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UNIVERSITY OF THE PACIFIC

PACIFIC REVIEW

SPRING
1968

STOCKTON - SAN FRANCISCO - SACRAMENTO



Plain
Talk on the money \$queeze

Don't fail to read this Special Report

THE FACTS PRESENTED IN THIS REPORT apply to every college and university in this country. Thus, no one of us is exempt from its reality and the need it clearly explains. You are invited, however, to examine these facts as they relate to sustaining a quality education at the University of the Pacific.

No one is pushing the panic button since all administrative areas of the University, starting with the Board of Regents, have been deeply involved with seeking solutions to the money squeeze since this trend first became apparent.

Without question, this University has one of the most dynamic educational programs in the country. It is committed to quality. It represents a sound investment for any donor. The dilemma is keeping up with increased costs for every service and every type of supply required to operate the educational programs. Without increased support, a financial deficit leads to a quality deficit. This we must avoid.

Tuition has been increased in step with others offering a similar quality education. But tuition still covers little more than 70 per cent of the total annual operating cost and it continues to be directly linked with faculty salary increases. No tuition money goes toward construction of buildings. These capital funds are raised separately.

The focus of the University's need is on increased gifts to the Annual Fund from alumni, parents, church, business and industry, friends — those closest to the University with an understanding of its contributions to society. There are other areas of support summarized on the last two pages of this publication. I submit this with the conviction that the University of the Pacific has the purpose and accomplishments to merit the necessary support from those who believe in its type of educational program. This can be done without hardship on any who participate in the Annual Fund. Here is where a little more effort and support by more of the people who haven't done quite as much as they could will multiply with surprising results.



Mr. Baun is president of Baun Construction Company, Fresno. He has been a member of the University's Board of Regents since 1950 and Board president since 1953.

Be sure you are counted in Pacific's task and the continuous contribution it desires to make to a quality education for more than 3500 young people every year. There is no other way to communicate this urgency than to invite you to read this special report. Then you will know what you need to do, now and throughout the future.

—TED F. BAUN
President, Board of Regents
University of the Pacific

A Special Report

The Plain Fact Is...

... our colleges and universities "are facing what might easily become a crisis"

OUR COLLEGES AND UNIVERSITIES, over the last 20 years, have experienced an expansion that is without precedent—in buildings and in budgets, in students and in professors, in reputation and in rewards—in power and pride and in deserved prestige. As we try to tell our countrymen that we are faced with imminent bankruptcy, we confront the painful fact that in the eyes of the American people—and I think also in the eyes of disinterested observers abroad—we are a triumphant success. The observers seem to believe—and I believe myself—that the American campus ranks with the American corporation among the handful of first-class contributions which our civilization has made to the annals of human institutions. We come before the country to plead financial emergency at a time when our public standing has never been higher. It is at the least an unhappy accident of timing.

—MCGEORGE BUNDY
President, The Ford Foundation

ALL OF US are hard-put to see where we are going to get the funds to meet the educational demands of the coming decade.

—A university president

being deferred for lack of money, the presidents said. Many admitted to budget-tightening measures reminiscent of those taken in days of the Great Depression.

Is this new? Haven't the colleges and universities always needed money? Is there something different about the situation today?

The answer is "Yes"—to all three questions.

The president of a large state university gave us this view of the over-all situation, at both the publicly and the privately supported institutions of higher education:

"A good many institutions of higher learning are operating at a deficit," he said. "First, the private colleges and universities: they are eating into their endowments in order to meet their expenses. Second, the public institutions. It is not legal to spend beyond our means, but here we have another kind of deficit: a deficit in quality, which will be extremely difficult to remedy even when adequate funding becomes available."

Other presidents' comments were equally revealing:

► *From a university in the Ivy League:* "Independent national universities face an uncertain future which threatens to blunt their thrust, curb their leadership, and jeopardize their independence. Every one that I know about is facing a deficit in its operating budget, this year or next. And all of us are hard-put to see where we are going to get the funds to meet the educational demands of the coming decade."

► *From a municipal college in the Midwest:* "The best word to describe our situation is 'desperate.' We are operating at a deficit of about 20 per cent of our total expenditure."

► *From a private liberal arts college in Missouri:* "Only by increasing our tuition charges are we keeping our heads above water. Expenditures are galloping to such a degree that I don't know how we will make out in the future."

► *From a church-related university on the West Coast:* "We face very serious problems. Even though our tuition is below-average, we have already priced ourselves out of part of our market. We have gone deeply into debt for dormitories. Our church support is declining. At times, the outlook is grim."

