

Lecture I.
In Pursuit of Excellence

William G. Bowen
President, The Andrew W. Mellon Foundation

The Thomas Jefferson Foundation Distinguished Lecture Series
University of Virginia
April 6, 2004

This document contains the prepared text, figures, and tables of the first lecture presented by William G. Bowen for the Jefferson Foundation Distinguished Lecture Series on April 6, 2004. The content is subject to revision in future public reporting and publication. Endnotes are not shown because they are still being edited.

I. In Pursuit of Excellence

I am honored to have been invited to give the Jefferson Lectures this year, and I am humbled as well. The large theme I am going to address—the dual claims of excellence and equity in the shaping of American higher education, and whether these two objectives should be seen as complements or as in competition with one another—is so all-encompassing, and so daunting, that in thinking about how to come to terms with it, . . . well, one is tempted just to go back to bed! The alternative is to create a team of colleagues to help, and two of them are here today—Martin Kurzweil and Susanne Pichler. A third member of the team, Gene Tobin, unfortunately could not be here.

“Excellence and equity” can only be understood in the context of what higher education seeks to accomplish. Thus, in framing my topic, I will begin by commenting ever so briefly on the purposes of American higher education, as they have evolved over more than three centuries. Then I will devote the balance of this first lecture to the “excellence” objective—*thought of broadly as educating large numbers of people to a high standard and advancing and disseminating knowledge*. I will identify as best I can the “markings” of our progress and then examine in more detail the modern-day challenges to the continued pursuit of excellence. In my second lecture, I will be provocative in discussing “equity” (or opportunity) as seen through the lens of socio-economic status. In my last lecture, I will focus on the contentious subject of race in American higher education—where we have been, where we are today, and where we may be in 25 years (the presumed duration of affirmative action according to the O’Connor opinion in the University of Michigan cases).

A. The Purposes of Higher Education

Building human capital

A central purpose of higher education, in every setting, is to prepare talented young people to assume leadership roles in their societies—to foster the creation of what we call today “human capital.” In Colonial times, a main focus was on the clergy, but other needs were also recognized; Jefferson wrote of the need “to form the statesmen, legislators, and judges on whom public prosperity and individual happiness [so much depend].”¹ Subsequently, institutions of higher education have been expected to prepare their graduates for careers in law, medicine, business, education, science, technology, and many other specialized fields.²

“Human capital” consists of ideas as well as the individuals in whom they are embodied and the educational environments that nurture them. Over time, the research function has become a more and more important responsibility of institutions of higher education worldwide. In this country, the Morrill Land Grant Act of 1862 was an important milestone in defining the public interest in research as well as in advanced study.³ There is an earlier intimation of what was to come in Jefferson’s “Rockfish Gap Report” where he listed, as one of the purposes of the University of Virginia, “to harmonize and promote the interests of agriculture, manufactures and commerce, and by well informed views of political economy to give a free scope to the public industry.”⁴ As Claudia Goldin and Lawrence Katz argue convincingly, the growing specialization of knowledge and the emergence of new disciplines did much, starting in the late 19th century, to shape the modern research university with its emphasis on graduate training as well as on scholarship and research.⁵

World War II demonstrated the importance to national security of a strong research base in science and technology. The atomic bombs that effectively ended World War II were based

on work at research centers like those at the University of Chicago and the University of California. In 1945, Vannevar Bush, the Director of the Office of Scientific Research and Development, submitted a report to President Harry Truman in which he urged the creation of a new government agency to support research at the nation's colleges and universities, "as long as they are vigorous and healthy and their scientists are free to pursue the truth wherever it may lead."⁶ Public support for the research function of higher education continues to be reflected in the budgets of the National Science Foundation, the National Institutes of Health, and the research arms of other agencies.

Self-fulfillment: "living a life"

Important as the formation of human capital is to the "productivity and prosperity" of society, American colleges have never seen themselves as serving merely "practical" (or narrowly vocational) objectives. W.E.B. DuBois was eloquent—and succinct—in arguing that: "There could be no education that was not at once for use in earning a living *and for use in living a life*" [my emphasis].⁷ In Colonial America, colleges were variously expected to "raise the youth in good Letters and Manners," "to educate in knowledge and Godliness," and, in Jefferson's words: "To enlighten . . . with mathematical and physical sciences, which advance the arts, and administer to the health, subsistence, and comforts of human life; and, generally, to form them to habits of reflection and correct action, rendering them examples of virtue to others, and happiness within themselves."⁸ This emphasis on learning to "live a life" continues today, especially in undergraduate liberal arts colleges and in many of the undergraduate colleges nestled within universities.

