accounted for the largest segment of the total growth pattern. The number and percentage of female students shifted upward dramatically closing the decade with 57.9% of the student population identified as women compared to the 1969 base year of 47.9%. The number of students identified with the denomination continued upward but not at a rate in keeping with total growth; as a result, the percentage of students affiliated with the Free Methodist Church declined from 37.8% to 31% over the decade. Part time students edged up slightly for the period accounting for the slower rate of growth noted for full time equivalents.

Despite the growth in full time equivalent students, the rate was behind that noted for the overall private college sample with the denominational group seeing growth fall about 7% behind that recorded by Minter and Bowen for private colleges.

Projecting these enrollment statistics into the eighties revealed that overall headcount could continue to grow throughout the decade for the Free Methodist colleges possibly closing the period 17% above the 1969 base year and 8% above 1979. Full time equivalents may continue to grow but at a rate slightly behind the total headcount producing a larger number of part time students. New students should continue to increase if projections are accurate and the number of women students could grow substantially closing the decade with 67% of the

student population being women. Denominationally affiliated students could continue to decline, possibly closing the eighties with 17.5% of the student body being identified with the sponsoring church.

While the overall enrollment picture for the Free Methodist colleges was good during the seventies, it did fall behind the growth recorded for the private college sector in general. This trend is expected to continue into the eighties along with an upward shift in new, part time and female students. Full time equivalents and denominationally affiliated students are expected to continue to decline throughout the next decade if trends, produced in the seventies, persist.

Academic Program and Faculty Findings:

The category of academic program and faculty has been utilized in this study to provide an umbrella for statistics that have the potential to address the general area of institutional quality. While conclusive findings could not be drawn from the data, the information assimilated in this section does provide a basis for continued thinking in this important area of institutional health. Findings on academic and instructional expenditures, undergraduate degrees, library growth and expenditures, full time faculty, student/faculty ratios and the cost to educate a student are assimilated and reviewed in what follows.

Expenditures for academic and instructional purposes were analysed revealing that this category grew at a rate of 69% for the Free Methodist colleges during the period considered. However, these expenditures, as a percent of education and general expenditures, declined from 50.5% to 40.9% over the six years considered. As a percent of total expenditures, the decline was from 34.5% to 31.4%. Overall growth for this budget category fell behind both the liberal arts and overall private college groups in the Minter-Bowen sample. As a percentage of education and general, the church related colleges closed the decade 11% behind the liberal arts colleges and 12% behind the six groups of private colleges combined. Extrapolating these figures into the decade of the eighties reveals that college expenditures for instructional and other academic purposes could continue to grow but may drop to a rate of 34% of education and general expenditures by the middle of the decade, well behind the anticipated growth in this area by the rest of the private sector.

Undergraduate degrees for the church related colleges demonstrated a slight upward growth trend, in keeping with enrollments and other student data. Comparisons with Minter-Bowen data was not possible since they did not report on this category. While no statistical projections were calculated, it appears appropriate to assume that the number of undergraduate degrees awarded by the denominational colleges in the eighties should continue on a slight upward trend.

Library expenditures grew at a rate of 59% for the six year period ending in 1978/79 slightly behind the overall growth in total expenditures and well behind the recorded growth in education and general expenditures. Library expenditures as a percent of education and general declined slightly from 4.8% to 3.7% for the period. A similar pattern was noted in the percent of academic and instructional expenditures of which libraries are a part. In the category of books and other hard volumes, the libraries saw a 21% growth over the last five years of the decade. No comparative trends were available and no projections were calculated for the eighties. Given trends in other areas, it could be assumed that unless a major shift occurs in funding patterns, the libraries will continue to increase at a rate in the eighties similar to that experienced in the seventies.

