

The decade of the 1960s was a period of growth for many of America's institutions of higher education. For some, however, it was a time of economic difficulty characterized by lower enrollment figures, inability to access federal financial aid, and decreased return in endowment income. It was also a time of redefinition, as many institutions reconsidered exclusionary admission policies.

Balancing the Books: Economic Incentives for Integration in the 1960s

By
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Historical perspectives on desegregation in American higher education have tended to focus on ways in which institutions and individuals have sought to exclude minority students. Harold Wechsler outlined historical resistance to new student groups including tension between Black and White students.¹ American higher education is abundant with historical examples of conspicuous exclusion at even our largest and most prestigious universities.² David Sansing's *Making Haste Slowly* presented a detailed account of resistance to desegregation at the University of Mississippi by the state government.³ Even in instances where

Black students were admitted, they faced almost certain social isolation.⁴

Desegregation continues to be an important part of our understanding of past and present higher education. Although historical examinations have added to our understanding of desegregation they have often overlooked events at smaller institutions. The purpose of the study reported herein was to examine economic forces that impacted one small, private college in the 1960s and how these forces created a climate that made desegregation economically favorable. The institution examined in this study was Averett College, a small, private, liberal arts college located in Danville, Virginia. The case study method was selected for this investigation because of the greater sense of depth and understanding provided. The case study allowed for the gathering of detailed data and personal perspectives from a variety of constituencies involved in integration. Because the events recalled here were often emotionally charged, and because many of the people involved in integration at the college are still employed or associated with it, respondents were assured anonymity to protect their identities.

Data collection included the use of archival sources and was supplemented with interviews. Archival sources consisted of minutes from Averett College's board of trustees meetings and executive board meetings and contemporaneous media reports of civil rights demonstrations. Interviews of direct participants incorporated the use of the personal element and provided a better sense of context or "feeling of the times"⁵ and preserved cultural history and heritage.⁶ Archival data collection and interviews were conducted in January 1998 and follow-up interviews in December 1998. It would have been preferable to have included larger numbers of administrators and trustees; however, mortality levels made larger inclusion impossible. For example, of the 28 trustees who voted on desegregation in 1967, only one remains alive.

Black and White are used to distinguish individuals from different racial backgrounds. Such simplified terms do not adequately reflect the complex realities behind racial identity; however, Black and White serve the purpose of clearly identifying to the reader different racial groups. Integration and desegregation are two terms that are often used interchangeably; however, they have very different meanings. Desegregation refers to the bringing of different racial groups into an institution where both have been present but have existed apart. An example of desegregation would be the combination of Black and White students in an elementary school system where they had previously occupied separate facilities. Such a definition does not apply

to Averett College. At this particular institution there were no separate facilities; until 1968 Black students were not included. Integration refers to the bringing together of different racial groups where they had not co-existed previously. For the purpose of this study, integration is applicable to the events at Averett College.

Historical Background and Race Relations around Averett College during the Late 1960s

Averett College was founded shortly before the Civil War as a private, female, all-White college in the tradition of the antebellum South. It was launched as a Baptist college, and was affiliated with the Baptist General Association of Virginia (BGAV). Danville, Virginia embraced the idea of "separate but equal" following the end of Reconstruction in 1877. It became like many other Southern cities and constructed separate elementary and secondary schools, libraries, and other public facilities for White and Black citizens. In the mid 1960s, the city had a population of approximately 60,000. Its primary commercial enterprises were manufacturing and tobacco farming. Averett's "White Only" identity, though not officially stated as policy, was apparently well known, inasmuch as no Black student applied to the college until 1967.

Danville came to the attention of the Southern Christian Leadership Conference in the early 1960s as the civil rights movement grew. In the spring of 1963, Dr. Martin Luther King, Jr. visited Danville twice, according to newspaper sources.⁷ On Monday, 10 June 1963, a civil rights demonstration began in downtown Danville in response to the City Council's decision to close the main public library rather than open it to Black citizens.⁸ About 100 people took part in the protest, which ended on the steps of City Hall. Police arrested three demonstrators and attacked the other approximately 100 demonstrators with fire hoses and night sticks.⁹

Racial tensions continued in the city throughout the 1960s. Businesses excluded Blacks, and further opposition was evident among the city's prominent White churches.¹⁰ Many of the White churches were located on Main Street, a principal roadway through the center of the city. Main street clergy were active supporters of the civil rights movement; however, their congregations did not share a similar enthusiasm for social justice or equal rights, consequently, many clergy found themselves casualties of the divided nature of the city. According to Former Faculty Member B, "In 1963 there were 13 White ministers of the Main Street churches that supported desegregation. In a year all but one was gone. They were all removed from the congregations that they pastored, in a year."¹¹

