

Analysis of institutional type: four-year colleges



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This Analysis of Institutional Type paper will focus on Four-Year Colleges, discussing their history, governance, funding, and structure in order to present two issues that they are facing within the higher education landscape. I chose to focus on Four-Year Colleges because of my current role at a Four-Year College. The experience, especially the student environment, is considerably different from that of my own education. I attended a large, state school for my undergraduate studies, which Bok classify as a Research University, while my graduate studies were completed at his definition of a Comprehensive University (Bok 2013). In both instances, there were thousands of students and staff more than my current institution, with missions focused on research, development, and a predominance of graduate education. Additionally, my first higher education position was with a For-Profit College where I worked at one campus of sixteen that were located in four different states. These very different experiences from my current situation have opened my eyes to the unique niche that Four-Year Colleges serve within the higher education landscape and how diverse they are from one another.

Defining Four-Year Colleges can vary based on the history of higher education in the United States as well as nebulous terms. Bok defines Four-Year Colleges as small institutions that typically centered on the liberal arts and were often originally organized by religious entities. The original American institutions of higher learning were private and religious in nature and were open to elite, young men (Brint and Clotfelter 2016). Today, they tend to be private and non-profit institutions and, while they are one of the

most numerous types of institutions, serve the smallest segment of the higher education landscape (Bok 2013).

Colloquially, these institutions are also called Liberal Arts Colleges. In the 1990s, David Breneman set out to define Liberal Arts Colleges using the 1987 Carnegie Classifications. At that time, Liberal Arts Colleges were divided into two groups, “ Liberal Arts I” were defined by having more than half of their degrees awarded in the arts and sciences, while “ Liberal Arts II” awarded less than half in the same category (Breneman 1990). Breneman felt these groups were too broad based on the presence of graduate programs or the amount of research performed. He characterized Liberal Arts Colleges by their educational structure, residential, traditional students earning Bachelors of Arts degrees, and their economic structure, tuition-dependent, enrolling less than 2000 students and in competition for students. Based on his strict definitions, he narrowed the list of 540 Liberal Arts institutions to 212 (Breneman 1990).

Today, the Center for Postsecondary Research at the Indiana University School of Education, which publishes the Carnegie Classifications based on statistics derived from the federal government’s IPEDS statistics on degree completion and conferral categorizes most of these institutions as “ Baccalaureate Colleges” or “ Master’s Colleges or Universities,” where the division between the two definitions falls at awarding fewer than 50 masters degrees or 20 doctoral degrees annually (The Carnegie Classification of Institutions of Higher Education, n. d.). Using, the 2015 data, 572 of the 4665 institutions listed fell into the Baccalaureate Colleges category (Indiana University Center for Postsecondary Research 2016).

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In terms of governance, Four-Year Colleges generally are private institutions, and as such, are controlled by a board of directors or trustees, who are the nominal owners of the institution. The American Association of University Professors statement on governance of institutions serves as the standard for most decision-making, especially at Four-Year Colleges. It lays out the roles of the Board - to focus on the future of the institution and ensure it is meeting its mission; the President - to serve as the chief strategic and executive officer; and the faculty - to oversee the curriculum, instruction, faculty status, and students' interaction with the education (American Association of University Professors 1966). While this shared governance is the norm, the actual locus of power over the college or may ebb and flow over time, especially in times of crisis or change. First, trustees may take an involved role in the decision-making of the institution leading to trustee activism where their focus is on their interests or prerogatives instead of the faculty. On the other hand, a strong president model may exist where decisions are made from the top down through administrators rather than collectively (Shinn, 2004).

Four-Year Colleges initially resolved themselves around the teaching of the humanities and did not concern themselves with research, graduate education, or professional education. However, as competition with newer institutions increased, as well as other external pressures, these institutions have also evolved (Bok 2013). A 2015 study found that the pressure to adapt to professional or vocational education was most significant on newer, less financially secure institutions (Hearn and Belasco 2015). Moreover, case studies of three traditional liberal arts colleges show that these institutions

are susceptible to changes in their environment, whether that is economic or demographic, forcing them to adapt and evolve as institutions (Baker and Baldwin 2015).