Civic service and civic virtues

A third component of educational purpose might be termed “civic service” or even pursuit of “civic virtue.” Jefferson believed passionately that education was essential to the survival of a republican form of government—citizens had to learn how to protect their rights or they would surely lose them. In 1816, he warned: “If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be.”⁹ Whatever the specific vocabulary used, colleges and universities have long regarded themselves as “civilizing forces” in society. In his history of American colleges and universities, Frederick Rudolph pointed out that early nineteenth century American colleges were “committed to social needs rather than to individual preference and self-indulgence. When college presidents thought of their students they were reminded not of society’s obligation to young men but of the obligation of young men to society.”¹⁰ Notions of “duty” and of “service” at the end of the 19th century were often associated with Woodrow Wilson, who coined the phrase, “Princeton in the Nation’s service.”¹¹

“Engines of opportunity”

In the United States, higher education has long been expected to serve the broad goals of a democratic society and to promote social mobility. There were efforts as early as the 18th century to extend access to poor students (the topic of tomorrow’s lecture), and one purpose of the Morrill Act was to elevate the status of the “industrious classes” and put them on a more equal footing with the “learned classes.”¹² Still, it would be hard to argue that “equity,” or the broad extension of “educational opportunity,” was a clearly articulated goal of most institutions of higher education prior to the end of World War II. In April 1940, less than 5 percent of persons age 25 or over had completed four or more years of college. Even among those of college age, one student in six was entering higher education, and only one in twelve was

graduating.¹³ The history of elementary and secondary education stands in sharp contrast, with much more emphasis having been placed on egalitarian goals since the earliest days.¹⁴

In the immediate aftermath of World War II, the Truman Commission issued a report titled “Higher Education for Democracy,” which stressed the need for broadening educational opportunities and included as well a discussion of the need to apply creative imagination and trained intelligence to the solution of social problems.¹⁵ The GI Bill is generally credited with having extended educational opportunities to many who would previously have been excluded (especially students from middle income families), though there is continuing debate as to its lasting effects.¹⁶ Even so, determined, “activist” efforts to make higher education more inclusive, certainly in terms of the racial composition of student bodies, go back only three or four decades. The explicit and aggressive pursuit of “excellence *with equity*” (in Mamphela Ramphela’s trenchant phrase) is very recent.¹⁷

B. Progress in Achieving “Excellence”

With apologies again for attempting to cover so much ground in a few minutes, let me outline what can be said about the progress made by the US system of higher education in meeting its “excellence” obligations—defined broadly to include the goals of educating large numbers of students to a high standard and carrying out a vigorous research agenda. I will of necessity concentrate on measurable indicators of progress, but I do not for a moment suggest that the less quantifiable dimensions, such as preparing students to “live a life” and to contribute to the social weal, are anything less than profoundly important—it is just that such outcomes are so devilishly hard to assess that we are driven back to counting graduates, noting levels of educational attainment, and citing research accomplishments and prizes won.¹⁸

This audience will know that US higher education enjoys an outstanding reputation worldwide for both its scale and its quality (having been described grandiloquently by one writer as “the envy of the planet”¹⁹). Here are some key markers:

- In 2000, over one-quarter of the US population aged 25 and over (25.6 percent, to be exact) had completed four or more years of college.²⁰
- If we look only at the 25-64 age group, we find that the percentage who had a university education ranged from 28 percent in the United States to 26 percent in Norway, 20 percent in Canada, 19 percent in Japan, 18 percent in the UK, 17 percent in Sweden, 13 percent in Germany and in Mexico, 12 percent in France, and 11 percent in the Czech Republic.²¹
- Annual expenditures on tertiary education per student in 2000 (in equivalent US dollars) ranged from \$20,358 in the US to \$12,854 in Canada, \$10,914 in Japan, \$9,657 in the UK, and \$8,753 in France.²²

One indicator that high educational attainment in the US, and the large financial outlays on tertiary education, are having a marked economic impact is to be found in earnings differentials. The US Census Bureau recently produced a study called, appropriately, “The Big Payoff,” which provides “synthetic” estimates of working-lifetime earnings associated with different levels of educational attainment. One principal finding is that present-day earnings differentials translate into very large differences over a projected 40-year working life: the estimate for high school graduates of \$1.2 million compares with estimates of \$2.1 million for holders of bachelor’s degrees, \$3.4 million for holders of doctorates, and \$4.4 million for those with professional degrees.²³ The market is rewarding generously what it perceives as the large value-added of additional education. DeLong, Goldin, and Katz conclude that American economic growth during the 20th century—and perhaps especially the resurgence of productivity growth during the last ten years or so—has been fueled principally by this country’s unequaled stock of human capital: by the powerful combination of a highly skilled work force, technological advances, and the contribution of an educated work force to “initial adoption and rapid diffusion of new technologies.”²⁴

A “revealed preference” way of assessing quality is by looking at where top students elect to pursue their studies. American doctoral programs are the “destination of choice” for large numbers of the most promising students from all over the world. The percentage of new doctorates awarded to individuals on temporary visas rose from 9 percent of all doctorate recipients at US universities who reported citizenship in 1972 to 14 percent in 1982 and 26 percent in 1992.²⁵

Research contributions and research standing are somewhat harder to quantify, but one source of information is winners of Nobel Prizes. The Sutton Trust in the UK has assembled the relevant data, and the pattern is unmistakable (Figure I.1). Since 1900, 532 prizes have been awarded. US universities have been the “primary” university association for just under half of the winners over this long period, but currently account for over 70 percent. Britain’s share, which was consistently about 20 percent until the 1920s, has fallen to under 10 percent. Moreover, an examination of instances in which a Laureate has won a Nobel Prize at an institution outside his or her home country shows a definite “brain gain” by American universities. After reviewing other data, including citations in scientific papers, the Sutton report concludes: “It is clear from all these indicators that the United States holds an increasingly dominant position in scientific research while other major countries’ relative positions, including Britain’s, have declined.”²⁶

Before we turn to an examination of the principal challenges to the continued excellence of the American system of higher education, we should pause briefly to consider the major factors that account for the good results obtained thus far. Three stand out.