► *From a state university in the Big Ten:* "The budget for our operations must be considered tight. It is less than we need to meet the demands upon the university for teaching, research, and public service."

► *From a small liberal arts college in Ohio:* "We are

on a hand-to-mouth, 'kitchen' economy. Our ten-year projections indicate that we can maintain our quality only by doubling in size."

► *From a small college in the Northeast:* "For the first time in its 150-year history, our college has a planned deficit. We are holding our heads above water at the moment—but, in terms of quality education, this cannot long continue without additional means of support."

► *From a state college in California:* "We are not permitted to operate at a deficit. The funding of our budget at a level considerably below that proposed by the trustees has made it difficult for us to recruit staff members and has forced us to defer very-much-needed improvements in our existing activities."

► *From a women's college in the South:* "For the coming year, our budget is the tightest we have had in my fifteen years as president."

WHAT'S GONE WRONG?
Talk of the sort quoted above may seem strange, as one looks at the unparalleled growth of America's colleges

and universities during the past decade:

► Hardly a campus in the land does not have a brand new building or one under construction. Colleges and universities are spending more than \$2 billion a year for capital expansion.

► Faculty salaries have nearly doubled in the past decade. (But in some regions they are still woefully low.)

► Private, voluntary support to colleges and universities has more than tripled since 1958. Higher education's share of the philanthropic dollar has risen from 11 per cent to 17 per cent.

► State tax funds appropriated for higher education have increased 44 per cent in just two years, to a 1967-68 total of nearly \$4.4 billion. This is 214 per cent more than the sum appropriated eight years ago.

► Endowment funds have more than doubled over the past decade. They're now estimated to be about \$12 billion, at market value.

► Federal funds going to institutions of higher education have more than doubled in four years.

► More than 300 new colleges and universities have been founded since 1945.

► All in all, the total expenditure this year for U.S. higher education is some \$18 billion—more than three times as much as in 1955.

Moreover, America's colleges and universities have absorbed the tidal wave of students that was supposed to have swamped them by now. They have managed to fulfill their teaching and research functions and to undertake a variety of new public-service programs—despite ominous predictions of faculty shortages heard ten or fifteen years ago. Says one foundation official:

"The system is bigger, stronger, and more productive than it has ever been, than any system of higher education in the world."

Why, then, the growing concern?

Re-examine the progress of the past ten years, and this fact becomes apparent: The progress was great—but it did not deal with the basic flaws in higher education's financial situation. Rather, it made the whole enterprise bigger, more sophisticated, and more expensive. Voluntary contributions grew—but the complexity and costliness of the nation's colleges and universities grew faster.

Endowment funds grew—but the need for the income from them grew faster.

State appropriations grew—but the need grew faster.

Faculty salaries were rising. New courses were needed, due to the unprecedented "knowledge explosion." More costly apparatus was required, as scientific progress grew more complex. Enrollments burgeoned—and students stayed on for more advanced (and more expensive) training at higher levels.

And, for most of the nation's 2,300 colleges and universities, an old problem remained—and was intensified, as the costs of education rose: gifts, endowment, and government funds continued to go, disproportionately, to a relative handful of institutions. Some 36 per cent of all voluntary contributions, for example, went to just 55 major universities. Some 90 per cent of all endowment funds were owned by fewer than 5 per cent of the institutions. In 1966, the most recent year reported, some 70 per cent of the federal government's funds for higher education went to 100 institutions.

McGeorge Bundy, the president of the Ford Foundation, puts it this way:

"Great gains have been made; the academic profession has reached a wholly new level of economic strength, and the instruments of excellence—the libraries and



Drawings by Peter Hooven

EACH NEW ATTEMPT at a massive solution has left the trustees and presidents just where they started.

—A foundation president

laboratories—are stronger than ever. But the university that pauses to look back will quickly fall behind in the endless race to the future.”

Mr. Bundy says further:

“The greatest general problem of higher education is money The multiplying needs of the nation’s colleges and universities force a recognition that each new attempt at a massive solution has left the trustees and presidents just where they started: in very great need.”

THE FINANCIAL PROBLEMS of higher education are unlike those, say, of industry. Colleges and universities do not operate like General Motors. On the contrary, they sell their two primary services—teaching and research—at a loss.

It is safe to say (although details may differ from institution to institution) that the American college or university student pays only a fraction of the cost of his education.

This cost varies with the level of education and with the educational practices of the institution he attends. Undergraduate education, for instance, costs less than graduate education—which in turn may cost less than medical education. And the cost of educating a student in the sciences is greater than in the humanities. Whatever the variations, however, the student’s tuition and fees pay only a portion of the bill.

“As private enterprises,” says one president, “we don’t seem to be doing so well. We lose money every time we take in another student.”