Economic Basis for Integration

Averett College first admitted Black students during the 1968-1969 academic year following the Board of Trustees' 1967 decision to open its doors. Interviews and archival evidence indicate the trustees' decision was based on financial concerns due to a reduction in financial support from the BGAV, dwindling enrollment, and a desire to obtain federal financial aid that was inaccessible because of the institution's all-White admission policy. Averett's economic difficulties began in 1965 when the BGAV initiated a reexamination of its financial ability to support higher education among its affiliated colleges. According to the Baptist General Association of Virginia's Education Committee:

The dramatic increase of interest in higher education, on the part of the state and federal governments has quickly made obsolete our past support and approach to our denomination schools. Careful study of the situation indicated that it was simply not feasible to maintain or expand our support for our affiliated colleges, as such expansion will demand large sums of money from the denomination and its constituency. For our schools to continue operating at the present level will require more money than appears available from the denomination at its present level of stewardship giving.¹²

The need to cut financial support was an economic reality for the BGAV. The seven colleges the organization supported requested assistance totaling over \$4 million; however, the organization had only \$4.5 million to distribute among them in addition to two homes for elderly people, one home for children, and a newspaper. BGAV support constituted six percent of Averett's annual operating budget. Such a budget cut would have been a hard blow to a tuition-driven institution with an endowment valued at only \$102,000. Averett's only recourse would have been to make up the difference by raising tuition, lowering admission standards, or cutting its budget through staff and programmatic reductions.

Minutes from Board of Trustees' meetings indicate that the institution's financial concerns were complicated as it entered a financial slowdown beginning in 1966. The president of the college anticipated economic difficulties and informed the trustees that the institution needed to find alternative sources of income. The president, Dr. Conwell Anderson, reported to the executive board that:

The summary of college expenditures since July 1960 was discussed. The president reviewed the impressive growth of the

plant and budget during that period. He reminded the group that, with the present plant, we cannot expect similar increases in the future and that we may encounter some difficulty in meeting increased operating costs.¹³

Similarly, the board of trustees reported:

. . . income increases during the next years could not be anticipated. This will produce a financial condition which is much more limiting than the type which has been enjoyed during the past few years. Because of this condition, he stressed the need for more breadth and depth in college income.

He (Dr. Anderson) directed attention primarily to the fact that Averett had increased its fees less over the past five years than any other colleges and that Averett's endowment principal was negligible, therefore, forcing a greater dependence on other sources of income.¹⁴

While the president projected a serious situation in 1966, by 1967 the picture was more threatening. Decreases in enrollment, particularly a 27% decrease among day students, severely impacted the college's finances. To maintain residence hall enrollment, the college had reverted to lowering admission standards, a "practice that cannot be continued any longer."¹⁵

The former trustee from 1967-1968 recalled the serious nature of the college's financial condition. "Our financial problems were twofold. Enrollment was drastically down and we were not in a position to competitively recruit students because we couldn't receive (federal) financial aid."¹⁶ In 1967, Averett had still not signed the Assurance of Compliance with the Civil Rights Act of 1964, which was necessary if the college wanted to apply for federal student aid. The Civil Rights Act of 1964 prohibited federal financial assistance to institutions that discriminated on the basis of race. The legal principles of equal protection and nondiscrimination applied to the financial aid process in much the same way as the admissions process. Federal restrictions also prohibited financing interest on state financial aid distributed to institutions that had not signed the Assurance of Compliance.¹⁷

It was only logical that Averett's position toward the Civil Rights Act of 1964 was the subject of discussion among the trustees. During the 1960s decisions affecting the policies and practices of institutions increasingly were influenced by federal legislation.¹⁸ The Civil Rights Act of 1964 is one example of how the federal government influenced the changing of exclusionary admission policies among institutions of higher education. The Civil Rights Act of 1964 was one means by

which the federal government broke down exclusionary admission policies by allocating federal financial assistance based on Civil Rights compliance.¹⁹ The minutes of the Executive Committee meeting of November 1966 noted:

It was brought to the attention of the committee that the federal government will not pay the interest on loans which students secured through the state education assistance authority because Averett College has not signed the agreement to comply with the Civil Rights Act of 1964 and that some parents have expressed concern over this.²⁰

Access to federal financial aid meant increased recruitment opportunities for the college including the recruitment of students from a broader economic base. The implications of compliance with the Civil Rights Act of 1964 were serious for the college. Compliance meant the termination of a discriminatory admission policy that excluded Black students from admission. Although this was a financially favorable option for the Board, it represented a significant change in the institution's identity. The Executive Committee recognized the importance of its recommendation to the entire board, as shown by the minutes of its November meeting:

The president expressed interest in the various student aid funds which are funded by the federal government and urged that positive consideration be given to applying for these, though he recognized implications of such a decision.

Considerable discussion ensued concerning the various student aid programs and the extent to which they could help our students. Then the effect of signing the "Assurance of Compliance with the Civil Rights Act of 1964" was discussed at this time.

