

A Survey
of the
Program and Organization
of the
HENRY GEORGE SCHOOL OF SOCIAL SCIENCE
December 1960

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This confidential report is submitted solely for the information
and benefit of the Henry George School.

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January 16, 1961

The Board of Trustees
Henry George School of Social Science
c/o Mr. Lancaster Greene, Vice President
50 East 69th Street
New York 21, New York

Dear sirs:

We submit herewith the results of our survey of the Henry George School undertaken in accordance with our letter to you of July 7, 1960.

We trust that our review of the total activities of the School and the recommendations we have made will serve as useful guidelines for you and your fellow trustees as you plan for the future of the School. Both in New York and throughout the country and Canada we were greeted warmly and received the utmost in cooperation from all extension directors, faculties, and friends of the School.

We are especially grateful to the Director of the School, Mr. Clancy, for his willing help and guidance.

As we travelled throughout the United States and Canada, the many people we interviewed offered us a number of useful suggestions which have found their way into our report. We commend to your attention the request by most of those we interviewed that salient parts of our report be made available to the various extensions.

We have sincerely enjoyed our work with the Henry George School and will be pleased to discuss our findings and recommendations with the Board of Trustees at the appropriate time.

Respectfully submitted,

Nelson Associates

Nelson Associates

Table of Contents

	<u>Page Number</u>
INTRODUCTION	1
Scope	1
Methods of Study	1
Chapter I. HISTORY AND OBJECTIVES	3
The Objectives of the School	6
Chapter II. THE STUDENT BODY	10
Student Characteristics	10
Identifying the Target Public	14
Problems of Recruitment and Retention	17
Promotion	17
Curriculum	21
Faculty Considerations	26
Teaching Method	29
First Impressions	33
Chapter III. ORGANIZATION AND FUNCTIONS OF THE SCHOOL	36
International Headquarters Staff	36
Duties of Director	36
Duties of New York Extension Director	38
The Board of Trustees and Staff Relationships	40
Budget Procedures	42
Expenses of International Headquarters and New York Extension	44
Building Maintenance Costs	45
Chapter IV. THE NEW YORK BUILDING: Space Utilization	48
Chapter V. THE EXTENSIONS	52
A Five Year Record of Costs per Graduate	53
Actual Costs are Higher	55
Criteria for Evaluation	56
Alumni Organizations	58
Local Contributions	58
The Question of Tuition	58

Table of Contents Continued

	<u>Page Number</u>
Chapter VI. SUMMARY AND PLAN OF ACTION	62
Summary	62
Administration	62
Extensions	63
Student Body	64
Leadership	65
Financing and Budget	65
Cost of Implementing Recommendations	66
Plan of Action	
Extension Plans: Director-made and Implemented	69
The Plan	69
Developing First Year Program Plans	71
Evaluating the Activities of the Year	74
The Second Year Plan	75
Timetable	76
Appendix A. Letter Outlining Present Survey	

List of Exhibits

<u>Number</u>	<u>Title</u>	<u>Follows Page</u>
I.	Student Characteristics - New York Extension 1955-1959	10
II.	Five Categories of Expense from the Proposed Budget, fiscal 1960-61	44
III.	Allocation of New York Staff Salaries 1960-61	45
IV.	Maintenance Costs for Headquarters and New York Extension in New York School Building	45
V.	International Headquarters Expense and New York Extension Expense based upon Proposed Budget 1960-61	46
VI.	Mean Cost per Graduate of Fundamental Economics for all Extensions 1955-1959	53
VII.	Cost per Graduate of Fundamental Economics for each Extension in Year	54
VIII.	Graduates of the Three Basic Courses 1955-1959	56

Introduction

This report contains the findings of a study authorized by the Board of Trustees of the Henry George School in July 1960, and made possible by a grant from the Lincoln Foundation. The report opens with a brief history of the School and an examination of the basic objectives of the School. It continues in Chapter II with an analysis of the student body and problems of recruitment and retention.