The Free Methodist colleges experienced an upward growth in the number of full time faculty through 1976/77 with a significant decline recorded for the last two years, leaving the colleges at 13% below the 1973/74 base year. In comparison, the private sector, sampled by Minter-Bowen, saw a steady increase throughout the period closing out the decade 11% higher than the base year and 24% above the denominational colleges. If these trends continue into the decade ahead, the church colleges could experience a continued decline in the number of full time faculty potentially placing them 48% behind the private sector. Women faculty, on the church campuses, increased throughout the period rising 1.6% to a level of 29.5% of the faculty being women. This could continue to increase into the eighties. While the church colleges were ahead in the number of women faculty compared to the general private sector, they were some 7.4% behind the liberal arts colleges in the sample.

The impact of increasing enrollments and decreasing full time faculty caused the student/faculty ratios for full time students per full time faculty to increase for the Free Methodist colleges, from 15/1 in 1974/75 to 17.8/1 by 1978/79. In comparison, at the close of the decade, the liberal arts colleges stood at 15.1/1 and the private sector at large at 14.9/1. Projections for the eighties revealed a continued decline in the ratios for the private sector to 14.1/1 by 1983/84 while the denominational colleges could see an increase for this same period to 21.7/1 in student/faculty ratios.

Per capita costs to educate a student at the denominational colleges grew some 60% beginning in 1973/74 at \$3337 per student and closing in 1978/79 at \$5326 per student. Should this trend persist, the per capita costs could potentially increase another 72% to a new high of \$7710 per student by 1984/85.

In this general category of academic program and faculty findings, academic and instructional expenditures increased rapidly but failed to keep pace with growth in other areas of institutional expenditures. As a result, a smaller percentage of institutional expenditures were being utilized in this area. These trends showed no sign of improvement for the eighties. The number of graduates is expected to continue the trends of the last decade and move slowly upward. Library expenditures and hard volume growth are expected to continue but at a rate behind expenditures in other areas. The decline in full time faculty impacted the student/faculty ratios for the decade of the seventies, a trend that is expected to continue upward in the eighties. The per capita costs to educate a student may well increase at a rate slightly higher than the seventies producing the highest per pupil costs in the history of the colleges.

Conclusions of the Study

Having briefly summarized the more salient findings in the three areas of finance, enrollment and academic program and faculty, attention is now turned to a series of conclusions that can be drawn regarding the group of denominationally related colleges as a result of this study.

The reader is reminded of the agreements that were made as a part of this project to aggregate data and report on the four colleges as a unit rather than individually. It should be noted that the conclusions that follow are aggregate conclusions based on the collected data for the total group. Individual inferences about any of the four colleges can not be appropriately made. At each point, the colleges vary significantly making it necessary to modify the conclusions depending on the particular category and institution considered. The conclusions that follow, then, are for the four colleges in this study as an aggregate unit.

Conclusion 1: the decade of the seventies was significantly more difficult for the denominational group than the private sector as a whole. Without question, the data demonstrated that in areas of revenues, expenditures, net worth, enrollments, instructional costs, faculty, faculty/student ratios and others that the denominational group experienced more stringent circumstances and restrictions than its colleagues in either the liberal arts colleges or the private sector in general.

Conclusion 2: the decade of the eighties could well be more challenging for the denominational group than the overall private sector.

Should the causative factors that resulted in the various trends of the seventies persist, or worsen, the denominational colleges could face much more difficult challenges in maintaining their commitment to a quality education and fulfill their mission than the rest of the private college sector.

Conclusion 3: the denominational colleges have increased in their dependance on government support.

During the seventies, dependance on government support increased at a rate of six times. While the church college closed the decade still well behind the rest of the private sector in this area, should these trends persist, they could be as dependent on the government for revenue support as their private college colleagues. What impact this will have on the freedom of these colleges to perform their religious mission, in particular, is unknown.

Conclusion 4: the denominational colleges are becoming decreasingly dependent on the sponsoring denomination.

With the steady decline in the percent of students and revenues being supplied by traditional denominational sources and the subsequent reliance on resources outside of the purview and influence of the church, the colleges have become less dependent on the church than at any time in their history. Whether this will have any major impact on the responsiveness of the colleges to the denomination or vice-versa can not be discerned from this study.

