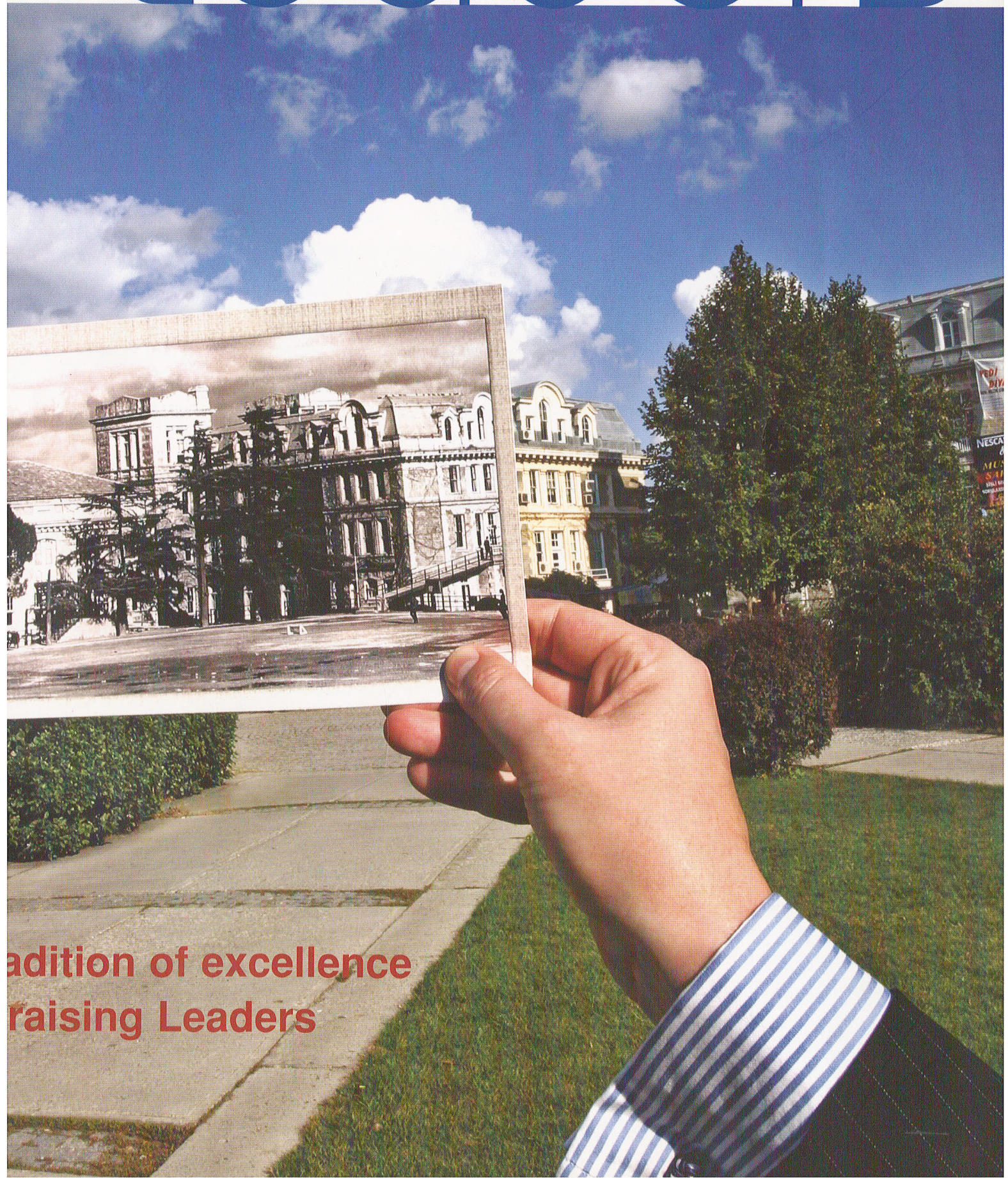




DECEMBER
2011 | ISSUE 3
dersin
ment magazine

Leaders



tradition of excellence
Raising Leaders

Financing of an Educational Institution in Times of War, Empire and Republic

Financial issues seem to have been an overriding concern throughout the history of Robert College or Boğaziçi University. Of course, there appear to have been many other difficulties that have complicated the founding of a college in a foreign land, not least political.

Cover photo by
Aurettin Erdik

* Report From The President

We had hoped to be able to announce plans for the Yüksek in this issue, and to report on a timetable for the merger of the lycees. Not surprisingly, long range planning is a complicated business, especially when you are dealing with a joint Turkish-American enterprise and major decisions remain to be made, hopefully by the end the academic year.

