



FAST FOREWORD

A 2005 BBC survey found that a majority of citizens had “positive” views of the influence of the United States in only five of the 18 major countries surveyed. Other recent surveys report that China, still a communist country, has a higher “favorability rating” than the United States—even for citizens of countries that are long-standing U.S. allies, such as Britain and Germany.

China is investing heavily in higher education and has increased its student enrollment dramatically in the past decade. At U.S. colleges and universities, more than half of all students who enroll full-time in undergraduate baccalaureate degree programs fail to graduate. Educational opportunity in the United States is unequal from the earliest days of children’s experiences in schooling.

On a global scale, the level of economic inequality is staggering. More than 1 billion people are living in extreme poverty in the world today. Approximately 8 million people will die this year because they are simply too poor to get the basics they need to stay alive.

The higher education arena is replete with attractive intellectual and capital investment opportunities that will benefit students, faculty, our nation, and our global society. By improving their competitive position and economic condition, U.S. colleges and universities can more effectively take advantage of the possibilities before them. To offer insight to campus leaders, each fall the Forum for the Future of Higher Education convenes for its Aspen Symposium to explore changes and issues affecting the nation’s colleges and universities. This report, *Forum Futures 2006*, summarizes the research presented at the Aspen Institute to share more broadly the knowledge gained from the papers given there and the inquiry they sparked.

Much work needs to be done if the United States is to repair its international image and improve its comparative position in the global economy. Wesley Clark, a retired U.S. Army general, notes higher education’s contribution during the Cold War in advancing research and development, math and science education, and diplomacy through a variety of foreign exchange programs. For decades following World War II, the United States pursued a widely accepted Cold War strategy focused on containing communism and deterring nuclear war with Russia. Since the dissolution of the Soviet Union in 1991, however, no national strategy or vision of where the United States fits on the world stage has emerged to take the place of the Cold War doctrine. Clark urges higher education’s leaders to participate in crafting overarching, organizing principles to guide America and help improve its strategic position, and to promote this country abroad so as to counteract the world’s increasingly negative view of our nation.

The United States still wields tremendous global influence and is likely to be the world’s most powerful country for some time to come. Stephen Walt, of Harvard University, looks at American power from the point of view of foreign leaders, for whom the primary question is, “What can I do *about* American power?” Even close U.S. allies seek ways to tame American power. The task we face now is to rebuild the trust, admiration, and sense of legitimacy that the United States once enjoyed, so that the rest of the world turns from looking for ways to tame American power and focuses instead on the benefits that U.S. primacy can create. Higher education can help accomplish this broad task in many ways. At the grassroots level, over half a million foreign students study at U.S. colleges and universities each year. Generally, upon returning to their native countries these students are likely to have a more realistic and at least somewhat more favorable view of the United States than if they had never studied here. Former secretary of state Colin Powell understood well the positive effects of foreign students coming to the United States when he said in 2001 that he could “think of no more

valuable asset to our country than the friendship of future leaders who have been educated here.”

Innovative approaches to improving the quality and productivity of higher education are key to scaling up efforts to educate our population and staying competitive in the globalized economy. Richard Light, of Harvard University, directs the Harvard Assessment Seminars project, which aims to help students make the most of their undergraduate years. Its work centers on how faculty members can effectively help students learn and on encouraging and assessing innovations in the classroom. All told, more than 2,000 Harvard students have participated in in-depth, one-on-one two- to three-hour interviews since the project was launched in 1986. Twenty-four colleges and universities in addition to Harvard have actively participated in the project. One overarching principle has emerged from the effort: students who get the most out of college, who grow the most academically, and who are the happiest organize their time to include interpersonal activities with faculty members or fellow students built around substantive academic work. This key finding—and others stemming from the project—can be readily translated into policy at low cost by any institution, in terms of both how advisors guide students and how faculty encourage them to do their work outside the classroom.

In the face of sweeping demographic changes, the four-year residential model of undergraduate education may be a luxury reserved for an increasingly smaller proportion of the population. John Seely Brown, formerly of Xerox PARC, describes a productive new learningscape grounded in the availability of learning resources on the Internet and driven by the growing importance of continuous learning. He points to the digital, multimedia vernacular of today's students and presents several ways to take advantage of their familiarity and comfort level with technology to create learning models based on “learning to be” rather than “learning about”; that is, shifting from lecture-based teaching to activity-based learning. Brown envisions a hybrid model of learning—one that combines the power of technology-enabled participation in a niche community of practice based on the student's field of interest with a rigorous, limited core curriculum for teaching the theory specific to that field. This model can be implemented well beyond the confines of today's brick-and-mortar campuses.