Conclusion 5: there is no evidence that the colleges have changed either in their ability to effectively achieve or their commitment to accomplish their historic mission.

The financial stringencies evidenced in the areas directly affecting the academic activities, the decline in full time faculty and the rise in

student/faculty ratios are not conclusive indicators that the colleges are no longer able or willing to meet the challenges of their stated mission. All that can be appropriately concluded from this study is that the decade of the seventies, with its recorded trends, made the accomplishment of these goals and objectives much more difficult. While some inferences in this area could be made, more sophisticated research would be necessary to validate such conclusions.

Conclusion 6: there is no conclusive evidence that financial distress has given way to quality distress on these campuses.

According to Cheit, income needed to grow at a rate of 2.5% per year in order to delimit the possible impact of quality distress.¹¹⁶ The statistics demonstrated that all categories of revenues, except for endowments, grew at that rate. What is not accounted for is the increase in expenditures and the varying rates of increase for education and general and academic and instructional. Cheit offers a financial formula for determining the existence of quality distress, which, given the inflationary results of the seventies, is not particularly helpful. However, the concept of quality distress is still an important one in need of additional tools to assist in its evaluation and implications. As was noted, financial distress does not automatically create quality distress; one of the outcomes could be a more efficiently and effectively run academic enterprise.

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Cheit, The New Depression..., p.72

Conclusion 7: enrollments for the church related colleges have been and should continue to remain at levels supportive of a viable academic program.

While the denominational colleges lagged slightly behind the private sector in enrollment growth, numbers and percentages did continue to increase at a respectable rate. If these trends should continue into the eighties, as projected, the colleges could continue to have adequate numbers of students to operate a viable program. Many factors influence this outcome including tuition and fees, scholarships and fellowships, perceived performance in the areas of academic quality and personal development, retention rates and numerous others. While the upward shifts in women students does give some concern, this addresses more the question of institutional mission than it does enrollment growth.

Conclusion 8: the church related colleges were able to remain financially solvent during the seventies.

While expenditures did outpace revenues throughout the period considered producing relatively small deficit operations for the final two years, the institutions, given asset, liability and net worth analyses, remained financially solvent. Of great concern, however, is the trend that could develop in the eighties if steps are not taken to correct the deficits that materialized. Should these trends continue unchecked, the institutions, as a group, will be in serious financial difficulty by the mid-eighties.

Conclusion 9: academic and instructional program expenditures did experience a serious decline during the decade.

Despite the conclusion that decreased expenditures are not a conclusive indicator of a loss of quality, the statistics do demonstrate that a significant decline in the percentage of dollars utilized from the operational budget did occur in those categories dealing directly with the academic functions of the institutions. Continued decline in this area could well be a harbinger of serious quality distress; the expenditures in these areas are now lean, further cost might well go to the very meat of the program.

Conclusion 10: generalizations about the overall church related sector of private higher education can not be made from the results of this study.

None of the randomness of selection from the overall church related sector of higher education necessary to infer generalizations was utilized in the selection of this particular group of denominational affiliated colleges. This group was selected primarily for pragmatic and utilitarian reasons. The nature of the relationship and as a result, control of denominations, vary greatly among church related colleges. While what might have happened to other similarly related and configured institutions could be inferred, appropriate conclusions can not be statistically demonstrated unless similar studies were developed on these other groups of institutions.

Conclusion 11: continued investigation of the factors influencing the "health" of this group of church related institutions is necessary if more than survival is to result in the eighties.

This study began with the assumption that, while the denominational colleges were facing major challenges in most areas of institutional operations, the impact was no greater on them than on their private college counterparts. The study demonstrated the inaccuracy of this assumption. Continued research, in the areas raised by this study need to be developed for the colleges, individually and collectively, if adequate information is to be available to produce meaningful and productive planning. What the study has demonstrated is that such research is not just helpful or even desirable, it is essential if the colleges are to understand the myriad of forces influencing the success of their educational mission. In light of this last conclusion, we move next to some suggestions for additional research in these various areas of institutional development and analysis.