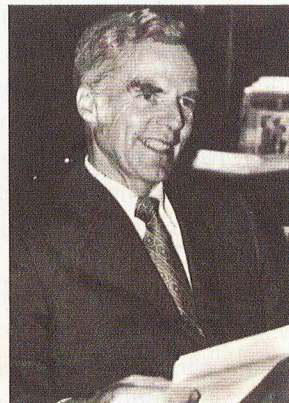
Meanwhile, a report on the progress since the last report in these pages is in order. We have had a good first semester on the campus. The physical merger of the lycees is still awaiting the approval of the Ministry. The Merger Committee continues its planning, with special reference to the new curriculum of the coeducational lycee.

Richard Reid, in his capacity as special assistant to the President, will be given added responsibility beginning next year to coordinate all planning for the coeducational lycee while continuing as Headmaster of the Academy and editor of this magazine. Special consultants on lycee programs, will visit the College to review the findings of the Merger Committee, especially with respect to curriculum.

The Committee on curriculum for the Yüksek, composed of students, faculty and administration, will report to the General Faculty of the Yüksek later this spring, following

consultations with Dr. Sherrill Cleland, a specialist on curriculum building.

The Trustees and members of the Administration have carried on a se-



Dr. Everton

ries of consultations both in the public and private sectors in Turkey and in the U.S. concerning the future role of Robert College in Turkey. Various costing studies have been undertaken to provide data necessary as we plan for the future.

There was a meeting of the Executive Committee of the Board here on March 7th, and of the Resident Trustees with the visiting nonresident members of the Board on March 8th. The next full Board meeting will be in New York on April 4th, and extended discussi-

(continued on inside back cover)

MEHMET ARTEMEL

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In keeping with the main theme of this issue, the article that follows focuses on the financial history of Robert College up until when it 1971 became Boğaziçi University. Readers will appreciate that such a topic merits an entire book to be devoted to it. Admittedly, the best that can be hoped to be achieved in a fairly condensed article that attempts to deal with a subject as complex and intricate as finance – which incidentally appears to have been an incessantly recurring theme throughout the history of the College/University – is to provide the reader with a gist of the heavy responsibility administrations are entrusted with in maintaining a delicate balance between academe and business.

To maintain a college or university is no easy task. Probably less so these days, when governments across the world are cutting back in providing hand-outs or subsidies to schools and universities. Universities in particular seem to be devoting a considerable portion of their time and energy to means of finding new sources of funds. Cooperation or joint-projects with industry is one such example. Appealing to alumni is yet another one that seems to have withstood the test of time. Visitors to Boğaziçi University's website will have noticed the fund-raising campaign under the banner of "Boğaziçi Hepimizin" or as may be expressed in English: "Boğaziçi Belongs to Us All" together with the total amount thus far raised.

The history of Robert College or Boğaziçi University is no different in this respect. Financial issues seem to have been an overriding concern throughout its history. Of course, there appear to have been many other difficulties that have comp-

licated the founding of a college in a foreign land, not least political.

Herbert Lane, in an article entitled *The Opening of Robert College* explains that the scale of the problems that awaited Mr. Robert and Dr. Hamlin were akin to those that 'only a government could solve'. Lane suggests that the whole project may very well have ended before it even got off the ground:

"...but both Robert and Hamlin were men of determination. It was decided that Dr. Hamlin go to the United States to raise money while he waited. The reception back home was hardly more encouraging than that in Turkey."

There was no uncertainty as to the fact that Mr. Robert, a considerably wealthy man was to be the main financier of the project. However, any project of this nature which calls for sustainability and viability in the longer term necessitates the finding of what are often referred to today as 'matching funds'. The turning point for Robert and Hamlin's ambitious project was when a distinguished university in the States provided the much needed endorsement:

"Harvard University's backing of the Hamlin-Robert plan gave it a stamp of approval, and soon the road became easier. A button manufacturer in Northampton, Massachusetts gave \$10 thousand and others pledged similar amounts. Interest was beginning to kindle."

Hamlin, it seems, never felt quite at ease with the task of approaching potential donors as a means of seeking much needed funds. In a letter dated February 8, 1873, written to his family in the States, he recognizes that as the student intake

increases the need for erecting further buildings will become inevitable. Though he is well aware that this will entail asking for money from generous and wealthy donors. He signs off the letter:

"... 'Cyrus Hamlin, Beggar and Architect' seems to be my destiny."

'Shall Robert College Be Sustained?'

The above is the title of an article written by Washburn as President of Robert College, in 1878. According to the President 'the death of Mr. Robert and the present financial condition of Robert College...' had made it 'necessary to present the question...'