- First and most obvious is money spent. The Sutton Trust report says simply that: “The US spends 2.7 percent of its GDP [gross domestic product] on higher education compared with an OECD average of 1.3 percent, and a UK spend of just 1 percent.”²⁷

- A second factor, not unrelated to available resources but somewhat different, is the general shape and character of the American system of higher education—if the word “system” is even appropriate. Noteworthy is the mix of private and public institutions and the highly decentralized character of the entire enterprise, including sources of funding. Much decision-making is vested in the states but substantial power also resides in the Federal government, in private donors, and in students and families “voting with their feet” as they decide where to apply and how much they are willing to pay for college. This pluralistic mix of funding sources has allowed the system as a whole to generate far more resources than would have been possible if it had been more monolithic. In addition, the decentralized, diverse, and highly competitive nature of higher education in this country has allowed “the system” to avoid the pitfalls of forced homogeneity. Different kinds of institutions, costing different amounts of money to operate and to attend, have been able to serve the widely varying needs (and preferences) of multiple clienteles.²⁸ Finally, this variegated structure, combined with our historical commitment to freedom of expression, has allowed students and faculty members to think creatively and independently, free (for the most part) of political tests and pressures to “think right.”²⁹ This key feature of American higher education illustrates the importance of what Douglass North has referred to as “the rules of the game” in his path-breaking analysis of how such understandings, formal and informal, have a major impact on economic performance through time.³⁰

- Third, and perhaps most important of all in fueling the success of American higher education, has been the spread of elementary and secondary education. Goldin and Katz trace

the origins of public education in the 19th century, citing the early ideas of Thomas Jefferson and others,³¹ the development of “common schools,” and the relentless advocacy of Horace Mann and the “school men” in the antebellum years. They conclude:

The creation of publicly funded common schools and their spread throughout much of America was the first great transformation of education in America. Even before free schooling spread throughout the states, with the abolition of the ‘rate bills,’ education in America had surpassed that in any other country.³² Free public schooling, which had diffused nearly everywhere in the nation by the 1870s, set the stage for the next great educational expansion—the growth of public high schools.³³

By 1910, the secondary school enrollment rate outside the South was about 24 percent, and the high school graduation rate was about 10 percent; by the mid-1930s, about half of the relevant age group graduated in most states outside the South.³⁴ There can be little doubt that the subsequent “roll out” of American higher education was made possible by the existence of this massive base of college-eligible students—a base unmatched anywhere else in the world.

To anticipate what is to come, I should note that Goldin and Katz attribute the extraordinary growth and diffusion of pre-collegiate education in America to features of our schools that were already in place in 1900—which they term “the virtues”—and which, they argue: “would determine U.S. educational development in the twentieth century and would enable the United States to lead the world in schooling for the masses.”³⁵ The most important of these virtues were “*public provision by small fiscally independent districts, public funding, secular control, gender neutrality, open access, a forgiving system, and an academic curriculum.*” The authors recognize that “the virtues of the past need not be the virtues of today, and they also need not have been virtuous in all places and at all times in the past.”³⁶ I will return to this theme at the end of the lecture and suggest that at least some of these “virtues” now pose *the* major challenge for the continuing pre-eminence of American higher education.

C. Challenges to Excellence

Internal Challenges

First, however, I would like to discuss, ever so briefly, other challenges to our ability to sustain a high standard of excellence in higher education, starting with some that might be termed “internal.” I hasten to explain that I am not referring to complaints about “political correctness,” the alleged despoiling of the curricula, or the evils of tenure—none of which I regard as rising to the level of a serious challenge to excellence.³⁷

Politicization.-- The most serious internal threat experienced in recent years was the near-politicization of many institutions of higher education in the Vietnam era (a reminder that threats to the freedom and independence of our colleges and universities can come from either the right, as they did during the anti-Communist hysteria of the McCarthy era, or from the left, as they did during Vietnam). The university should be the home of the critic, welcoming and respectful of every point of view; it cannot serve this critically important function if it becomes the critic itself, coming down on one side or another of controversial issues, or if its integrity is compromised when official neutrality succumbs to unofficial complicity. It needs to stand “At a Slight Angle to the Universe” (to borrow E.M. Forster’s brilliant description of the Greek poet, Cavafy). Fortunately, faculties and campus communities in general recovered from the temptation to allow their institutions to become political actors and recognized that a measure of institutional restraint was necessary if the independence and openness of the university to all points of view were to be protected. It is the freedom of the individual to think and to speak out

that is of paramount importance, and safeguarding this freedom requires that the institution itself avoid becoming politicized.³⁸

Commercialization.-- We should also recognize another danger of a somewhat related kind, “commercialization.” As Derek Bok has reminded us recently, pressures to make colleges and universities more “business-like” (which are by no means necessarily bad, in and of themselves) can lead faculty members, administrators, and trustees to substitute rather crude market tests for the application of criteria derived from educational missions—thereby confusing research and instructional priorities. The perception that faculty are appointed or promoted because of their access to corporate funding, or that professors steer their scholarship away from basic research toward more commercially profitable areas, undermines institutional morale, collegiality, integrity and reputation.³⁹ Universities ought never to be “for sale.” Even in the midst of severe financial pressures, care has to be taken to honor academic priorities and focus on the purposes for which most colleges and universities were chartered (excepting the proprietary institutions).