Recommendations for Additional Research

Having concluded that continued investigation of the factors and trends influencing the health of the church related college is both desirable and necessary, some recommendations regarding the scope and direction for this research are offered next. No attempt has been made to be exhaustive in these recommendations; what is suggested is that which has grown out of this study. Other areas such as student development, long range planning and capital expansion, to name a few, are not addressed but are recognized as important areas deserving of further investigation. Here, suggestions under the topics of financial recommendations, enrollment recommendations and other recommendations are offered as an incentive to promote meaningful research that will develop into some form of action program for institutional evaluation and planning for the future.

Recommendations for Financial Research:

Due to the critical nature of revenue and expenditure data, ongoing research is in process on most campuses to determine where funds are coming from and how they are being utilized. This is important information; however, an additional dimension needs to be developed which addresses the implications of this data for the long term mission of the institutions. "Where" and "Why" an institution allocates its resources is a strong statement about institutional priorities and objectives. Research into the implications of allocation is needed.

Gift revenues from the various sources of alumni, denomination, business, corporations, foundations and others need a continuing investigation on the part of the denominational colleges in this study.

The source and trends of these funds needs to be investigated on a continuing basis in order to build more accurate models for the prediction of future revenues. For the most part, development goals in the area of private gifts are formulated by projecting expenditures and subtracting anticipated tuition and auxiliary revenues. What is left becomes the burden of private gifts. A more realistic approach could be developed if regular research into this area were occurring. A second dimension of consideration is the impact on the mission of the institution a change in giving patterns will make. As was noted in the decline of denominational giving as a percent of needed revenues, dollars often bring influence. The institutions need to be more aware of the source and influence of private gift revenues.

Research into the impact of increased government dependance for operational revenues is suggested. The unique religious emphasis of the denominational colleges and the increasing tendency of the federal government, in particular, to limit institutions in this area, makes it essential that the colleges monitor and evaluate the impact of such increased dependance. Other areas of government influence in student aid, capital development and charitable giving regulations need continued scrutiny if the colleges are to accurately anticipate the impact of changes in any of these areas.

The area of financial condition of the institutions needs further research and analysis. Balance sheets do not always accurately reflect the true condition of the educational enterprise. Minter and Bowen have provided, what appears to be, a workable approach to the question of financial condition by suggesting a series of financial

formulae that address such topics as debt burden, adequacy of revenues, financial independence, liquidity, adequacy of assets and the capacity to hold and attract students.¹¹⁷ It is recommended that the colleges, both individually and collectively, utilize such a set of indicators to evaluate the impact of the decade of the seventies and project trends, in these areas, for the eighties.

While other areas of finance could be investigated, these appear to be the main topics worthy of further research in order to provide relevant and meaningful financial data for analysis and planning.

Recommendations for Enrollment Research:

With student enrollments being recognized as the other major resource for the development and operation of a viable academic program, continued research into the general area of recruitment, mix and retention is necessary.

The academic quality of students is an important area for the denominational colleges to evaluate. While much data is available from entrance tests, high school records and other sources, this information needs to be collated and interpreted for the colleges as a group.

Geographic, denominational, academic interests, co-curricular preferences and other demographics would be helpful in the recruitment and retention planning of the colleges. Given the decline in the percentage of students from the denomination, it is recommended that the

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Minter and Bowen, Independent..., p.p. 100-103

McKenna study ¹¹⁸ on the available college bound pool of students from the denomination, be replicated. Information on why the percentages have tended downward is important for both the colleges and the church for future expectations in this area of service and ministry.

A careful investigation into the reasons for the upward shift in the number of women students appears to be important in order to determine the appropriate institutional response to such a swing. Comparative statistics with other denominationally related colleges, as well as with the private sector generally, could provide some insight.