Collaboration in connection with technology holds great promise for efficiently delivering high-quality educational programs. James Shulman, from ARTstor, describes that organization's efforts to use digital technology to enhance scholarship, teaching, and learning in the arts and

associated fields. ARTstor's charter collection is a repository of hundreds of thousands of digital images and related data that institutions can tap into and thereby avoid having to separately digitize their massive slide collections. Institutions that have not yet embarked upon building their own tools and creating their own digital collections are genuinely enthusiastic about participating in ARTstor; to those that have already started down this path individually, however, the benefits of collaboration are not so immediately clear. ARTstor is at the ever shifting, often clashing intersection of traditional library science and information technology. Yet despite the hurdles, Shulman is convinced that fruitful joint efforts built around technology are possible—if colleges and universities are willing to experiment to discover ways to more effectively use technology.

Higher education's mandate does not end with research and teaching. Indeed, universities can put their vast stores of knowledge and creativity into action and make important contributions to global prosperity, security, and peace. Jeffrey Sachs, of Columbia University and the U.N. Millennium Project, believes that collective action could eliminate extreme poverty on our planet by 2025. He urges universities in wealthy countries to collaborate with their counterparts in countries affected by extreme poverty.

Further, he emphasizes the importance of an interdisciplinary approach to economic development and poverty reduction, as well as the value of fieldwork in educating students, who can learn complex skills by practicing them rather than by reading about them in a textbook. A globalized world is a smaller world, one that connects all of us as a global community and, Sachs maintains, brings with it a special responsibility to fulfill a broader social purpose—in this case, to help alleviate the crushing burden of extreme poverty that afflicts more than 1 billion people in the world today.

On a local scale, universities' abilities to achieve their institutional goals and fulfill their missions, however defined, can be affected by the quality of their relationships with their immediately surrounding communities. Indeed, no sizable university in the United States has not experienced some conflict with its surrounding community. The primary reason for tension between campuses and the communities in which they are located lies in the

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need for universities to expand in order to achieve their core missions. Hank Webber and Valerie Jarrett, of the University of Chicago, describe university-community relations as an art and suggest several strategies for managing conflicts. The challenge, they say, is to structure university processes and decision making to maximize the opportunity to create win-win results among universities, communities, and cities. Many of Webber and Jarrett's strategies are based on good communication with the right people throughout the community, be they elected officials or local organizers, so that sustainable partnerships of joint benefit can be built.

Fundamental questions about institutional missions and the purposes and uses of endowments were discussed at length by participants in the Forum's Master Class at Aspen. Paul Jansen, of McKinsey & Co.; William Massy, formerly of Stanford University; Henry Riggs, formerly of Keck Graduate Institute; and Timothy Warner, of Stanford University, note the increasingly competitive global environment within which U.S. colleges and universities exist and present several possible ways for institutions to fill a crucial role in addressing the nation's and the world's needs. These include dramatically expanding enrollment, improving graduation rates, and launching an interdisciplinary initiative to reform the teaching of math and science in U.S. schools. Such efforts could be funded by increasing endowment payouts. Forty U.S. colleges and universities have endowments greater than \$1 billion; the total endowment value of the 729 institutions that participated in the Commonfund's 2006 Benchmarks Study of Educational Endowments is more than \$250 billion. While Master Class participants generally agree that endowment spending rules should be based on very long time horizons and rigorous analyses that preserve institutions' financial strength, there is also a consensus that the conservative bias toward endowment expansion should be revisited with an eye toward defining institutional strategies that allow investments that will benefit students, faculty, and society today as well as in the future.

Financial issues loom large in the future of U.S. colleges and universities and the nation. The federal budget deficit today is reported at roughly \$5 trillion, but Laurence Kotlikoff, of Boston University, says that this calculation is economically meaningless, nonsensical, and irresponsibly misleading. Instead, he advocates the use of *generational accounting*, a dynamic form of accounting that shows the total magnitude of the federal government's bills (based on current policy) over time and the total of

all taxes to be collected over time, and compares the two streams. Generational accounting shows how much will be left for future generations to pay to close the fiscal gap. In 2005, the United States' fiscal gap was \$66 trillion. The primary difference between the reported budget deficit and the fiscal gap is that the government's commitments to Social Security, Medicare, and Medicaid are simply not on the federal books. For future generations, the financial consequences of the fundamental weaknesses in the U.S. economy—and current ineffective efforts to address them—will be dramatic. Higher education will be affected in many ways as well, ranging from the inability of families to afford tuition, to cuts in government-sponsored research, to the loss of tax-exempt status. Kotlikoff believes that academics can offer public policy solutions to the serious economic problems the nation faces and that institutions can step up their efforts to educate the public so that significant reforms can be supported and enacted.