Grade Inflation.-- A more mundane threat to educational excellence is the “grade inflation” phenomenon, for which faculty must be judged responsible. So much has been written and said about this vexing subject that I will do no more than refer you to the excellent study by Henry Rosovsky and Matthew Hartley.⁴⁰ Rosovsky and Hartley document the extent of grade inflation, pointing out that it has been “especially noticeable in the Ivy League.” The signals communicated by the proliferation of A’s and B’s are anything but healthy. They subvert messages stressing the importance—and the difficulty—of doing truly first-rate work. They also raise deeper questions about the willingness of faculty to uphold academic standards. As

Rosovsky and Hartley put it: “Academics are only entitled to the respect they would like to command if they affirm some common standards.”⁴¹

Alcohol and “Socializing.”-- If grade inflation is a relatively recent phenomenon, the next internal challenge to excellence that I want to mention has plagued higher education for centuries: the sometime preoccupation of students with life outside the classroom, with social clubs, fraternities and sororities, and, in general, with what Woodrow Wilson once referred to as “the side show.”⁴² When alcohol is added in large doses, the mixture can become highly combustible and destructive of both academic values and students’ health.⁴³ Jennings Wagoner cites a University of Virginia professor as observing in 1842: “ninety-nine hundredths of our troubles spring from drink.”⁴⁴ People will differ in their assessments of how serious a threat is posed by today’s combination of alcohol and social conventions that perpetuate if not inculcate false values, and I have no way of offering a reliable calibration. It is, however, no trivial concern. I am not foolish enough to advocate a return to prohibition (or even campus bans on the consumption of alcohol), but it is sad to see instances in which opportunities are wasted and lives are damaged by our collective inability (at least sometimes) to structure a right balance between the demands of academic rigor and the undeniable need for occasional bouts of relaxation. (President Casteen has, I know, been particularly active in seeking creative solutions to this hard problem.)

Athletics.-- A recurring hope has been that athletics could nurture such a balance.⁴⁵ Speaking from personal experience, I always found sports and intercollegiate competition great fun, a fine complement to academic pursuits, and a more or less harmless outlet for aggression. But times have changed. Regrettably, college sports today represent a distinct threat to academic values and educational excellence. Anyone who reads the papers is aware of the blatant

perversions of values (and not just academic values) represented by so much of big-time sports in America today. But that is far from the end of the story—indeed, from my perspective, it is not even the most important part. Several colleagues and I have devoted much of the last three years to studying the ways in which present-day athletics conflicts with core academic values at many of the country’s most selective colleges and universities that do not offer athletic scholarships.⁴⁶

We find that the increasing intensity of athletics at every level of play, combined with the “dynamic” of a competitive system that transfers problems from one set of sports to another, and from one set of institutions to another, has led to an ever-widening academic-athletic divide. Today, recruited athletes at the Ivies and at leading liberal arts colleges (men and women students alike), enjoy a decided advantage in admissions (with as much as four times as good a chance of being admitted as other students with comparable SAT scores), are less and less representative of their classes (they cluster in certain fields of study and bunch heavily in the bottom third of the class), underperform academically (they earn much lower grades than they would be expected to earn on the basis of their high school credentials), and they are far more isolated from their classmates than were their predecessors. (I wish there were time to impose many fascinating findings on you, but there is not; I will be disciplined and will resist even the temptation to explain why this is a story about “selection” and not about “treatment.”)

Why does all of this matter? First, there is a serious risk that failing to reverse the directions now so evident will undermine the real values of intercollegiate sports on campuses that continue to see athletics as an integral part of an educational mission. Second, there can be large “opportunity costs.” Students eager to take advantage of the special educational opportunities a particular college has to offer may be turned away because places in the entering

class (as many as 25 percent or more at some liberal arts colleges) have been claimed by recruited athletes who bring with them to college values and attitudes that make them less likely to participate fully in the educational life of the institution. Third, there are serious issues of institutional integrity and truth-telling. It is discouraging to see the “disconnect” that exists today between stated principles (for example, the assertion that athletes will be “representative” of their classes) and present-day realities. Truth-telling is important, especially for institutions that pride themselves, as colleges and universities should, on standing for the highest level of integrity. Fourth, we should not underestimate the “signaling effects” of current practices on secondary schools, prospective students, and their families.⁴⁷ Fifth, today’s intercollegiate athletic programs, even at the Division III level, involve substantial financial outlays, especially when we consider the capital costs of facilities alongside rising personnel costs and operating expenses.

In sum, the “drift” into recruitment-driven, high-intensity athletic programs at many of the country’s leading educational institutions, while not perhaps a “fatal flaw,” does indeed compromise the pursuit of excellence. It does so directly by distorting priorities and misallocating resources (including highly coveted places in the entering classes of the most selective institutions). And it does so indirectly, by raising questions about our core commitments—about what matters most in crafting a class and defining a campus ethos.