Recommendations for Other Research:

The area of quality distress needs major emphasis in the research activities for the colleges both individually and collectively. What impact the financial distress is having on academic programs and performance needs to be measured in order to provide assurances that quality is not being significantly impacted by the financial stringencies. The upward shift in student/faculty ratios and the downward move in the number of full time equivalent faculty is in need of analysis to determine if any measureable impact is being felt in the quality of education. Given the importance of academic outcomes for the graduates of these institutions, quality distress should be a central focus for investigation. Its meaningful consideration, however, will have to grow beyond the financial measures suggested by Cheit ¹¹⁹ to include objective measurement of academic performance and personal development.

¹¹⁸ David L. McKenna, The Study of Free Methodist Higher Education, Chapter 2.

¹¹⁹ Cheit, The New Depression...

Research is also needed in the total area of faculty development and performance. In-depth investigation into faculty training, salaries, rank distributions, course loads, academic productivity and other dimensions is needed for the denominational colleges. Given the importance of the faculty member to the mission of the institutions, additional information on factors that influence morale, relationships and performance appear to be valuable.

Perhaps the most important recommendation for additional research is the one which addresses the institutional mission of the church related colleges. How well have the colleges done in the achievement of their educational mission? What impact has the financial, distress, shift in student mix and other factors had on the ability and the willingness of the colleges and their constituencies to address their stated objectives? This is a complex issue needing investigation into all areas of college life including finance, enrollment, campus climate, administrative and trustee leadership and numerous other ingredients. Given the observation noted in the literature that the denominational colleges are important to American higher education because of the unique mission they fulfill, continued monitoring of the ability and willingness relative to that mission is essential. This recommendation is recognized as the most difficult to implement due to the complex nature of the question. However, as with the question of quality distress, the issue of mission is the important point upon which the usefulness of these institutions pivot.

Concluding Comments

Lewis Mayhew, in his recently released book Surviving the Eighties¹²⁰ suggests that the private colleges that will successfully navigate the next decade will be those with a distinctive educational program, a continued emphasis on personal growth and development, a relatively high standard for student admissions, and ability to attract students from outside the geographic region and a lower level of dependence (under 60%) on tuition and fee revenues.

In evaluating the various indicators of pathology that led to the demise of a number of small, private liberal arts colleges, Andrew and Friedman¹²¹ concluded that internal causes, in addition to external factors were among the leading reasons for fatalities. Among these causes they enumerated a serious conflict among constituencies of the college regarding purpose, mission and/or value orientation, a financial base insufficient to support the mission of the college and, most importantly, a lack of administrative expertise in the areas of objective setting, gaining the commitment of the campus publics to those objectives, financial planning, needs assessment and marketing techniques.

¹²⁰

Lewis B. Mayhew, Surviving the Eighties, (San Francisco: Jossey-Bass Pub. Inc., 1979)

¹²¹

Loyd D. Andrew and Burton D. Friedman, A Study of the Causes for the Demise of Certain Small, Private Liberal Arts Colleges in the United States, (Blacksburg, Va. Virginia Polytechnic Institute and State University, May 1976)

The four, fully accredited liberal arts colleges of the Free Methodist Church selected for this study emerged from the decade of the seventies much leaner than when they entered. While there are many contributing factors to their ability to survive the challenges of the decade, it is quite possible, with further investigation, that the quality and commitment of their leadership at the college, board and denominational level would surface as one of the more significant factors. Without question, their ability to successfully navigate the complexities and uncertainties of the eighties rests, for the most part, in the hands of that same leadership. The affirmation given by William Koelsch appears to be particularly appropriate for the close of this study. "The survival of small, religiously oriented colleges will depend on the capacity of their leadership to adjust and fashion programs both practical and imaginative."¹²² Perhaps this study, and others that it may encourage, will provide the leadership of this set of denominational colleges, with the direction necessary to emerge from the next decade stronger in commitment to and ability to accomplish the unique educational mission to which they have been called.