Of course, neither he nor his colleagues on other campuses would have it otherwise. Nor, it seems clear, would most of the American people.

But just as student instruction is provided at a substantial reduction from the actual cost, so is the research that the nation’s universities perform on a vast scale for the federal government. On this particular below-cost service, as contrasted with that involving the provision of education to their students, many colleges and universities are considerably less than enthusiastic.

In brief: The federal government rarely pays the full cost of the research it sponsors. Most of the money goes for *direct costs* (compensation for faculty time, equipment, computer use, etc.) Some of it goes for *indirect costs* (such “overhead” costs of the institution as payroll departments, libraries, etc.). Government policy stipulates that the institutions receiving federal research grants





must share in the cost of the research by contributing, in some fashion, a percentage of the total amount of the grant.

University presidents have insisted for many years that the government should pay the full cost of the research it sponsors. Under the present system of cost-sharing, they point out, it actually costs their institutions money to conduct federally sponsored research. This has been one of the most controversial issues in the partnership between higher education and the federal government, and it continues to be so.

In commercial terms, then, colleges and universities sell their products at a loss. If they are to avoid going bankrupt, they must make up—from other sources—the difference between the income they receive for their services and the money they spend to provide them.

With costs spiraling upward, that task becomes ever more formidable.

HERE ARE SOME of the harsh facts: Operating expenditures for higher education more than tripled during the past decade—from about \$4 billion in 1956 to \$12.7 billion last year. By 1970, if government projections are correct, colleges and universities will be spending over \$18 billion for their current operations, plus another \$2 billion or \$3 billion for capital expansion.

Why such steep increases in expenditures? There are several reasons:

- ▶ Student enrollment is now close to 7 million—twice what it was in 1960.

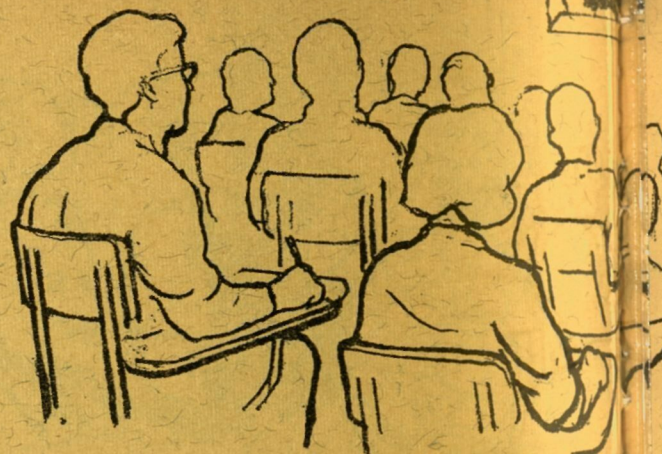
- ▶ The rapid accumulation of new knowledge and a resulting trend toward specialization have led to a broadening of the curricula, a sharp increase in graduate study, a need for sophisticated new equipment, and increased library acquisitions. All are very costly.

- ▶ An unprecedented growth in faculty salaries—long overdue—has raised instructional costs at most institutions. (Faculty salaries account for roughly half of the educational expenses of the average institution of higher learning.)

- ▶ About 20 per cent of the financial “growth” during the past decade is accounted for by inflation.

Not only has the over-all cost of higher education increased markedly, but the *cost per student* has risen steadily, despite increases in enrollment which might, in any other “industry,” be expected to lower the unit cost.

Colleges and universities apparently have not improved their productivity at the same pace as the economy generally. A recent study of the financial trends in three private universities illustrates this. Between 1905 and 1966, the educational cost per student at the three universities, viewed compositely, increased 20-fold, against an economy-wide increase of three- to four-fold. In each of the three periods of peace, direct costs per student increased about 8 per cent, against a 2 per cent annual increase in the economy-wide index.