External Challenges

*Paying for Excellence—Especially in Public Universities*⁴⁸-- Let us now shift perspectives and consider external challenges, beginning with the need to pay for the pursuit of excellence—especially at public universities. The report of the Sutton Trust is right in emphasizing that “money matters.” Absolutely. I remember well a conversation in my office at

Princeton with a Nobel-prize winning physicist who had just been offered an appointment at twice his current salary by a university prepared to spend a lot of money to improve itself. My faculty colleague (who was also a friend) was quick to reassure me: “Don’t worry; I’m not going,” he said. And then he added this comment, which I have never forgotten: “Excellence can’t be bought.... but it has to be paid for.” The immediate implication was that we had to do something about his lab—which we did. More generally, as various departments became better, their claims on the university purse became stronger and stronger. In explaining to donors why, wealthy as Princeton was, its needs (and my appeals) were unrelenting, I found myself repeating the litany: “Progress begets needs.”

There is no denying that the cost of paying for science, in particular, has risen dramatically. Nor is there any denying the force of what Clotfelter calls “unbounded aspirations” or the consequences of the fierce competitive drives that make the best people and the best places dissatisfied with their present circumstances.⁴⁹ In addition, the “handicraft” nature of personalized instruction—especially at the graduate level and in small group settings at the undergraduate level—imposes a dynamic that has played a role of its own in causing university costs to rise faster than the Consumer Price Index for a century.⁵⁰

In my view, finding the necessary resources is one of the two most fundamental challenges to the continuing excellence of our system of higher education. The unending need for additional support is no respecter of boundaries; it afflicts all of higher education, even as it presents itself somewhat differently in the private and public sectors. There is not time to do justice to the rather different circumstances of the two sectors, and so I will simply assert that the prospects right now for the private sector are considerably brighter than are the prospects for state-supported institutions. Surprising as it may sound to many people (and especially to people

outside the United States), the private sector's lack of regular appropriations from government is more than offset, in many instances, by the freedom from obligations and constraints that are part of the public-support "bargain."

The respective fortunes of the private and public sectors ebb and flow over the decades, and it would be foolish in the extreme to think that some new, permanent, parting of the waters is happening. Still, there is substantial evidence to support worries about the capacity of the public universities to keep pace with the strongest of their private competitors—and thereby to do their part in the continuing pursuit of excellence. This situation is grounds for serious concern because of both the scale of the public sector (where roughly three-quarters of our students are educated) and the reliance of the overall system of higher education on the "complementarities" provided by the existence of strong public and private institutions.⁵¹

A 2003 Brookings study begins with this succinct summary of recent trends in funding:

Over the past two decades, state financing of higher education has declined as a share of personal income. State appropriations have fallen from an average of roughly \$8.50 per \$1,000 in personal income in 1977 to an average of about \$7.00 per \$1,000 in personal income in 2002. Tuition increases have only partially offset the decline in state appropriations in allowing public institutions to keep up with private ones. As a result, educational spending per full-time equivalent student has declined at public institutions relative to private institutions, from about 70 percent in 1977 to about 58 percent in 1996.⁵²

Unfortunately, there is no reason to believe that this recent history is aberrational. In an earlier paper, Kane and his colleagues attribute the causes of the decline in state higher education appropriations to expansions in Medicaid costs and interactions with the business cycle.⁵³

Medicaid costs are projected to continue to rise, and to rise dramatically; unless there is a sudden shift in the willingness of the American people to pay for a larger share of the costs of health care (among other things) at the national level, the prospects for reversing this funding trend are

far from encouraging. It is also clear that the political context in which tuition levels are set imposes limits on the degree to which tuition revenues can be used to offset reductions in appropriations—a point to which I will return shortly.⁵⁴

Kane and Orszag go on to cite a number of measures that suggest strongly that the decline in relative spending on higher education has affected the quality of the public universities. To wit:⁵⁵

- Public universities have lost ground, relative to private universities, in the national rankings of universities.
- Faculty salaries at public universities have declined, relative to salaries at private universities.
- The gap in student-teacher ratios between private and public institutions has widened.
- SAT scores of incoming undergraduate students dropped significantly at public universities relative to private universities between 1986 and 2000.
- Surveys indicate that faculty members at public universities are more likely than their counterparts at private universities to believe that the quality of education at their institutions has declined.

These measures are all imperfect. Nonetheless, taken together, they send a clear signal that public higher education is increasingly hard pressed to meet its part of America's commitment to the "pursuit of excellence."⁵⁶

These somewhat abstract propositions will have a real-time feeling for those of you at the University of Virginia—an institution referred to by Wagoner and others as "America's first real state university."⁵⁷ Your university is at the forefront of this debate, and in a recent editorial, the *New York Times* was forceful in arguing:

The United States has been sabotaging its future for decades by starving the public colleges and universities that have moved millions of Americans into the middle class.... The gap between state aid and the real cost of an education is glaringly evident at the flagship public colleges, which often receive a pittance from the legislature while maintaining expensive, world-class programs that compete with those of top private colleges and universities.... The top public colleges have begun to balk at this arrangement. ... In Virginia, the three most important public campuses... are seeking a so-called charter arrangement under which they would take a fixed amount of state money in exchange for more freedom from state regulations and the ability to raise tuition rates as they see fit.... This effort is clearly being driven by the University of Virginia, where the state's contribution now accounts for a piddling 8 percent of the budget. With state support shaky and declining, the University of Virginia and other elite schools are in danger of losing reputations and programs that took decades to build.⁵⁸