¹²²

William Koelsch, "Should the Christian College Survive?" p.232

APPENDICES

APPENDIX A
GLOSSARY

APPENDIX A

GLOSSARY

Definitions for this glossary are taken, for the most part, from A Glossary of Standard Terminology for Post-secondary Education ¹²³ published in 1977 by the Center for Higher Education Management Systems.

A.F.M.E.I. the Association of Free Methodist Educational Institutions, a fraternal organization of the various educational enterprises affiliated with the Free Methodist Church of North America with offices located in Winona Lake, Indiana.

Book Value: the purchase price of any asset.

Capital Asset: any physical resource that benefits the institution, program, course of study or activity for more than a year.

C.A.S.E. the Council for the Advancement and Support of Education, located in New York, New York.

Current Funds: includes all resources used or available for use in carrying out those operations directly related to the institution's educational objectives in either the revenue or expenditure category.

Current Fund Expenditures: those categories of operational expenses utilized by the college in accordance with standard accounting practices including instruction, research, public service, academic support, student services, operation and maintenance of plant, scholarships and fellowships, auxiliary enterprises and other related activities.

Current Fund Revenues: standard categories that describe all funds accepted for a designated reporting period including tuition and fees, governmental appropriations, grants and contracts, private gifts, endowment income, sales and services and independent operations.

Debt Service: includes repayment on principal and interest on all short and long term debt.

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Sherrill Cloud, A Glossary of Standard Terminology for Postsecondary Education (Boulder, Colorado: National Center for Higher Education Management Systems, 1977)

Endowment Yield: earnings available for institutional use that are derived from the investment of funds where the principal is non-expendable.

F.M.E.I. used to refer to the four Free Methodist educational institutions included in this study.

F.T.E. Faculty: full time equivalent faculty, described as a faculty member deemed as carrying an average full time work load as defined by institutional guidelines; calculated by totalling course credits offered and dividing by average course credits for the average full time faculty member.

F.T.E. Students: full time equivalent student determined by totalling the number of student credits and dividing by the average credit load for a full time student as determined by the institution.

Headcount (Student): the total number of students registered for academic credit at the institution in a designated time period.

H.E.G.I.S. Higher Education General Information Survey, an annual report on fiscal, enrollment and other data requested from the institution by the Department of Health, Education and Welfare, Washington, D.C.

Liabilities: may include accounts payable, accrued liabilities, deposits, deferred revenues and contracts payable.

N.A.C.U.B.O. the National Association of College and University Business Officers located in Washington, D.C., whose guidelines provide the foundation for university and college accounting procedures.

APPENDIX B

**CONSTITUTION AND BYLAWS
ASSOCIATION OF FREE METHODIST EDUCATIONAL INSTITUTIONS**

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CONSTITUTION AND BYLAWS
ASSOCIATION OF FREE METHODIST EDUCATIONAL INSTITUTIONS

Constitution

Article I - This organization shall be known as the Association of Free Methodist Educational Institutions.

Article II - The purpose of this organization shall be to establish and maintain a close relationship among its members; to define and maintain such standards of scholarship and discipline in the various institutions as shall be agreed upon by the Association; and to act in a cooperative and advisory relationship with the Commission on Christian Education.

Article III - Regular member institutions of the Association shall be approved Colleges, Junior Colleges, the John Wesley Seminary Foundation and the Lorne Park College Foundation of the Free Methodist Church. Provision may be made whereby other Free Methodist educational institutions, (i.e.) graduate schools and affiliations, secondary and Christian day schools not affiliated with a college, may be granted special membership status; it being understood that such status allows voice but limited vote on the part of representatives of such institutions.

The requirements for each class may be determined by the Association.

Bylaws

Article I - At the meetings of the Association each member institution, both regular and special, shall be officially represented by its President and the Chairman of its Board of Trustees, or a member of the board officially designated as a representative in the event the chairman cannot attend. Non-official representatives from each of the member institutions, both regular and special, when invited by their official representatives, are welcome to be present whenever possible.