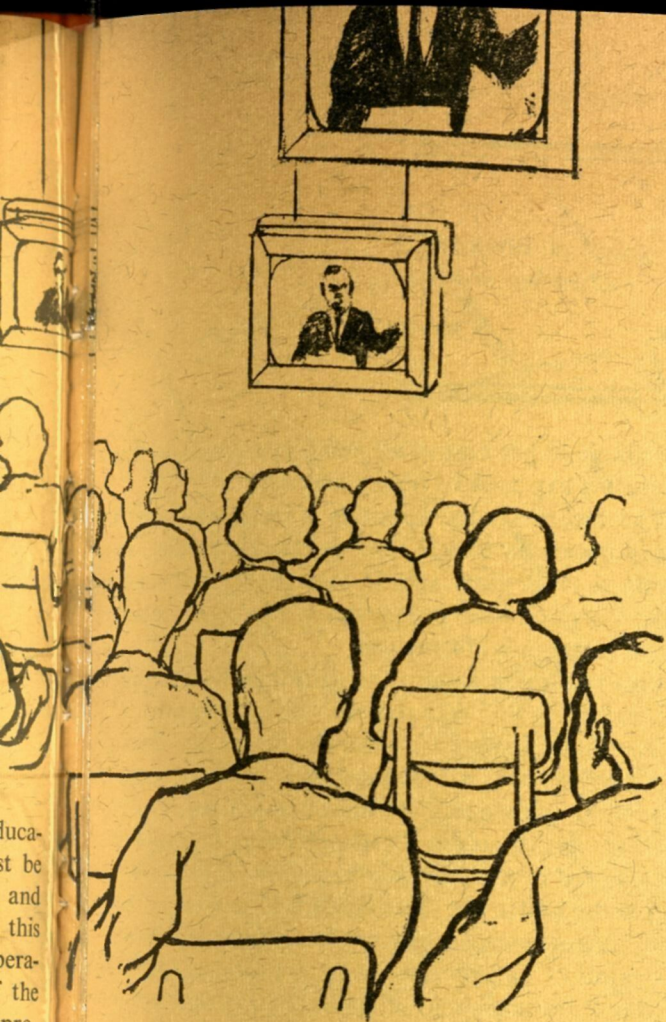
Some observers conclude from this that higher education must be made more efficient—that ways must be found to educate more students with fewer faculty and staff members. Some institutions have moved in this direction by adopting a year-round calendar of operations, permitting them to make maximum use of the faculty and physical plant. Instructional devices, programmed learning, closed-circuit television, and other technological systems are being employed to increase productivity and to gain economies through larger classes.

The problem, however, is to increase efficiency without jeopardizing the special character of higher education. Scholars are quick to point out that management techniques and business practices cannot be applied easily to colleges and universities. They observe, for example, that on strict cost-accounting principles, a college could not justify its library. A physics professor, complaining about large classes, remarks: “When you get a hundred kids in a classroom, that’s not education; that’s show business.”

The college and university presidents whom we surveyed in the preparation of this report generally believe their institutions are making every dollar work. There is room for improvement, they acknowledge. But few feel the financial problems of higher education can be significantly reduced through more efficient management.

ONE THING seems fairly certain: The costs of higher education will continue to rise. To meet their projected expenses, colleges and universities will need to increase their annual operating income by more than \$4 billion during the four-year period between 1966 and 1970. They must find another \$8 billion or \$10 billion for capital outlays.

Consider what this might mean for a typical private



In publicly supported colleges and universities, the outlook is no brighter, although the gloom is of a different variety. Says the report of a study by two professors at the University of Wisconsin:

"Public institutions of higher education in the United States are now operating at a quality deficit of more than a billion dollars a year. In addition, despite heavy construction schedules, they have accumulated a major capital lag."

The deficit cited by the Wisconsin professors is a computation of the cost of bringing the public institutions' expenditures per student to a level comparable with that at the private institutions. With the enrollment growth expected by 1975, the professors calculate, the "quality deficit" in public higher education will reach \$2.5 billion.

The problem is caused, in large part, by the tremendous enrollment increases in public colleges and universities. The institutions' resources, says the Wisconsin study, "may not prove equal to the task."

Moreover, there are indications that public institutions may be nearing the limit of expansion, unless they receive a massive infusion of new funds. One of every seven public universities rejected qualified applicants from their own states last fall; two of every seven rejected qualified applicants from other states. One of every ten raised admissions standards for in-state students; one in six raised standards for out-of-state students.

university. A recent report presented this hypothetical case, based on actual projections of university expenditures and income:

The institution's budget is now in balance. Its educational and general expenditures total \$24.5 million a year.

Assume that the university's expenditures per student will continue to grow at the rate of the past ten years—7.5 per cent annually. Assume, too, that the university's enrollment will continue to grow at *its* rate of the past ten years—3.4 per cent annually. Ten years hence, the institution's educational and general expenses would total \$70.7 million.

At best, continues the analysis, tuition payments in the next ten years will grow at a rate of 6 per cent a year; at worst, at a rate of 4 per cent—compared with 9 per cent over the *past* ten years. Endowment income will grow at a rate of 3.5 to 5 per cent, compared with 7.7 per cent over the past decade. Gifts and grants will grow at a rate of 4.5 to 6 per cent, compared with 6.5 per cent over the past decade.