Because of their nature as private entities, Four-Year Colleges are nearly completely reliant on tuition and fees to generate revenue. As a result, this is one of two major issues facing Four-Year Colleges. In 2016-17, 90 percent of the \$183 billion in revenue was generated from tuition and private colleges, on average, charged around \$48, 000 in tuition (McFarland, et. al. 2018). Much of that tuition is then used as institutional aid, discounting the actual sticker cost. In 2018-19, private colleges set a record discount rate of around 46 percent (Johnson 2019). As a result, first-time, full-time undergraduate students paid on average twice the net cost at private, 4-year institutions as their public counterparts in 2015-16 (McFarland, et. al. 2018).

On average, private nonprofit institutions spent 32 percent of their total 2015-16 expenditures on instruction, which includes faculty salaries and benefits, comparable to public institutions' 30 percent (McFarland, et. al. 2018). However, when one considers that 90 percent of revenue is generated from tuition and institutions are dedicating more of those dollars to institutional aid, the instructional costs are increasingly forced into competition with other priorities and needs. In turn, many institutions look to control these costs by turning to part-time, adjunct, or at-will instructors. In fact, from 1999 to 2016, the percentage of part-time faculty in all of postsecondary education increased from 43 percent to 47 percent (McFarland, et. al. 2018). This increase belies the perception of Four-Year Colleges as residential, where faculty and students are in close proximity to

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one another outside of the classroom.

A second issue facing Four-Year Colleges is their viability. First, Four-Year Colleges face demographic pressures. As the United States population moves south and westward (Milligan 2018), in addition to aging (Vespa, Armstrong, and Medina 2018), smaller institutions in the Northeast and Midwest have fewer students to enroll. As tuition-dependent institutions, declining enrollments often force institutions into short-term solutions such as hiring an increasing amount of part-time faculty or increasing tuition, (Marcy 2017). Institutions may also use tactics that stray from their original missions in order to attract students, such as adding intercollegiate athletics, focusing on projects favored by donors, or expanding into profit-seeking enterprises such as online operations (Bok 2013). For instance, our own institution, Maryville University, has attributed its increasing enrollments to the addition of various athletics programs (Durando 2017).

The issue of the viability of Four-Year Colleges is also under assault by the questioning of their very purpose. Under external pressures such as financial and demographic changes, institutions are likely to look at altering their missions to suit demand or the market. A study of liberal arts colleges from 1980 to 2000 found that smaller, less prestigious institutions were more responsive to shifts in the market in the type, number, and characteristics of their majors offered (Brint, Proctor, Murphy, and Hanneman 2012). For instance, Ohio Wesleyan uses labor statistics to examine trends and demands in careers and uses that to design majors around them, attracting around ten new students per program (Marcus 2017). Marcy describes this strategy as the Expansion Model, where institutions focus on graduate and

professional education, with a limited liberal arts portfolio (2017). The institution where I currently work, Midland University, uses this approach specifically and cites “ Marketplace Back” principles in designing programming (McCann 2018). While the new majors and programs may attract students in the short term, it may result in a dilution of the institution’s other offerings and further straying from its mission.

In conclusion, despite the fact that there is not a homogenous definition of liberal arts or 4-Year Colleges, their predominant characteristics are small, private, and bachelor’s degree-focused. Their governance structure and size may make them more responsive to changes in the market, but their reliance on tuition revenue places them in a tenuous foothold in the higher education landscape. While the mass bankruptcies and closures previously predicted have not come to fruition, there is still a presiding belief that disruption is inevitable (Lederman 2017), In fact, Moody’s Investor Services has found that there is a rate of closure of 11 institutions per year, most of these small, liberal arts institutions (O’Carroll 2019; Seltzer 2018).

Institutions need to make their case for their programming and their capabilities in the myriad choices of higher education options in order to maintain their viability.

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