To “de-personalize” (as it were) this on-going discussion, let me talk briefly about a proposal made a year ago by James Garland, the president of Miami University, in Oxford, Ohio. Last spring, he proposed that the level of in-state tuition, then listed at \$7,600, be raised to the level of out-of-state tuition (\$16,300). The rationale for the proposal was that the strong demand by out-of-state students for a Miami education had demonstrated its market value, that the University's chief competition came from the private sector, and (an unspoken assumption) that there was no reason in-state families of means should be subsidized so heavily.⁵⁹ Beginning in the fall of 2004, all Miami students will receive tuition bills in the amount of approximately \$19,640, but every in-state student will also receive an Ohio Resident Scholarship of \$5,000, which is slightly more than the per-student subsidy provided by the state. This part of the proposal anticipates (and counters) the obvious objection that Ohio residents have already paid for access to Miami through their taxes. Additional student aid will be available through an Ohio Leader Scholarship program (between \$5,000 and \$6,200), with amounts varying according to merit, need, and a student's intention to major in subjects considered critical to the state's economic growth.⁶⁰

The University contends that the increased revenue generated by the new tuition plan will assist Ohio's middle income families who make too much money to qualify for federal aid programs but still have financial need; but some of the merit awards may also benefit students from well-to-do families. Some of us, I must acknowledge, are more comfortable with the traditional high-tuition, need-based-aid approach to distributing these moneys than we are with providing merit aid to students who may not really need it. (I am in this camp, as is Dean Breneman, who has written the most insightful analysis of the Miami proposal.⁶¹ More recently, Dean Breneman has been drafting an informative paper that describes and analyzes a variety of initiatives, in seven states including Virginia, that in one way or another would alter the relationship between state governments and public higher education. A common feature of these proposals is that they involve more "market" features than have been common in public higher education.⁶²)

One large question, of course, is: What should be the financial aid policy of a state university that charges tuition that will be too high for some to afford? In this context, I applaud the recent announcement by the University of Virginia of an aggressive student aid policy that is intended to allow UVa to remain accessible to students from all backgrounds (the topic of tomorrow's lecture).⁶³ But, fair warning: in tomorrow's lecture, I will want to question specific aspects of this policy, and ask whether it is the most "efficient" way of achieving our aim of inclusiveness. But this is a debate among folks who are all, in my view, on the right side of the basic issue, which is whether we should be so obsessed with keeping tuition low that we should give up on both our excellence and equity objectives. My answer is an emphatic "No." Public universities have to be funded adequately, and in principle it seems to me right that the responsibility should be shared between tax-payers in general and those who benefit directly

from the education being provided. The worst possible situation is one in which states provide inadequate appropriations and then prevent their universities from setting tuition at what their leaders believe is the appropriate level.⁶⁴

Pre-Collegiate Preparation.-- We come at last (“finally,” you may well intonate, identifying with what one of my friends used to refer to as the most beautiful word in the English language) to *the* major threat to the continuing excellence of American higher education—even more important than present and potential funding constraints. I refer to the state of public elementary and secondary education in America. I want to explain my focus on this barrier by citing some compelling data. The growth in educational attainment in the US has flattened in recent years, while it is still rising in other countries. Here is what DeLong, Goldin, and Katz have to say:

Toward the end of the twentieth century. . . the rate of increase in schooling declined substantially in the United States. Improvement in the educational attainment of cohorts of US natives born starting around 1950 slowed perceptibly. This slowdown has translated into a reduced rate of increase in the educational level of the U.S. labor force starting in the 1980s [Figure I.2].⁶⁵

Then, they add this trenchant observation:

The deceleration of improvement in educational attainment has occurred *despite rising economic returns to education during the past twenty years* [my emphasis]. [Figure I.3] Schooling is now advancing faster in other advanced OECD countries than in the United States, and the educational attainment of young adults in some countries appears to have surpassed that of the United States.⁶⁶

What can all of this mean? In my opinion, only one thing: the potential “supply” of college graduates is not responding to this extraordinary economic incentive because too many high school students are inadequately prepared for college and do not understand the opportunities before them.⁶⁷ I lack the qualifications to detail the problems of pre-collegiate

education in America today, especially in the inner cities. Residential segregation, single-parent families, and inadequate resources available to schools and to students all play a role—as do deeply rooted assumptions and stereotypes.⁶⁸ What is evident, even to an “outsider” like me, is that we confront here a road block of massive proportions. To continue to achieve excellence—defined, I repeat, as *educating large numbers of people to a high standard and advancing and disseminating knowledge*—we must enrich the pool of candidates for higher education by addressing our equity objectives. There is no other way. The fact that the pool has stagnated at the same time that returns have continued to rise demonstrates clearly that we confront a supply-side block.

As intimated earlier, I suspect that some of the Goldin-Katz “virtues” that drove the expansion of elementary and secondary education in the 19th and 20th centuries have become at least near-vices today: decentralized control and responsibility for funding means massive differences (inequalities) in the availability of resources; the marvelously “forgiving” aspect of education in America in earlier days and in simpler settings, where everyone who wanted a second chance was given one, has degenerated too often into overly “permissive” approaches; and so on. None of this may have mattered much when family and community were pro-education and could be counted on to help. But today when, in inner cities especially, family and community issues (poverty, gangs, lifestyles) can work against an emphasis on educational values, inequalities and “relaxed” standards can be big problems. I suspect that we must continue to seek a new pre-collegiate model. How to achieve such a thing is a daunting task—an understatement if ever there was one, as those from the Curry School will know so well.