"If the income from private sources grew at the *higher* rates projected," says the analysis, "it would increase from \$24.5 million to \$50.9 million—leaving a deficit of \$19.8 million, ten years hence. If its income from private sources grew at the *lower* rates projected, it would have increased to only \$43 million—leaving a shortage of \$27.8 million, ten years hence."

WILL THE FUNDS be found to meet the projected cost increases of higher education?

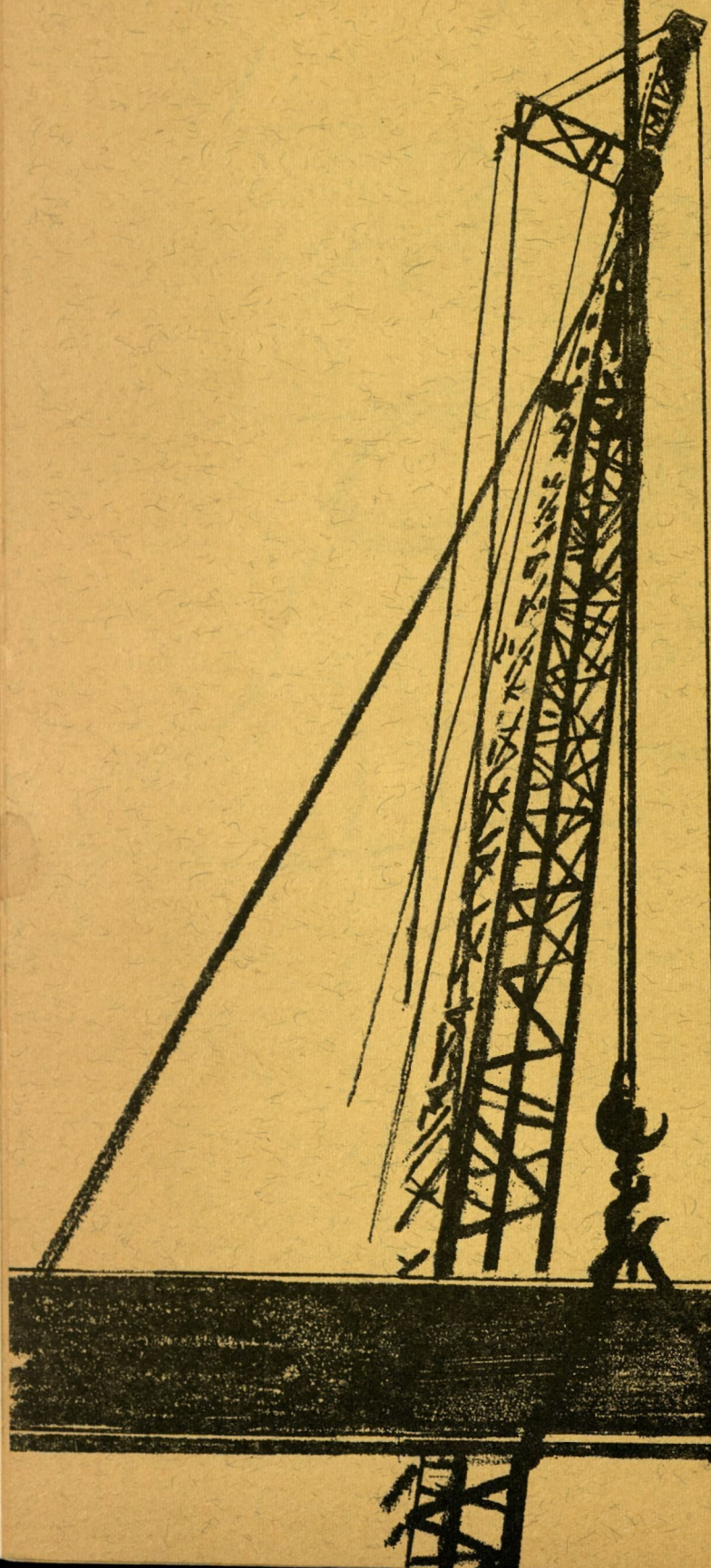
Colleges and universities have traditionally received their operating income from three sources: *from the students*, in the form of tuition and fees; *from the state*, in the form of legislative appropriations; and *from individuals, foundations, and corporations*, in the form of gifts. (Money from the federal government for operating expenses is still more of a hope than a reality.)

Can these traditional sources of funds continue to meet the need? The question is much on the minds of the nation's college and university presidents.

► **Tuition and fees:** They have been rising—and are likely to rise more. A number of private "prestige" institutions have passed the \$2,000 mark. Public institutions are under mounting pressure to raise tuition and fees, and their student charges have been rising at a faster rate than those in private institutions.

