



**WARTBURG  
AAUP**

*"Committed to Academic Excellence"*

**NEWSLETTER**

November 5, 1996

**AUXILIARY ENTERPRISES "CRUCIAL" TO WARTBURG'S FINANCIAL HEALTH**

The May 1996 report from the National Association of College and University Business Officers (NACUBO) reveals that auxiliary activities pumped \$4.68 billion into American college and university budgets in 1993-94. The report, entitled "Financial Status of College and University Auxiliary Activities," was a result of a survey of 439 NACUBO institutions, enrolling over 1,945,000 students. (Wartburg was one of the 151 private colleges that participated in the survey.)

The survey divided auxiliaries into four revenue categories: housing, parking, bookstore, and food services. After costs, debt service, and reserve requirements, the auxiliary enterprises for all 439 institutions netted a margin of 9% for housing, 9% for parking, 8% for food services, and 5% for bookstore.

For private colleges, the revenue attributable to auxiliaries makes up approximately 21% of the total institutional revenues. Although Wartburg's amount is closer to 27%, vice president for finance Ron Matthias cautions against hasty inferences based on incomplete data in the survey. For example, the proportion of students on campus and commuting is not identified for private and public institutions. "The auxiliary enterprises at Augsburg College, with a high proportion of commuting students, are very different from Wartburg College, with a low proportion of commuting students," noted Matthias.

Below is a comparison of gross revenues per student and net revenues per student for each of the four auxiliary categories.

**Revenues from Auxiliary Enterprises at NACUBO Baccalaureate I (Private) Colleges**

<u>Auxiliary Enterprise</u>	<u>Gross Revenues Per Student</u>	<u>Net Revenues Per Student*</u>
Food Service	\$1,236	\$151
Bookstore	\$589	\$113
Parking	\$12	\$4
Housing	\$2,384	\$595

\* after costs, debt service and reserves are considered

Interesting numbers emerge from the survey. For bookstores run by a third party, net revenues are \$484 per student; for bookstores run by the college itself, net revenues are \$62 per student (for an average of \$113, as noted in the table). But only 15% of the private colleges have bookstores run by a third party. And at Wartburg, according to Matthias, "the margin on textbooks sold . . . is lower than the national mean."

The table shows that, nationally, parking provides a small net income to a typical college. Apparently, the \$20-\$35 parking lot fee per term for dormitory residents at Wartburg is quite reasonable compared to fees charged at similar colleges. "We continue to lose money each year on parking," said Matthias.

According to the survey, in 1993-94 the housing occupancy rate was 88% for private institutions. Clearly, college enrollments and housing occupancy rates make a big difference on the net income to a college. Therefore, the more students in the dorms the better. But it is not quite that easy, according to Matthias: "On most private campuses, food service is to a considerable extent a function of housing." At Wartburg

over the past few years, “the availability to students of the ‘pick’ plan has also reduced the net from food services.” (The “pick” plan allows students to select a number of meals per week.)

In short, as summarized by Matthias, "Auxiliary operations are indeed crucial to the financial health of Wartburg. . . . They provide a modest margin which enables the college to carry out its mission while living within its means. If there were no net from auxiliaries, undoubtedly the college would need either to charge more by way of tuition and fees—or find ways of reducing its expenditures."

—Warren T. Zemke

**ZEMKE: MATTHIAS’S EMERITUS STATUS WELL-DESERVED**

On October 17, the Wartburg Board of Regents awarded the rank of professor emeritus of history (upon his retirement) to Ron Matthias, vice president for administration and finance. Ron has served his alma mater with distinction since 1959—early on, as professor of history and dean of faculty and, more recently, as vice president for finance. He was even acting president for a short period in 1974 during the transition from President John Bachman to President William Jellema.

Before returning to Wartburg in 1984 as vice president, Ron administered the division for college and university services of the American Lutheran Church.

The Appointment, Rank and Tenure Committee unanimously recommended that Ron be awarded emeritus status—in recognition not only of his administrative service but of his significant accomplishments as a teacher and a scholar.