Article II - At meetings of the Association all representatives shall be eligible to vote except in cases of: 1) Amendments to the Constitution and Bylaws, 2) Recommendations to the Commission on Christian Education, and 3) Levying assessments. At these times the representatives from regular member institutions only shall be entitled to vote. In case of amending the Constitution and Bylaws, each school shall be entitled to one vote only, each delegation voting through its chairman.

Article III - The annual meeting of the Association shall be held in March with the date and place set during the semi-annual meeting.

Article IV - The semi-annual meeting shall be set to correspond in time and place so that the colleges may report to the Commission on Christian Education of the Free Methodist Church of North America.

Article V - The Constitution and Bylaws of this Association may be amended at any regular meeting by a three-fourths vote of the official representatives present from the regular member institutions, provided there is a quorum of one more than half of the total members of regular member institutions represented. A written notice of such amendments shall be sent to each official representative one month prior to the date of the meeting.

Article VI - The officers of the Association shall be President, Vice President, Secretary, and Treasurer. These officers shall be elected by ballot at the annual meeting. Only official representatives of regular member institutions are eligible for election.

Article VII: AFMEI dues shall be established at the time of the annual meeting for the following year. Assessments upon regular member institutions may be levied by a two-thirds vote of representatives from these institutions at any regular meeting. Special member institutions are not subject to assessment.

Article VIII - Two representatives shall be elected, in accordance with the Discipline, to membership on the Commission on Christian Education for a term, the term to be concurrent with the duration between General Conferences.

Article IX - All actions taken by the Association will be taken with due recognition of the fact that each member institution functions under the direction of controlling bodies and in compliance with state or provincial and area regulations, which directions and regulations may, in some instances, take necessary priority over the desires of the Association.

Article X - There shall be an Executive Secretary of the Association. The Executive Secretary may be the General Secretary of Higher Education for the denomination.

Article XI - The Executive Committee of the Association shall consist of four elected officers. Said committee will have authority to act on behalf of the Association between the regularly scheduled meetings.

The Executive Secretary of the Association shall serve as an ex-officio member.

Revised 11/6/73 and 3/9/74. Adopted at the annual meeting, March 8-9, 1974.

Revised and adopted 10/31/75

APPENDIX C
DATA COLLECTION AND COLLATION GUIDELINES

APPENDIX C

DATA COLLECTION AND COLLATION GUIDELINES

This appendix provides a simplified version of the Data Collection Page with direction on how to assemble the data utilized in this study. A sample of the Interim Collation Page which was utilized as a means of gathering data from the Data Collection Page in order to analyse the trends is also attached.

The Data Collection Page utilized data gathered primarily from the standardized H.E.G.I.S. reports (coded as #1 with the alpha and numeric codes designating the appropriate sub reports of the H.E.G.I.S. documents) and the Survey of Voluntary Support from the Council for the Advancement and Support of Education (coded as #2 with numeric codes referring to the subsections of the report). The coding for each of the data elements follows, along with a restatement of the issues to be addressed. Data elements were recorded on 13 column accounting paper using the outline of the Data Collection Page.

The format for the Interim Collation Page was also placed on thirteen column accounting paper with data from the Collection Page transferred here in order to address the issues. Appropriate statistical manipulation was done to provide the type of data needed to address the issues and compare with the Minter-Bowen data base utilized in Chapter 5.

DATA COLLECTION PAGE

Name of College _____.

Revenues and Expenditures ¹

Current Fund Revenues:

Total Current Fund Revenues

Tuition and Fees

Government Support

Private Gifts: Current Operations

Total Gifts

Alumni

Denomination

Corporate/Business/Foundation/Other

Endowment: Market Value

Endowment: Yield

Current Fund Expenditures:

Total Expenditures

Education and General

Scholarships and Fellowships

Instruction and Academic

Physical Plant Assets

Land, Buildings, Equipment

Indebtedness

Enrollment: Fall of the Year ²

Total Undergraduate Headcount

Total Part Time

Total New Students

Total Male

Total Female

Total Denominationally Affiliated

Percent from Denomination (of headcount)

Student F.T.E.