The problem of student charges is one of the most controversial issues in higher education today. Some feel that the student, as the direct beneficiary of an education, should pay most or all of its real costs. Others disagree emphatically: since society as a whole is the ultimate beneficiary, they argue, every student should have the right to an education, whether he can afford it or not.

The leaders of publicly supported colleges and universities are almost unanimous on this point: that higher tuitions and fees will erode the premise of equal oppor-



in 1965-66, this was only about 0.37 per cent of their net income before taxes. On the average, companies contribute only about 1.10 per cent of net income before taxes to all causes—well below the 5 per cent allowed by the Federal government. Certainly there is room for expansion.

(Colleges and universities are working overtime to tap this reservoir. Mr. Schwartz's association alone lists 117 colleges and universities that are now campaigning to raise a combined total of \$4 billion.)

But others are not so certain that expansion in private giving will indeed take place. The 46th annual survey by the John Price Jones Company, a firm of fund-raising counselors, sampled 50 colleges and universities and found a decline in voluntary giving of 8.7 per cent in 12 months. The Council for Financial Aid to Education and the American Alumni Council calculate that voluntary support for higher education in 1965-66 declined by some 1.2 per cent in the same period.

Refining these figures gives them more meaning. The major private universities, for example, received about 36 per cent of the \$1.2 billion given to higher education—a decrease from the previous year. Private liberal arts colleges also fell behind: coeducational colleges dropped 10 per cent, men's colleges dropped 16.2 per cent, and women's colleges dropped 12.6 per cent. State institutions, on the other hand, increased their private support by 23.8 per cent.

The record of some cohesive groups of colleges and universities is also revealing. Voluntary support of eight Ivy League institutions declined 27.8 per cent, for a total loss of \$61 million. The Seven College Conference, a group of women's colleges, reported a drop of 41 per cent. The Associated Colleges of the Midwest dropped about

ON THE QUESTION OF FEDERAL AID, everybody seems to be running to the same side of the boat.

—A college president

5.5 per cent. The Council of Southern Universities declined 6.2 per cent. Fifty-five major private universities received 7.7 per cent less from gifts.

Four groups gained. The state universities and colleges received 20.5 per cent more in private gifts in 1965-66 than in the previous year. Fourteen technological institutions gained 10.8 per cent. Members of the Great Lakes College Association gained 5.6 per cent. And Western Conference universities, plus the University of Chicago, gained 34.5 per cent. (Within each such group, of course, individual colleges may have gained or lost differently from the group as a whole.)

The biggest drop in voluntary contributions came in foundation grants. Although this may have been due, in part, to the fact that there had been some unusually large grants the previous year, it may also have been a foretaste of things to come. Many of those who observe foundations closely think such grants will be harder and harder for colleges and universities to come by, in years to come.

FEARING that the traditional sources of revenue may not yield the necessary funds, college and university presidents are looking more and more to Washington for the solution to their financial problems.

The president of a large state university in the South, whose views are typical of many, told us: "Increased federal support is essential to the fiscal stability of the colleges and universities of the land. And such aid is a proper federal expenditure."

Most of his colleagues agreed—some reluctantly. Said the president of a college in Iowa: "I don't like it . . . but it may be inevitable." Another remarked: "On the ques-

tion of federal aid, everybody seems to be running to the same side of the boat."

More federal aid is almost certain to come. The question is, When? And in what form?

Realism compels this answer: In the near future, the federal government is unlikely to provide substantial support for the operating expenses of the country's colleges and universities.

The war in Vietnam is one reason. Painful effects of war-prompted economies have already been felt on the campuses. The effective federal funding of research per faculty member is declining. Construction grants are becoming scarcer. Fellowship programs either have been reduced or have merely held the line.

Indeed, the changes in the flow of federal money to the campuses may be the major event that has brought higher education's financial problems to their present head.

Would things be different in a peacetime economy? Many college and university administrators think so. They already are planning for the day when the Vietnam war ends and when, the thinking goes, huge sums of federal money will be available for higher education. It is no secret that some government officials are operating on the same assumption and are designing new programs of support for higher education, to be put into effect when the war ends.

Others are not so certain the postwar money flow is that inevitable. One of the doubters is Clark Kerr, former president of the University of California and a man with considerable first-hand knowledge of the relationship between higher education and the federal government. Mr. Kerr is inclined to believe that the colleges and universities will have to fight for their place on a national priority list that will be crammed with a number of other pressing



NOTHING IS MORE IMPORTANT than the critical and knowledgeable interest of our alumni. It cannot possibly be measured in merely financial terms.
—A university president

provide "an educational system adequate to enable us to live in the complex environment of this century?"