—Warren T. Zemke

**WARTBURG BREAKS ENROLLMENT RECORD, BUT ACADEMIC PROFILE SAGS AGAIN**

This fall’s total enrollment of 1,467 is the highest ever. The previous high (in the fall of 1989) was 1,456. This number includes 1,356 full-time students and 111 part-time students, producing a full-time equivalent of 1,356. However, two key predictors of an incoming class’s academic success—class rank and ACT scores—have declined for the second year in a row:

	Percent in top 10% of grad class	Mean ACT composite
Class of 1998	42%	24.6
Class of 1999	35%	24.3
<b>Class of 2000</b>	<b>33%</b>	<b>23.6</b>

Wartburg’s mean ACT composite of **23.6** should be compared to the 1996 national average of 20.9 and to the incoming class averages reported by similar institutions in the region:

Augustana (IL) . . . 24.8	Central . . . . . 24	Cornell . . . . . 25	Luther . . . . . 25.6
Augustana (SD). 24.2	Coe. . . . . 25	Grand View. . . . . 20	St. Olaf. . . . . 26
Buena Vista . . . . 23.1	Concordia. . . . . 24	Gustavus. . . . . 25	Upper Iowa . . . . . 22

**WARTBURG AAUP MEMBERSHIP REACHES NEW HIGH**

The number of Wartburg faculty who have joined the American Association of University Professors has increased to 30 after this fall’s membership drive. Since the number of full-time teaching faculty at Wartburg is 80 (with 68 of those holding tenure-line appointments), AAUP members now constitute nearly 40% of the full-time faculty. Wartburg AAUP is the third largest chapter in the state of Iowa—surpassed only by the University of Iowa and Iowa State.

**US NEWS’ “BEST COLLEGES” 1996: HOW DO WE STACK UP AGAINST THE COMPETITION?**

*US News and World Report* has once again included Wartburg in its annual “Best Colleges” issue (September 16). Every fall, *US News* surveys 1,422 of America’s 2,100 baccalaureate-granting colleges and universities, divides them into four categories, and ranks them based on the survey data.

The four categories—national universities, national liberal arts colleges, regional universities, and regional liberal arts colleges—are based on Carnegie Foundation classifications. Wartburg merits a place among the 160 national liberal arts colleges because the Carnegie Foundation has awarded it a Liberal Arts I designation. Liberal Arts I colleges are “highly selective institutions . . . that award more than half

of their baccalaureate degrees in the arts and science fields." (See "Wartburg Is Not a Carnegie Liberal Arts I Institution, Says Author" in the November 1995 AAUP Newsletter.) Competitor institutions that did not make the "Best Colleges" issue this year include Augustana-Sioux Falls, Buena Vista, Simpson, and Augsburg.

US News divides its national liberal arts colleges into four tiers (Tier I is the highest) based on six criteria. Weighted most heavily are academic reputation (25%), faculty resources (20%), retention (20%), and student profile (15%).

The table below compares the US News data from Wartburg with data from other Iowa and ELCA colleges. There are two noteworthy differences from last year: •Wartburg's academic reputation rating rose 10 points, from 136 to 126. •Wartburg's alumni giving rate improved 22%—from 37% to 59%, the highest alumni giving rate among these ten colleges.

	Tier	SAT/ACT 25th-75th percentile <sup>1</sup>	Frosh in Top 10% <sup>1</sup>	Accept Rate	Freshman Retention Rate	% of Classes with 50+	Total Expenditure per FTE <sup>2</sup>	Alum Giving Rate <sup>3</sup>	1995 Grad Rate	Academic Reputation <sup>4</sup>
Augustana (IL)	III	22-28	30%	80%	85%	3%	\$10,233	40%	75%	101 (90)
Central	IV	21-27	31	87	76	0	10,401	20	70	121 (123)
Coe	III	22-27	27	86	82	.4	10,846	34	66	91 (99)
Concordia (MN)	IV	21-27	28	89	79	2	8,696	28	67	126 (123)
Cornell	III	23-28	30	90	75	N/A	10,584	31	65	69 (68)
Grinnell	I	1210-1400	60	74	95	0	21,164	53	85	9 (8)
Gustavus	II	23-28	35	82	88	5	10,593	55	79	63 (63)
Luther	IV	23-28	36	91	88	6	10,180	40	77	91 (90)
St. Olaf	II	24-29	42	74	87	2	13,558	28	80	38 (34)
<b>Wartburg</b>	<b>IV</b>	<b>21-27</b>	<b>32</b>	<b>85</b>	<b>81</b>	<b>6</b>	<b>8,580</b>	<b>59</b>	<b>63</b>	<b>126 (136)</b>

Notes: (1) These figures are those of last year's entering class (2) The total expenditure per full-time-equivalent student is the amount the institution spent during AY 1995-96 for instruction, student services, administration, and academic support, including libraries and computers. (3) Represents the average percentage of living alumni who donated to their alma maters' fund drives during 1994 and/or 1995. (4) Based on a survey of 4,200 college presidents, deans, and admissions directors who were asked to rank all schools in the same category as their own. Last year's rating is in parentheses.