Recognizing the magnitude and significance of the decision being faced [integration] . . . the following motion was passed unanimously:

We recommend to the Board of Trustees that the administration be authorized to take the necessary steps, including the signing of the "Assurance of Compliance with the Civil Rights Act of 1964," to fully apply for student aid funds from the federal government. And that we investigate additional federal funds other than construction grants that may be available to Averett College, its faculty, and its students.²¹

Of the 28 trustees, only 4 expressed opposition to integration during the December 1967 meeting of the full board when the subject

was again discussed. A lengthy debate followed in which the institution's financial condition and possible options were reviewed. Options included increasing tuition, terminating faculty and staff positions, and reducing programs and services. The President of the college clearly articulated to the Board of Trustees that measures to alleviate enrollment declines were temporary measures, and did not address returning the college to a state of financial stability over the long term. "For the president, integration was a moral issue as it was for many of us. But the discussion in that meeting was less about morality and more about economics."²² When the vote was taken the trustees unanimously supported integration.²³

Analysis and Conclusions

The decision to integrate Averett College was based on economic growth and survival rather than moral objection to continued racial exclusion. Several years of declining enrollment were a source of concern as evident from minutes of Board of Trustees meetings. Averett's economic condition was not unusual for a small, private institution in the late 1960s. American higher education experienced a period of rapid growth that began following the end of World War II; however, growth affected institutions differently. The majority of enrollment increases occurred among public institutions while many private institutions experienced declines.²⁴ While enrollment rose across higher education during the decades of the 1950s and 1960s the increase was more pronounced among public institutions than private.²⁵

Many scholars have characterized the 1960s as the golden years for American higher education. Such a perspective does not accurately account for the last several years of the decade, which ended in a "splash of red ink."²⁶ During the last several years of the decade, it became apparent that even secure, well-established institutions encountered financial distress. Enrollment dropped, and as a result, income was unable to keep pace with expenditures.²⁷ The findings from Averett College are consistent with the trend Wynn uncovered among liberal arts colleges during the same period.

Decline in endowment income was another source of concern, particularly for institutions with an already marginal endowment fund. In 1909-1910, income from endowment funds accounted for 17% of total educational income among postsecondary institutions in the United States. By 1963-1964, income from endowment funds declined to only 3% of total income.²⁸ An explanation for decreasing endowment income is accounted for by the fact that endowment income responds to increases in prices and national income only in

part, and with a lag in time. The decline in endowment income was more pronounced for private institutions. Endowment income for private institutions declined from 13.2% in 1955-1956 to 8.8% in 1963-1964.²⁹ The decreasing value of endowment funds was more important for tuition-driven institutions such as Averett with a 1968 endowment valued at only \$102,000 and a return of \$3,100 after reinvestment back into the capital amount. Such a negligible endowment left little financial cushion for an economic downturn. Averett College lowered admission standards to temporarily boost enrollment. Integration represented an opportunity for long-term financial stability through recruitment from an expanded applicant pool.

Shifts in giving patterns during the 1950s and 1960s also explain decreasing endowment return. More giving was directed toward current projects rather than toward institutional endowment funds which were focused on long-term needs. In times of financial difficulty or among institutions that were characteristically economically marginalized, a gift to a current project or to operating expenses was more highly valued than a gift toward long term needs.³⁰ This historical trend is also consistent with Averett's fund raising priorities during the late 1960s. "our fund raising needs were immediate rather than long term. We emphasized operating expenses rather than endowment. During several summers in the 60s, if it were not for the generosity of several friends of the college, we probably could not have met our payroll."³¹ Averett's small endowment was also consistent with Boston Fund findings which indicated a small number of institutions controlled a disproportionately large portion of the wealth held in endowments. In 1967 the Boston Fund conducted a study of 70 colleges and universities with endowments of at least \$8,900,000 to over \$1,038,000,000. Their findings revealed that nine institutions in the sample of 70 controlled 50.5% of the total endowment wealth.³²

The former trustee interviewed for this study recalled that during the meeting when integration was discussed, the focus of the meeting was on economic prospects and consequences rather than a moral objection to the exclusion of Black students. That a moral principle was not at the origin of Averett's decision to admit Black students was evident in contemporaneous lack of support for civil rights. Ambivalence toward integration continued to exist among some administrators, faculty members and students; "I grew up in the South with Jim Crow, and to be truthful I had no problem with it."³³

Logically, one would have to ask at this juncture: If Administrator B did not object to discrimination, why did Administrator B and others work to create racially integrated environment? The answer to this

question can be found in an understanding of preference ordering and is linked to economics. Preference ordering informs us that individuals will behave in such a manner that their actions maximize utility. By asking the individuals involved in integration, we can develop an understanding of how they ranked their options.³⁴ Some administrators and faculty were opposed to the inclusion of Black students, however they “. . . found the idea of unemployment or changing jobs worse.”³⁵ The evidence collected from the interviews conducted in this study reveals that some Averett administrators and faculty supported their institution’s effort at integration because it satisfied their individual economic needs. As evident in the previous statement by Former Administrator B, individuals may suppress their own opposition to racial integration in order to maintain their economic stability, and consequently, that of the institution.