D. Striving for “Equity with Excellence”

One conclusion, in any event, is abundantly clear. Excellence and equity have been complementary pursuits throughout the history of American higher education—it was, after all, egalitarian thinking that produced the pre-collegiate educational base that was then translated into America’s present eminence in higher education. And they are surely complementary goals today. The plateauing of educational attainment in America is evident. So is the bald fact that we cannot re-accelerate educational attainment unless we do a better job of preparing disadvantaged candidates (including African-Americans, the rapidly rising number of Hispanic students and, more generally, students from lower-income families) for success in higher education. We simply must address—and solve—these “equity” problems if the flow of qualified students into higher education is to be anything close to adequate for pursuit of the country’s “excellence” objective.

We are not alone in confronting these issues. I mentioned earlier Mamphela Ramphele’s eloquent insistence, in her inaugural address at the University of Cape Town in South Africa, on the need to pursue “excellence with equity.” These objectives are inextricably linked in today’s world—certainly in her country, South Africa, in which so many people have been barred altogether from any kind of educational opportunity simply because of their race and gender. In articulating her “vision of a higher education system which strives for excellence with equity,” Ramphele went on to say:

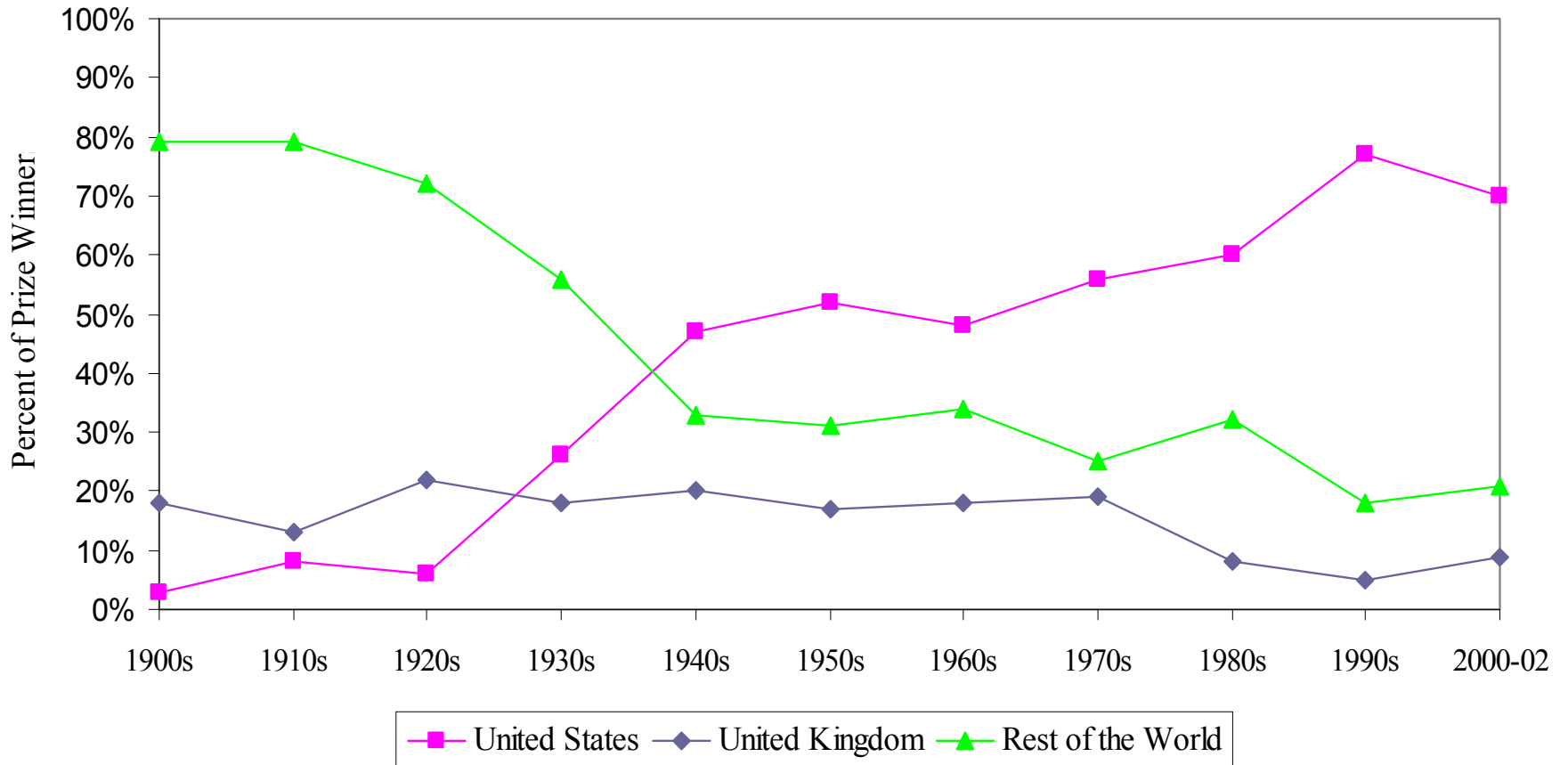
One cannot have one without the other. Excellence is undermined by discriminatory policies and practices which rob society of opportunities to draw from the widest pool of talent available to pursue intellectual activities. Equally destructive are policies which purport to pursue equity at the expense of excellence. Contrary to popular myth on both the left and the right, poor people in this country did not struggle for liberation in order to have *equal access to mediocrity* [my emphasis]—they are passionately seeking to gain access to the best this country can offer.... The challenges facing South Africa as it enters the 21st century are primarily centered on the need to produce high levels of skilled

human resources to drive a modern competitive economy which equitably offers opportunities to all citizens to realize their full potential and to exercise their citizenship rights.”⁶⁹

There we have it all. “We cannot have one without the other.” There is nothing to be said for “equal access to mediocrity.” Nor should we ever be satisfied with achievement of a pristine “excellence” that confers access to privilege on a favored few.