#### **FROM TED REUTER: A "NOTE" WORTHY ACHIEVEMENT**

It gives me great pleasure to announce that Jeff Snider, assistant professor of voice at Wartburg College, is now DOCTOR Jeff Snider. (This is not a hoax.) Jeff completed the requirements for the Doctor of Musical Arts degree at the University of North Texas in fine fashion last week, giving a lecture-recital and defending his paper in a four-day ordeal that included a 28-hour round-trip *en auto*. Congratulations, Jeff!

—Ted Reuter, Chair, Department of Music

#### **FROM THE NET: AN EX-STUDENT'S DEFINITION OF COLLEGE**

College is basically a bunch of rooms where you sit for roughly two thousand hours and try to memorize things. The two thousand hours are spread out over four years; you spend the rest of the time sleeping and trying to get dates.

Basically, you learn two kinds of things in college: 1. Things you will need to know in later life (two hours). 2. Things you will not need to know in later life (1,998 hours). These are the things you learn in classes whose names end in -ology, -osophy, -istry, -ics, and so on. The idea is, you memorize these things; then write them down in little exam books; then forget them. If you fail to forget them, you become a professor and have to stay in college for the rest of your life.

—courtesy of Joyce Boss

**NO FACULTY AMONG THE RANKS OF THE HIGHEST PAID AT WARTBURG**

Recent survey data indicate that faculty salaries did not increase at the same rate in 1994-95 as did the salaries of the six highest-paid Wartburg employees, and that, in contrast to several peer institutions, none of Wartburg's top money-getters hold faculty positions.

The table below lists the salary of the president and five next highest-paid employees at Wartburg, as reported in the October 18 *Chronicle of Higher Education*. The *Chronicle* compiled these figures from IRS Form 990, filed by the college with the Internal Revenue Service.

**Table 1. 1994-95 Salaries (in thousands of dollars) for the six highest-paid employees at Wartburg College**

<u>Administrator</u>	<u>1994-95 Salary</u>	<u>Increase from 1993-94<sup>1</sup></u>
President	\$122.8	4.9%
VP, academic affairs	\$81.1	4.9%
VP, finance	\$77.5	7.5%
VP, development	\$72.2	5.1%
VP, student life	\$70.3	5.1%
Director, planned giving	\$57.7	4.0%
Average	\$80.3	5.24%

<sup>1</sup> The average increase for the top 6 employees salaries from 1992-93 was 5.4%.

For comparison, Table 2 lists average Wartburg faculty salaries, according to rank. (This information is contained in the March/April 1994 and 1995 issues of *Academe*.)

**Table 2. Average 1994-95 Salaries (in thousands of dollars) for Wartburg College faculty**

<u>Faculty, by rank</u>	<u>1994-95 Salary</u>	<u>Increase from 1993-94<sup>2</sup></u>
Professor	\$46.7	4.5%
Associate professor	\$38.5	4.1%
Assistant professor	\$32.6	5.8%
Instructor	\$29.4	—
All ranks combined	\$37.4	4.5%

<sup>2</sup> The average increase for all ranks from 1992-93 was 3.25%.

Table 3 gives the presidential salaries and total expenditures at Iowa and ELCA colleges against whom we compete for students. The table also indicates how many faculty are among the five highest-paid employees.

**Table 3. 1994-95 Salaries (in thousands of dollars) for presidents at select midwest liberal arts colleges (Carnegie Liberal Arts I classification)**

<u>College</u>	<u>1994-95 CEO Salary</u>	<u>College Expenditures</u>	<u>Other Top 5 Salaries</u>
Augustana, IL	\$142.9	\$45M	all administrators
Central	\$115.8	\$30M	1 phys educ prof
Coe \$161.9	\$27M	all administrators	
Concordia, Moorhead	\$109.6	\$50M	all administrators
Cornell	\$119.2	\$27M	1 physics prof
Grinnell	\$185.0	\$49M	1 chem, 1 econ prof
Gustavus Adolphus	\$130.0	\$46M	all administrators
Luther	\$140.0	\$47M	1 religion prof
St. Olaf	\$181.5*	\$73M	1 chem, 1 econ, and 1 math prof
Wartburg	\$122.8	\$22M	all administrators

\*Combined salary of two presidents for 1994-95 time period

For more comparative information on Wartburg faculty salaries, please attend the next Wartburg AAUP meeting, scheduled for Thursday, November 14, at 7:30 p.m. in the East Room of the Student Union.