Given current trends, economic inequality is likely to worsen in the coming years, both in the United States and around the globe. Robert Shiller, of Yale University, proposes a new financial order in which economic risks—such as declines in income or home equity or even instability in a nation's economy—could be spread out via massive risk-sharing vehicles. Spreading risk among many individuals until it is negligible for any one person would help reduce poverty and diminish income inequality. It would also give impetus to human and economic progress by enabling people to embark upon new and creative ventures that otherwise might carry too high a price should they fail. Advances in information technology are creating tremendous opportunities for fundamental innovations in risk management. Thus the principles of financial management—heretofore largely the purview of the already well-off members of our society—can now be extended to include society as a whole. Democratizing finance could effectively solve the problem of gratuitous economic inequality, that is, inequality that cannot be justified on rational grounds in terms of differences in effort or talent. Much as Kotlikoff does, Shiller urges higher education institutions to help make a new financial order a reality by advancing the common and technical knowledge and tools that make it possible.

Trends in college attendance have profound implications for the future contours of inequality because educational disparities imply lifelong differences in socioeconomic welfare. The Ford Policy Forum, cochaired by Michael McPherson, of The Spencer Foundation, and Morton Owen Schapiro, of Williams

College, focuses this year on racial, economic, and political diversity in higher education. Marta Tienda, of Princeton University, looks at racial diversity and notes that low levels of college enrollment among African-Americans and Hispanics bodes ill for the nation's economic prospects because by 2030, 40 percent of the U.S. population is projected to be minority, with about one-third of the total either black or Hispanic. She assesses Texas's attempts to broaden access to higher education for its rapidly growing minority population. The key lesson from the Texas Top 10 Percent Law is that weighting class rank while ignoring test scores does not qualify a broader cross section of students for college admission. Moreover, data show that students who graduated in the top 10 percent of their class earn higher grade point averages in college than their lower-ranked counterparts who scored 200–300 points higher on standardized tests.

Shirley Ort, of the University of North Carolina at Chapel Hill (UNC), describes the Carolina Covenant,TM a promise to eligible low-income students that if they are admitted they can graduate from UNC debt-free. During the 2005–06 academic year, 9 percent of the entering freshmen class at UNC was designated as Covenant Scholars, with family incomes up to 200 percent of federal poverty guidelines. The program is driven by the imperative to address the educational needs of all citizens who can qualify academically—not just those who can afford to pay. North Carolina and the nation simply cannot afford to leave a large and growing segment of the population on the outside of higher education. Edwin Feulner, of the Heritage Foundation, emphasizes the need for political as well as racial and economic diversity. He believes that the left's dominance of the academy is stifling productive dialogue and the open exchange of ideas. Further, he says, the polarization of college campuses has delegitimized the academy in the eyes of much of the American public and is the root of anti-intellectualism in this country.

Increasing diversity in higher education is a win both for those who gain access to it and, more broadly, for the campus learning environment. Given widespread recognition of the desirability of educating students in a diverse environment, a recent study of schools that belong to the Consortium on Financing Higher Education (COFHE), a group of 28 of the nation's most selective institutions, raised alarms when it found that just 10 percent of these institutions' students came from the bottom 40 percent of the U.S. family income distribution. This finding led Gordon Winston and Catharine Hill, of Williams College, to examine the national distri-

bution over family incomes of high-ability students to determine whether it would be realistic to call for the share of highly able low-income students in the national population to be mirrored in the student bodies of the COFHE schools. The data show that using a test score of 1220 and above to define "high ability," COFHE schools would have to enroll approximately 12 percent of the roughly 43,600 low-income students who achieve at least a 1220 test score; at a score of 1300 and above, 22 percent of the nearly 20,000 possible students would need to enroll to mirror the national population. Thus, Winston and Hill conclude that it would be possible, and appropriate, for COFHE schools to set enrollment goals that mirror the share of highly able low-income students in the national population—goals that, if met, would dramatically increase the economic diversity of these institutions' student bodies.

Beyond the outward manifestations of our differences, which flow so obviously from race and income, the debate about the nature of our humanity and possible innate differences rages on. Steven Pinker, of Harvard University, describes how scientific advances are challenging the influential *blank slate* doctrine of human nature, which posits that we all are born with nothing more than a few basic instincts wired into our brains and the rest of human nature is determined by experience. Discoveries in the neurosciences, for example, are showing that there is a complex genetic patterning to the brain, much of it laid out in the course of prenatal development. Given that the blank slate doctrine has long underpinned notions of equality, its debunking sparks great debate. Pinker emphasizes that it is essential to look carefully and objectively at the serious moral and political issues that scientific discoveries raise, rather than trying to put a moral or political thumb on either side of the scale as we sort out the implications of new knowledge. The task for higher education's leaders, beyond supporting the generation of knowledge, is to figure out how best to use this knowledge to address the many local and global issues we face today—from improving educational quality and productivity at home and enhancing the United States' economic and strategic position abroad, to helping to alleviate poverty and disease around the globe.

It is our hope that the following summaries will serve to inspire your reflection and insight as you consider both the future of your institution and the role of higher education in our globalized world.

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