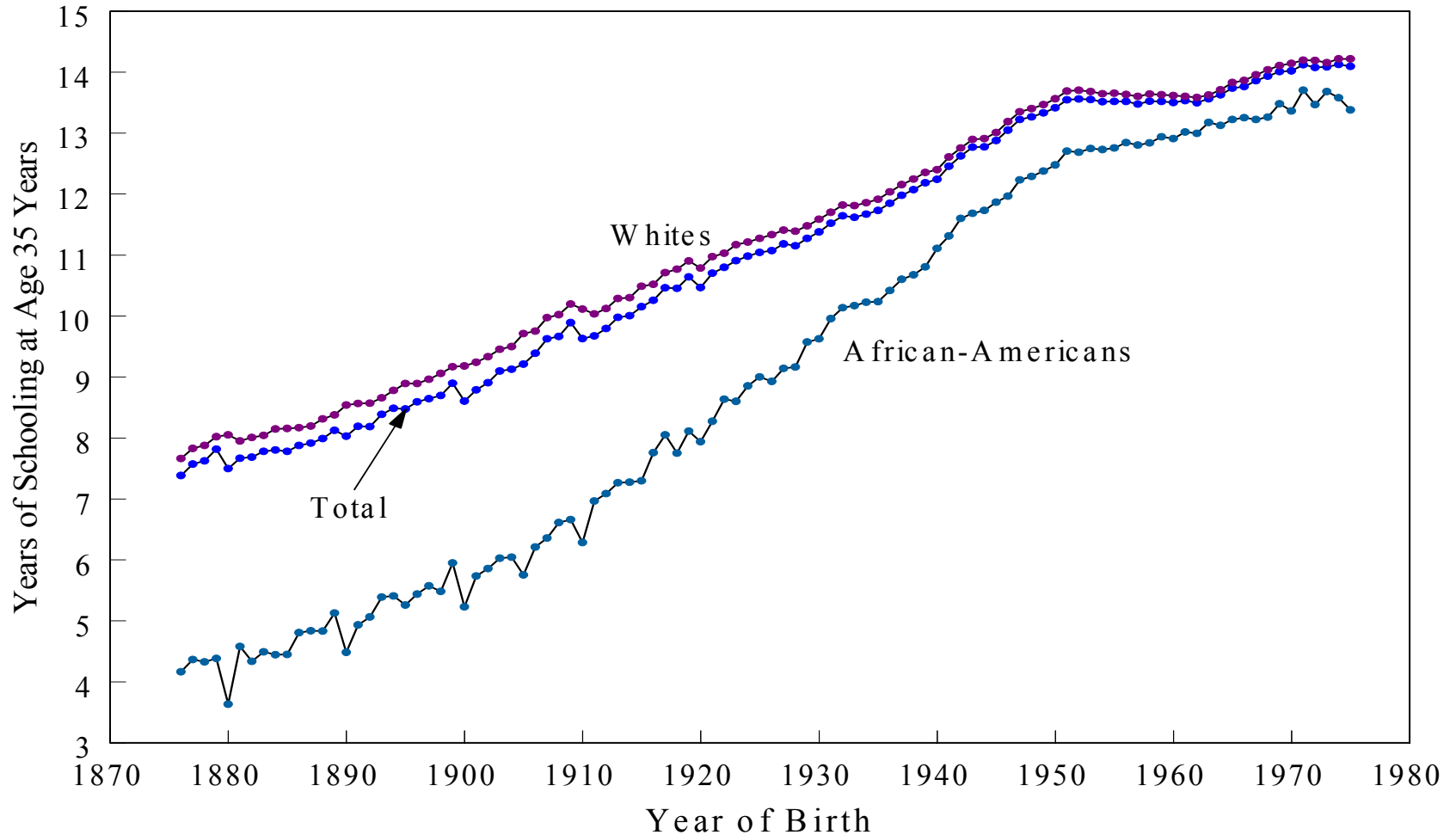
ENDNOTES – THIS SECTION IS NOT YET READY FOR DISTRIBUTION.

**Figure I.1:
Percent of Science and Economics Nobel Prize Winners from the
United States, the United Kingdom, and the Rest of the World, by
Nationality of Institution Association,
1900 to 2002**



Source: Figure constructed by authors from values in Table 3 of The Sutton Trust, “Nobel Prizes: The Changing Pattern of the Awards,” September 2003.

**Figure I.2:
Years of Schooling by Birth Cohort,
All U.S. Natives and By Race: 1876-1975**



**Figure I.3:
Educational Wage Differentials,
All Workers and Young Male Workers, 1915 to 2000**

