

# THE WALL STREET JOURNAL.

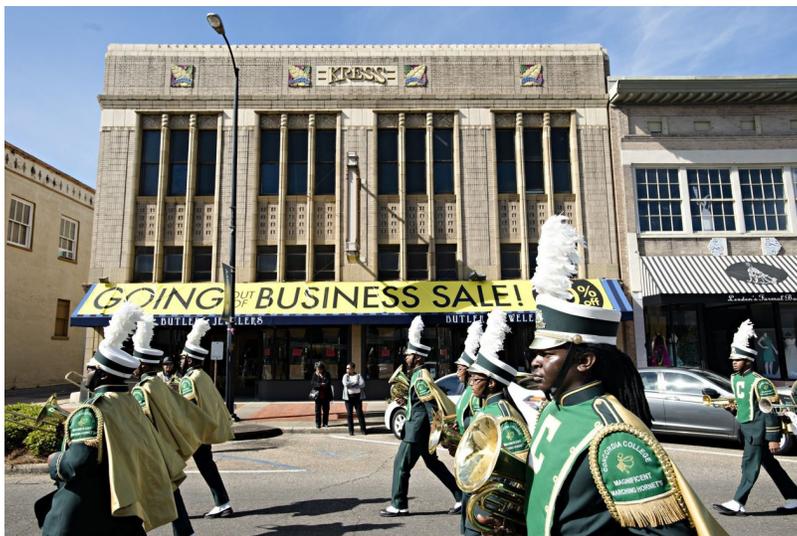
OPINION | COMMENTARY

## *America's Disappearing Private Colleges*

The post-Great Recession baby bust will soon mean not enough students to keep small schools alive.

By Allen C. Guelzo

Feb. 21, 2019 7:18 p.m. ET



Concordia College's marching band in Selma, Ala., March 4, 2017. PHOTO: ALBERT CESARE/THE MONTGOMERY ADVERTISER VIA ASSOCIATED PRESS

“Total Liquidation Sale! Everything Must Go!” the signs screamed. Which was odd, because this wasn’t a furniture store or a carpet warehouse. It was Concordia College, a small historically black private college in Selma, Ala., and it was selling office equipment, classroom articles and athletic apparatus.

Concordia would have been a couple of years shy of its centenary, but its student body contracted by 43% between 2005 and November 2018. Only around 400 students remained, and the college was \$8 million in the hole. Closing Concordia “was the toughest thing I’ve had to do in my 50 years of higher education,” said James Lyons, its interim president. Tougher still, Concordia’s fate could be the future of small, private institutions of higher education in America.

## Potomac Watch Podcast



**POTOMAC WATCH**

**McCabe Vs. Trump**

Andrew McCabe vs. Donald Trump.

WSJ

00:00 / 22:37

SUBSCRIBE

Over the past decade, the idea that the higher-education bubble is about to burst has been waved away as headline pessimism or conservative sour grapes over the leftward drift of college faculties. Yet the biggest threat to higher education comes not from rising tuition or political bias but demographics. The Great Recession not only played havoc with financial markets and subprime mortgages; it persuaded anxious adults not to have children. Birthrates

plunged by almost 13% from 2007 to 2012, and the Centers for Disease Control and Prevention believes fertility could fall further.

In “Demographics and the Demand for Higher Education,” economist Nathan Grawe finds that the “birth dearth” will cost America 650,000 people of college age in the 2020s. At the prevailing rate of college attendance, which has plateaued at 65% in the past decade, that means 450,000 fewer U.S. college applicants. Hardest hit, unfortunately, will be those areas most populated by private colleges: New York, Pennsylvania, New England and around the Great Lakes.

There are approximately 1,800 private four-year degree-granting institutions in the U.S., including some of the most visible names in elite education, such as Stanford, the Massachusetts Institute of Technology, Duke and the schools of the Ivy League. But the vast majority are more like Concordia. These schools may be long on history, but they’re short on money and shorter on students.

While Harvard enrolled 23,000 students last academic year and enjoys an endowment of \$39.2 billion, Franklin & Marshall College in Lancaster, Pa., has only 2,200 students and an endowment of \$391 million. Rosemont College in suburban Philadelphia has 635 undergraduates and a minuscule endowment of around \$17.2 million. At a small, underfunded college nearby, the chairman of the chemistry department has to make the rounds at local high schools to collect unused beakers and petri dishes. For these schools, the clock is ticking, and more loudly now than ever. Over the past three months, three colleges in New England—Green Mountain, Newbury and Mount Ida—have announced closure plans, while a fourth, Southern Vermont, is in deep jeopardy. In Massachusetts alone, 17 colleges have closed over the past six years.

As the pool of college-bound students shrinks, elite schools will recruit more from populations once left to the smaller regional colleges. That will leave the small colleges with fewer

candidates to recruit, and less in student-aid enticements to keep applicants from being sucked away by big-name schools.

Some smaller colleges will no doubt make efforts to recruit from nontraditional and international student populations to make up the shortfall. But most of those strategies have been in place for some time and won't yield much once the country has shot over the demographic cliff.

Harvard Business School's Clayton Christensen expects half of all U.S. colleges and universities —not private ones, all—to close or go bankrupt in the next decade. That's a worst-case scenario. But even the gentlest estimate, from Moody's, is that 15 private colleges will close each year, causing major problems for local economies. Overall, Mr. Grawe expects small four-year colleges to shed some 9,000 faculty and staff positions over the next decade.

“Free college for all” may deliver the coup de grâce. Several proposals to eliminate tuition for some or all students have emerged from the Democratic Party, most notably in 2016 from Sen. Bernie Sanders and Hillary Clinton. Sen. Brian Schatz's Debt Free College Act of 2018 is only the latest idea. These programs would benefit almost exclusively students at public universities. Students who might consider private colleges like Franklin & Marshall for \$50,000 a year or Rosemont for \$32,500 would find the prospect of a tuition- or debt-free education at a public university more appealing. That would be an inestimable loss, not least since so many of the small colleges are vigorous outposts of traditional liberal-arts education.

The leadership of small private colleges have four real options: First, get serious now about mergers with other regional institutions to pool resources and eliminate duplications. Second, change recruitment strategies to face westward, where the birth dearth has been less severe. Third, craft a niche identity for their colleges aimed at a particular student constituency, like future chemists or political scientists. Fourth, establish partnerships with local two-year colleges to create paths to four-year degrees.

“It is pretty hard to kill a college,” said Richard Ekman, president of the Council of Independent Colleges, in 2015. Fiercely loyal alumnae of Sweet Briar College had just brought their school back from extinction. But there are not enough alumni and, increasingly, not enough students to replicate that everywhere. The time to determine the future of the private college—if there is one—is now.

*Mr. Guelzo is a professor of history at Gettysburg College.*

*Appeared in the February 22, 2019, print edition.*