► Do we really want to preserve the diversity of an educational system that has brought the country a strength unknown in any other time or any other place? And, if so, *can* we?

► How can we provide every youth with as much education as he is qualified for?

► Can a balance be achieved in the sources of higher education's support, so that public and private institutions can flourish side by side?

► How can federal money best be channeled into our colleges and universities without jeopardizing their independence and without discouraging support either from the state legislatures or from private philanthropy?

The answers will come painfully; there is no panacea. Quick solutions, fashioned in an atmosphere of crisis, are likely to compound the problem. The right answers will emerge only from greater understanding on the part of the country's citizens, from honest and candid discussion of the problems, and from the cooperation and support of all elements of society.

The president of a state university in the Southwest told us: "Among state universities, nothing is more important

than the growing critical and knowledgeable interest of our alumni. That interest leads to general support. It cannot possibly be measured in merely financial terms."

A private college president said: "The greatest single source of improvement can come from a realization on the part of a broad segment of our population that higher education must have support. Not only will people have to give more, but more will have to give."

But *do* people understand? A special study by the Council for Financial Aid to Education found that:

► 82 per cent of persons in managerial positions or the professions do not consider American business to be an important source of gift support for colleges and universities.

► 59 per cent of persons with incomes of \$10,000 or over do not think higher education has financial problems.

► 52 per cent of college graduates apparently are not aware that their alma mater has financial problems.

To America's colleges and universities, these are the most discouraging revelations of all. Unless the American people—especially the college and university alumni—can come alive to the reality of higher education's impending crisis, then the problems of today will be the disasters of tomorrow.

The report on this and the preceding 15 pages is the product of a cooperative endeavor in which scores of schools, colleges, and universities are taking part. It was prepared under the direction of the group listed below, who form EDITORIAL PROJECTS FOR EDUCATION, a non-profit organization associated with the American Alumni Council.

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CHARLES M. HELMKEN
American Alumni Council

GEORGE C. KELLER
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CHESLEY WORTHINGTON
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JOHN A. CROWL
Associate Editor

WILLIAM A. MILLER, JR.
Managing Editor

Excerpts from the Report with Challenges to Pacific's primary fund sources:

ALUMNI — *"At present, only one out of four alumni and alumnae contributes to higher education."
"52 per cent of college graduates apparently are unaware their alma mater has financial trouble."
"... the American college or university student pays only a fraction of the cost of his education."*

OUR 12,000 alumni represent the largest potential source for increased support to Pacific's Annual Fund since each alumnus must continue to recognize that his education was subsidized by the gifts of others. A monthly mailing to Stockton campus alumni is currently seeking gifts to the Annual Fund with a goal of \$30,000 by August 31 for scholarships. This is a modest goal considering only 16 per cent of Pacific's alumni participated in last year's Annual Fund

compared with a 25 per cent national average. Here's where the facts in this report come home to us. Pacific has taken a bold initiative to further strengthen its reputation for quality education. This enhances the educational credentials for all alumni. There's no good reason why our alumni participation in the Annual Fund shouldn't be among the highest in the nation. Don't fail to respond to the next mailing if you haven't already done so.

—DUSTY MILLER '42, PRESIDENT, PACIFIC ALUMNI ASSOCIATION

BUSINESS AND INDUSTRY — *"And, while American business corporations gave an estimated \$300 million to education in 1965-66, this was only about 0.37 per cent of their net income before taxes. On the average, companies contribute about 1.10 per cent of net income before taxes to all causes — well below the 5 per cent allowed by the Federal government. Certainly there is room for expansion."*

WITHOUT highly trained personnel, the business world, especially, could not keep pace with the constant changes brought on by technological advances.

Both privately-supported and publicly-supported universities are necessary to today's economy. Those of us who depend upon the end product of these universities have need to commit ourselves to the continuing growth and expansion of ideas which are there fostered in the minds of young men and women. Our future success will rest in their hands.

The privately-supported university will always maintain a challenge to all education because of its freedom to accommodate rapidly to

change and to give personal attention to the needs of individual students. It can instill in the student a concern beyond the mere technical requirements in the application of his knowledge, and thereby produce the most competent total person. The exemplary performance of its students gives evidence of how well this purpose is being achieved at the University of the Pacific.

It is my firm belief that the University of the Pacific merits our investment at this time. As General Chairman of a \$2.7 million fund campaign to be completed by August 31, primarily among business and industry to complete the University's first four-year phase of its Twelve-Year Development Program, I invite your generous support.