End Notes

¹ Harold Wechsler, “An Academic Grisham’s Law: Group Repulsion as a Theme in American Higher Education,” *Teachers College Record* 82 (Summer 1981): 567-588.

² Nell Painter, “Jim Crow at Harvard,” *New England Quarterly* 44 (December 1971): 627-634.

³ David Sansing, *Making Haste Slowly: The Troubled History of Higher Education in Mississippi* (Jackson, MS: University Press of Mississippi, 1990).

⁴ Edith Hargrave, “How I Feel as a Negro at a White college,” *Journal of Negro Education* 11 (October 1942): 484-486.

⁵ Parker Blount, “Making History Live for Secondary Students: Infusing People into the Narrative.” *Social Studies* 83 (1992): 220-223.

⁶ Margaret Randall, *Testimonios: A Guide to Oral History* (Toronto, Canada: Participatory Research Group, 1985).

⁷ Carl Briggs, “King Visited City Twice; Beliefs were Well Known,” *Danville Register and Bee* 11 June 1983: B1.

⁸ *Danville Register*. “Fire Hoses, Billy Sticks Rout Night Demonstrators,” 11 June 1983: A1.

⁹ Len Holt, *An Act of Conscience* (Boston: Beacon Press, 1965): 90-91.

¹⁰ Anonymous Former Faculty Members “A” and “B,” interview by author, Danville, VA, 5 January 1998.

¹¹ Anonymous Former Faculty Member "B," interview by author, Danville, VA, 5 January 1998.

¹² Baptist General Association of Virginia, *Report of the Education Committee on Baptist Educational Institutions in Virginia*, Richmond, VA, 1965.

¹³ Averett College, Minutes of Executive Committee Meeting of the Board of Trustees, Danville, VA, 17 October 1966.

¹⁴ Averett College, Minutes of the Board of Trustees, Danville, VA, 21 October 1966.

¹⁵ Averett College, Minutes of Executive Committee Meeting of the Board of Trustees, Danville, VA, 21 September 1967.

¹⁶ Anonymous Former Trustee, interview by author, Danville, VA, 7 January 1998.

¹⁷ William Kaplin, *The Law and Higher Education: Legal Implications of Administrative Decision Making* (San Francisco: Jossey-Bass, 1978): 217.

¹⁸ John Millett, *Decision Making and Administration in Higher Education* (Kent, OH: Kent State University Press, 1969): 24.

¹⁹ Millett, *Decision Making and Administration in Higher Education*, 25.

²⁰ Averett College, Minutes of Executive Committee Meeting of the Board of Trustees, Danville, VA, 21 November 1966.

²¹ Averett College, Minutes of Executive Committee Meeting of the Board of Trustees, Danville, VA, 22 November 1967.

²² Anonymous Former Trustee, interview.

²³ Averett College, Minutes of the Board of Trustees, Danville, VA, 8 December 1967.

²⁴ Richard Freeland, "The World Transformed: A Golden Age for American Universities, 1945-1970," in *The History of Higher Education*, ed. L. F. Goodchild and H. S. Wechsler (Needham Heights, MA: Simon and Schuster, 1997): 599.

²⁵ Seymour Harris, *A Statistical Portrait of Higher Education: A Report for the Carnegie Commission on Higher Education* (New York: McGraw-Hill, 1972): 269.

²⁶ G. Richard Wynn, *At the Crossroads: A Report on the Financial Condition of the Forty-eight Liberal Arts Colleges Previously in the Golden Years, the Turning Point* (Ann Arbor, MI: University of Michigan, 1974): 3.

²⁷ Wynn, *At the Crossroads*, 3.

²⁸ Harris, *A Statistical Portrait of higher Education*, 652.

²⁹ Harris, *A Statistical Portrait of higher Education*, 654.

²⁹ Harris, *A Statistical Portrait of higher Education*, 652.

³¹ Anonymous Former Administrator "A," interview by author, Danville, VA, 12 December 1998.

³² the Boston Fund, *The 1967 Study of College and University Endowment Funds* (Boston: Boston Management and Research Company, 1968): 2.

³³ Anonymous Former Administrator "B," interview by author, Danville, VA, 5 January 1998.

³⁴ John Elster, *Nuts and Bolts for the Social Sciences* (New York: Cambridge University Press, 1989): 23.

³⁵ Anonymous Former Administrator "A," interview.