

I Health, Education, and Welfare

Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education. By David L. Kirp. Cambridge and London: Harvard

University Press, 2003. Pp. vi, 328. \$29.95. ISBN 0-674-01146-5. JEL 2004-0164

I rarely agree to review books. However, once every few years a book comes along that I wish I had written and that I want to tell the world about. David Kirp's *Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education* is the most recent of these books and hence this review.

Kirp is a professor of public policy at Berkeley—not an economist. However, he understands how economic forces affect higher education institutions better than most economists. While many books on higher education, such as my own *Tuition Rising: Why College Costs So Much* (2000, Cambridge MA: Harvard University Press), focus on the behavior of one institution (in my case Cornell) or a class of institutions (in my case selective private colleges and universities), Kirp paints a much broader picture of how economic pressures are affecting the behavior of all academic institutions, be they public or private, graduate/professional or undergraduate, or non profit or proprietary. Much of the picture he paints is not very flattering because he describes multiple situations in which traditional academic values come in conflict with market pressures and how the responses that institutions make are often driven by dollars signs rather than their core values.

Befitting a former journalist, Kirp's book is extraordinarily well-written; once one picks it up it is hard to put down. Some economists may be put off by a book that contains no equations, tables, figures or regression results. Such an attitude, however, would be misguided and any academic economist interested in better understanding how market forces are reshaping higher education should read *Shakespeare, Einstein, and the Bottom Line*.

Kirp takes the reader on a tour of higher education institutions around the country. We learn about the arms race of spending taking place at selective private institutions as each institution tries to improve its position vis-à-vis its competitors and how the large publics are for similar reasons developing honors colleges—which serve only a few of their top students at the expense of the many. We see how one of the nation's most respected private academic institutions, the University of Chicago, goes through a painful revision of its core curriculum in an effort to

make the university more attractive to more potential students, even though in doing so some of the unique flavor of the institution is lost.

We travel to visit a liberal arts college in Pennsylvania that is seeking to define its niche and to achieve “brand recognition” without heavily investing in science. We observe how the principle of providing aid based on students' financial need is at least partially sacrificed by the institution and merit aid is increasingly used in an effort to attract a more “desirable” student body at a lower total financial aid cost. We visit one major urban private university that is making a big splash and drastically increasing its students' SAT scores through the recruitment of a number of star faculty members. However, these faculty members have no contact with the institution's undergraduate students and the majority of undergraduate students at this institution are taught by adjuncts and graduate instructors. So enhanced institutional reputation, based on hiring star faculty and upgrading the SAT scores of undergraduate students has come at the expense of divorcing the research faculty from undergraduate students. It is not surprising that this institution recently became one of the first private universities at which adjunct faculty voted to establish an adjuncts-only faculty union. Kirp's discussion of this institution leaves us wondering if the institution's improved academic reputation can be sustained if undergraduate students have little contact with top faculty.

We next visit a lower tier law school that has traditionally placed a high value on public service. Sadly, law school rating organizations (i.e., *US News and World Report*) do not factor public service into their ratings and a new law school dean is forced to try to change the nature of the product the institution is producing. We visit a major business school located at a public university—this business school has privatized itself and effectively ceased to share its revenue with the rest of the university. So facilities improve and salaries rise at the business school at the same time that salaries are frozen and facility needs are not met at the rest of the university. While the business school remains firmly ensconced near the top of the business school rankings, its faculty members are busy writing “proprietary cases” for corporate executive education programs and, as a result, the research output of the faculty suffers.

We learn how budgetary models, designed to increase the incentives that individual units within an academic institution have to take actions to increase revenues and reduce costs, often have perverse effects on the academic programs at the institution as a whole (a theme of mine also in *Tuition Rising*); how some institutions have tried to use the internet to generate additional revenue from their faculty members' teaching, while others have instead chosen to place all of their course outlines on the web, and still others have sought to share faculty resources across geographically dispersed institutions by teaching classes to multiple locations via the internet. We learn how efforts to commercialize faculty research findings, often those produced with public support, may interfere with the free exchange of knowledge. Finally, we explore how for profit competitors are fundamentally changing the competitive landscape that institutions face and forcing institutions to rethink how they deliver certain types of training and education.

Though Kirp's discussion may at times give the reader the sense that he is "anti market," nothing could be further from the truth. Rather, Kirp understands that the use of market based principles has contributed to the dynamic nature of American higher education and its continual improvement. However, he also understands that there is often a trade off between traditional academic values and the use of market mechanisms. *Shakespeare, Einstein, and the Bottom Line* is really a plea for academics and academic leaders to always keep their core academic values in mind when they make very hard decisions. Put in terms that economists will easily understand, increasing the magnitude of the revenue flowing into an academic institution is not always in the best interest of the institution.

RONALD G. EHRENBERG

Cornell University