—J. E. COUNTRYMAN, GENERAL CHAIRMAN, UOP \$2.7 MILLION FUND CAMPAIGN

"82 per cent of persons in managerial positions or the professions do not consider American business to be an important source of gift support for colleges and universities."

A CORPORATE RELATIONS COMMITTEE is being organized to undergird a long-range corporate support program. Charter memberships will be announced this summer.

The Committee will bring together a dozen key alumni, parents, friends and regents to explore methods through which the University may gain increased financial support. At the same time it will reflect views from business and industry to those in the University responsible

for program, personnel and research. Previous business and industry fund support efforts concentrated in Northern California. This new activity will include an international concept since many of Pacific's programs are intimately linked with foreign cultures.

In addition the Committee will serve to inform industry and the professions of the many and varied University programs which merit their support.

—DR. CECIL W. HUMPHREYS '27, CHAIRMAN, UOP CORPORATE RELATIONS COMMITTEE



Mr. Miller is Superintendent of Agencies for California-Western States Life Insurance Company.



Mr. Countryman is Chairman of the Board of the Del Monte Corporation. He has been a member of the University's Board of Regents since 1957.



Dr. Humphreys retired as President of Shell Chemical Company in 1967.

ESTATE PLANNING PROGRAM — *"The greatest single course of improvement can come from a realization on the part of a broad segment of our population that higher education must have support. Not only will people have to give more, but more will have to give."*

IT IS ESTIMATED that 90 percent of the nation's universities have received their endowment from deferred gifts. Your deferred gift can be made by will or during your lifetime with an income arrangement for the donor. This undergirds a vital University endowment need and enhances every donor's life experience.

For example, a University alumnae recently gave property valued at \$50,000 to the University. She now receives income on this principal from the University for the rest of her life. She

has designated this principal to become an endowed scholarship upon her death. She also named the scholarship in honor of her parents, providing a lasting tribute to them. Her generosity lives in the form of a perpetual scholarship for worthy students.

Pacific has a well-established Estate Planning Program office to assist donors and their professional advisors with the full range of deferred giving opportunities. Competent, confidential assistance is available at any time.

—ROBERT M. EBERHARDT, MEMBER, UNIVERSITY'S BOARD OF REGENTS



Mr. Eberhardt is President of the Bank of Stockton. He has been a member of the University's Board of Regents since 1963.

FOUNDATIONS — *"The biggest drop in voluntary contributions came in foundation grants." — "The real crisis will be finding the means of providing the quality, the innovation, the pioneering that the nation needs, if its system of higher education is to meet the demands of the morrow."*

FOR MORE than a century, the University of the Pacific has applied the initiative of private enterprise to the changing needs of higher education. Throughout his 21 years as president, Dr. Robert E. Burns has fostered a commitment to "pioneer or perish." In the past 10 years, Pacific has gained a reputation as the "school of fresh ideas." This is where the cluster college concept so widely adopted by other major universities throughout the country was first introduced. Pacific's high level of academic excellence continues to expand on independent study and inter-disciplinary research at the under-

graduate level. Active involvement in community affairs is encouraged. Faculty research talents are coordinated to minimize research equipment expenditures. Space utilization studies are now underway to avoid duplication of facilities. Two five-week summer sessions round out the year-round curriculum. A 14-1 student-faculty ratio assures personal attention to each student. 58 per cent of the full-time faculty hold the earned doctorate. Every dollar is being made to work to sustain Pacific's quality and commitment to academic innovation.

—DR. JOHN M. BEVAN, ACADEMIC VICE PRESIDENT



Dr. Bevan brought his own reputation for academic innovation when he joined Pacific in 1967.

GOVERNMENT FINANCING — *"Public institutions received their funds from the states. Private institutions received their funds from private sources. No longer. All along the line, and with increasing frequency, both types of institutions are seeking both public and private support — often from the same source."*

As YOU noted in reading this report, state colleges and universities received 20.5 per cent more in private gifts in 1965-66 than in the previous year. At the same time, major private universities showed a decrease in private gifts. This trend forces privately-supported institutions to depend more heavily upon state and federal aid. Several states now appropriate annual subventions to private schools, without interfering with their independence. So this trend must be anticipated in California. But at

no time will this displace gift support from our regular private sources. In behalf of the University, I offer my sincere thank you to all donors, and the great corps of volunteers, who continue to help us maintain a vigorous academic program. Even as our task becomes more formidable, your place in Pacific's picture grows more vital. This includes our friends throughout the church, community, state, nation and around the world.

—DR. ROBERT E. BURNS, PRESIDENT, UNIVERSITY OF THE PACIFIC



Dr. Burns is completing his 21st year as president of Pacific. He is its first alumnus to hold this office.