Washburn elaborates on the financial difficulties that the College had to overcome right from the very inception of the idea:

"As it stands today, it is the fruit of twenty years of incessant labor, and has cost more than \$300,000. To reach its present position it had to meet and overcome the most serious difficulties:

Those who first planned it were forced to abandon their scheme because funds could not be obtained. When Mr. Robert and Dr. Hamlin took it up the civil war in America made it impracticable to raise any money by general subscription, as had been intended, and threw the whole burden upon one man."

Washburn then touches upon difficulties of a non-financial nature that the college had to face in its history of seventeen years. However, when one reads on, it becomes clear, that he is exceedingly worried about the financial future of the college:

"Now, when all these difficulties have

Cost

Estimates are as follows:

	<u>1961-62</u>	<u>1971-72</u>	<u>11-year total</u>
Current operations (including plant maintenance and rehabilitation)	\$2,527,000	\$3,852,000	\$36,818,000
Plant construction and acquisition	<u>536,000</u>	<u>150,000</u>	<u>6,624,000</u>
Total	\$3,063,000	\$4,002,000	\$43,442,000

Sources of Funds

Tuition fees, gifts from sources other than the United States government, income from endowment, and (through 1962-63) depletion of endowment will continue to bear the major share of operating costs and (especially) of plant construction and acquisition. But the Colleges cannot continue to exist, as American institutions, for more than five years without immediate and substantial increase in operating-cost funds from the United States government.

	<u>1961-62</u>	<u>1971-72</u>	<u>11-year total</u>
For Current Operations (including plant maintenance and rehabilitation)			
Tuition fees, gifts from sources other than the U.S. Government, endowment income, endowment depletion	\$2,256,000	\$1,937,000	\$21,068,000
U. S. government	<u>271,000(1)</u>	<u>1,915,000</u>	<u>15,750,000</u>
	\$2,527,000	\$3,852,000	\$36,818,000

Plant Construction and Acquisition

Tuition fees, gifts from sources other than the U.S. government, endowment income, endowment depletion	\$ 317,000	\$ 150,000	\$ 5,041,000
U. S. government	<u>219,000(2)</u>	<u>-----</u>	<u>1,583,000(3)</u>
	\$ 536,000	\$ 150,000	\$ 6,624,000
<u>Total</u>	\$3,063,000	\$4,002,000	\$43,442,000

- (1) Faculty salary supplement, student scholarships, minor plant modernization, etc.
- (2) Laboratory equipment, library acquisitions, etc.
- (3) This includes only the grants already (through the U.S. government's fiscal year 1961-62) finally contracted or all-but-finally assured.

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been overcome, it finds itself without adequate means to maintain itself.... It is a well-recognized fact that no college in the world can be maintained without a permanent faculty, and also that such a faculty must be supported to a considerable extent by a permanent endowment. The men who now fill the professorships have proved by their success that they have the ability and experience necessary for the position. To dismiss them would be to destroy the college."

In the following century, despite two world wars, the college somehow still manages to cope with its difficulties. President Everton, in a statement made in January 1971, notes:

"Throughout its 107 years of existence Robert College has never closed its doors, not even during World War I when Turkey fought on the side of Germany. The high

cost of education today applies in Turkey as well as in the rest of the world and shortly after World War II expenses began to go up faster than the College's ability to meet them."

(A Statement about Robert College by President John Scott Everton, January 1971)

One of the College's foremost priorities of providing scholarships to promising students across Turkey becomes increasingly untenable in the face of increasing costs. This more than any other seems to be an issue that preoccupies successive presidents since the second half of the 20th century. In the *Summary of the Development Plan - 'condensed from the profile for the years 1952-1972 submitted on April 30, 1962 to the Assistant Secretary of State for the Educational and Cultural Affairs, Washington, D.C.'* - of June 8, 1962 it is

noted that in view of the need to keep pace with the needs of present-day Turkey by means of increasing enrollment and the scope of instruction, and improving physical equipment and teaching personnel' there was 'need for much effort and money'. Ironically, the financial projection made in respect of the following 11 year period provides estimates as up to 1971-1972, inclusive. 1972 corresponds to the year in which the College was formally turned over to the Turkish government.

Financial concerns become the leading theme in the winter 1970 issue of the *Robert College Alumni Magazine*.

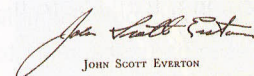
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ons on the future of the Colleges are expected at these meetings.

We have not proceeded as rapidly as we have hoped with the organization of the Alumni, but further discussions are being held on the initiative of some younger members of the Alumni, and we hope to have a more effective organization by the end of the current year.