Academic Program and FacultyTotal Instruction and Academic Support Expenditures ¹Total Degrees Awarded: Undergraduate ²Number of Volumes in Library ²Library Operating Expenditures ²Faculty F.T.E. ¹¹

Data collected for fiscal years 1973/74 through 1978/79

²

Data collected for fiscal years 1969/70 through 1978/79

Revenue and Expenditure Analyses

A. Issues to be Addressed

1. What have been the tuition and revenue trends for the period?
2. What have been the endowment growth and yield trends?
3. What are the indebtedness trends for the period?
4. Is there an increasing dependency on government assistance?
5. What are the trends in denominational financial support?
6. What are the trends in student financial aid, particularly in the amount of institutionally funded aid?
7. What are the trends in alumni support?
8. What are the trends in corporate and foundation support?
9. What has happened to the net worth of the colleges for the period under study?
10. What has happened to the per capita costs to educate a student during the period?

B. Data to be Collected to Address Issues

Data Element Needed	Source Code
<u>Current Fund Revenues:</u>	
1. Total Current Fund Revenues	1-FSI-A-20
2. Tuition and Fees	1-FSI-A-1
3. Government Support	1-FSI-A-6,-10
4. Private Gifts (current operations)	
Total Amount	2-II-7-7
Alumni	2-II-3-7
Denomination	2-II-2-7
Corporate/Business/ Foundation and others	2-II-1,4,5,6,7 a & b
5. Endowments:	
Market Value (year end)	1-FSI-E-2-.2
Endowment Yield	1-FSI-E-3
<u>Current Fund Expenditures:</u>	
1. Total Current Fund Expenditures	1-FSI-B-19
2. Education and General	1-FSI-B-12
3. Scholarships and Fellowships	1-FSI-B-9+10
4. Instruction & Academic Support	1-FSI-B-1+4
<u>Physical Plant Assets:</u>	
1. Land, Buildings, Equipment	1-FSI-C1+2+3-col. 5
2. Indebtedness	1-FSI-D-4

Enrollment Analyses

A. Issues to be Addressed

1. What are the trends in undergraduate enrollments?
2. What are the trends in part time vs. full time?
3. What are the trends in new student (freshman/transfers)?
4. What are the trends in male vs. female?
5. What are the trends in % of student body from the supporting denomination?

B. Data to be Collected to Address Issues (Fall of Reporting Year)

Data Element Needed	Source Code
1. Total enrollments	1-FEI-IA+IIA-col. 13,14
2. Total part time	1-FEI-IIA-15-col. 13,14
3. Total new students	1-FEI-IA1,2+IIA,16,17-col. 13,14
4. Total male/female	1-FEI-IA-IIA
5. Total, denominational students	FMC General Reports*

Academic Program and Faculty Analyses

A. Issues to be Addressed

1. What are the trends in the % of budget being used for instructional and academic support services?
2. What trends have there been in the number of degrees awarded?
3. What are the trends in library expenditures and additions?
4. What are the trends in the student/faculty f.t.e. model?
5. What are the trends in the number of women faculty?

B. Data to be Collected:

Data Elements Needed	Source Code
1. Total institutional expenditures	1-FSI-B-19
2. Expenditures for instruction	1-FSI-B-1+4
3. Number of degrees awarded	1-DFA-9800-line 417,4&5
4. Number of volumes in Library	1-CUL-IB-2
5. Library operating expenditures	1-CUL-IVA-45
6. Faculty number	1-STF-I, 1-7
7. Women Faculty by number	1-STF-I, 5-7

* Data from Department of Higher Education and the Ministry, annual report, Free Methodist Church Headquarters.

INTERIM COLLATION PAGE

Issue To Be Addressed: _____

Data Elements Needed

Greenville College

Robert's Wesleyan College

Seattle Pacific University

Spring Arbor College

Statistical Manipulation Needed

Mean:

Standard Deviation:

Range: Low
High

Index Number:

Percentage:

Years To Include

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