Thus far, your President has not used these columns to appeal for

funds. But may I call your attention to the discussion on the need for greatly increased scholarship funds as set forth on page 1 in this issue, and urge the strong support of every graduate of these Colleges. The New York Alumni have led the way with their generous gift of one full cost (\$2300) scholarship for each of the next four years (report on page 1). May we appeal to all of you to respond in similar fashion.


JOHN SCOTT EVERTON

The extract from the editorial of the magazine reveals that the gifts donated by the alumni fell far short of expectations, at a time when the administration had become increasingly dependent upon this source. This is no more apparent than the plea made to the alumni by President Everton himself in the same magazine:

IN THIS ISSUE:

*Two questions—
Will the Colleges
have to refuse potential
scholarship students
next year?
Will the Alumni
help prevent it?*

Robert College
American College for Girls
Robert Academy
Winter Issue
1970

A memorandum written, one year before Everton's report, by Alfred Ogden, the predecessor to President Everton, reflects a concern as to the long-term viability of the institution in the face of shrinking funds. In his memorandum of October 22, 1969, headed 'A Policy for the Future of Robert College' and addressed to the members of the Board of Trustees of Robert College, Ogden notes:

"The operation of Robert College ... imposes an almost intolerable burden on the Trustees who are responsible for its finances ... Private philanthropy in the United States and Turkey cannot support Robert College and has failed to do so for several years, to an alarming extent...In this connection, Robert College has been sustained in the past few years by Mr. Morris and others whose appeals have been successful in persuading A.I.D. to grant the necessary funds. I think we are virtually at the end of this road."

Ogden, in a footnote to the above paragraph provides figures in connection with the extent of the deficit which he contends is a cause for alarm:

"From 1964 to 1970, inclusive, U.S. Government grants have totalled \$18,000,000. The current budgeted deficit will still be \$1,000,000."

Alfred Ogden contends that the scale of contributions offered by Turkish private philanthropy and the alumni are far from being adequate. He remarks:

"In Turkey, the practice of giving is not carried out on a significant scale and the private sector in Turkey does not yet have the affluence to meet Robert College's \$1,000,000 deficit this year, much less a deficit of \$3,300,000 without U.S. A.I.D."

In the footnote, Ogden recognizes that providing the requisite funds for running

an educational institution is an uphill struggle even in the States. He poses the following rhetorical question:

"The Crocker figures, I am told, indicate a break-even point with \$800,000 of A.I.D. money. What college or preparatory school in the affluent U.S. today is able to balance its budget without annual giving by alumni, government contracts, etc.?"

The fall in the number of grants from the U.S. Government through the Agency for International Development (A.I.D) had, it appears, proved to be too cumbersome a financial burden to bear. Everton, in a statement he made post-transfer of the College to the Turkish State, succinctly summarizes the state of affairs at the time:

"The new Yüksek division which grants the Bachelors' and Masters' degrees in several disciplines proved to be a very expensive endeavor for the old institution. The ever rising cost of education with the added factor of inflation in both Turkey and the U.S.A. prevented the balanced budgets which the Board had hoped for. The policy of AID toward supporting education abroad has declined and during the past several years AID grants have been reduced with the accompanying necessity to invade the modest endowment of the College to meet deficits. During the past three years the requirements of spending capital for operating has eroded the endowment from ten million dollars to under seven million. It has been obvious that continued invasion of the endowment would dictate closing down the whole operation within very few years. The only alternative was to make major changes in the institution. Consequently, during 1970 the Board of Trustees made the hard but unavoidable decision to turn over to Turkish sponsorship the Yüksek

portion of the College's operation and to return the American-sponsored institution to its traditional role as a distinguished middle and secondary school." (A Statement about Robert College by President John Scott Everton, January 1971)

The transfer of the College to the Turkish State marks the beginning of a new era under what is to become a university that gains worldwide recognition for its academic standards.

Cyrus, -at a time when the college was under severe financial problems and when the future seemed bleak- wrote as follows in a letter dated July 5, 1877 to his daughter Henrietta when he had returned to the States:

"Although its prospects are now so dark, it will somehow, I know not how, and by means and agents which I do not attempt to imagine, survive and flourish again..."

(Freely, 2000, p. 116)

Survived and flourished, it has indeed ... A century and a half on, Boğaziçi University deservedly stands proud of its academic standards that have gained universal recognition notwithstanding the financial and political turmoil, and all the stronger and resilient for it. ■

References consulted:

- The Scott Archive, Boğaziçi University Cultural Heritage Museum
- RC Alumni Magazines
- Freely, J. (2000). *A History of Robert College*. Volume I. Istanbul, Yapı Kredi Yayınları.
- Author's private archive and documentation.