The operations and organization of International Headquarters is treated in Chapter III and is followed by a consideration of New York space problems in Chapter IV. An analysis of the operation of extensions receiving subsidies is made in Chapter V. The report is concluded in Chapter VI with a summary of recommendations and a plan of action for the next two years.

SCOPE

As stated in our letter outlining the proposed survey (a copy of which is included in Appendix A), "The proposed study is to be a general survey of certain major aspects of the School's operations. ...The survey would give attention in particular to the following areas:

1. Administration
2. Extensions
3. Student Body
4. Leadership
5. Financing and Budget."

METHODS OF STUDY

In the preparation of this report we have relied upon a variety of methods to obtain data and viewpoints. Specifically we have

- interviewed 14 directors of extensions of the Henry George School

in the following cities:

Boston	Hartford	St. Louis
Chicago	Los Angeles	San Diego
Cleveland	Montreal	San Francisco
Denver	New York	Toronto
Detroit	Philadelphia	

The following extensions of the School were excluded from the study by agreement with the Board of Trustees:

Fairhope	Newark
Grand Rapids	Pittsburgh
Great Falls	Portland
Kansas City	

- interviewed the Director of the School and all of the employees of the School in New York
- interviewed the Dean and Associate Dean of the New York extension.
- interviewed six trustees of the School
- held discussions with 76 faculty and local board members at the various extensions. These meetings varied in length and intensity of discussion. For example, we spent two days with 25 faculty and board members of the San Francisco extension at a teacher's institute. This concentrated period of time permitted us to talk at length with eight or ten people and to talk briefly with others. In St. Louis, Detroit, San Diego, Los Angeles, Cleveland, Toronto, and Montreal we spent an extended period of time in roundtable discussion with representative members of the faculty and board.
- interviewed seven of the best students of the summer session, 1960, of the New York extension.
- attended seven classes in Fundamental Economics and one class in Science of Political Economy.
- reviewed the minutes of the Board of Directors and Executive Committee for the past five years.
- reviewed the auditors report for the past five years.
- studied texts and teacher's manuals for Fundamental Economics, Science of Political Economy, Applied Economics, and Philosophy of Life.

Chapter I.

HISTORY AND OBJECTIVES

In this chapter the basic objectives of the Henry George School are considered. In order to provide a meaningful framework for understanding these objectives, there is first a review of the genesis and early history of the School, drawing extensively upon Robert Clancy's book, A Seed was Sown, The Life, Philosophy and Writings of Oscar H. Geiger, Founder of the Henry George School of Social Science.

Almost from his very first contact with Henry George in 1896, Oscar Geiger had determined to dedicate his life to teaching George's philosophy. Whereas many Georgists believed that in an intensification of political activity lay the best hope for achieving reform, Geiger was convinced that the first task lay in education. Although he had been active in two political campaigns with the Single Tax Party (1920) and the Commonwealth Land Party (1924), he viewed the importance of his participation in terms of its propaganda value and not its political value.

At first it was the public at large toward whom Geiger's efforts were directed. He spoke wherever he could find people to listen to him. But he had few converts; the utopia he promised seemed to hold little attraction for his listeners.

Perhaps the appeal to the masses was not an effective approach. Clancy quotes James Robinson, one of the early leaders of the movement, as saying to a discouraged Geiger, "Don't expect results from the masses. Machiavelli rightly divided mankind into three groups - those who think, who are, alas few; those who understand the thinkers, who are also, alas, few; and those who think not at all, who are, alas, many. Don't waste time with

this last group. Try to reach those who think and those who understand. They will lead the rest."⁽¹⁾

Disappointed in his failure to win large numbers of people to the cause, Geiger shifted his emphasis to more select groups of people. Through the New York State Single Tax League, he established Reading Circles in the hope that by intensive study and free discussion many people would become active in the movement. But the idea did not catch hold spontaneously and Geiger's business responsibilities precluded his devoting the time necessary to make a success of the venture.

There is no little irony in the fact that his dream of establishing a school finally was realized when, in the depths of the Depression, he found himself without a job and unable to secure one. On January 1, 1932, Geiger founded in New York City the Henry George School of Social Science, and in September of that year the School was granted a Provisional Charter by the University of the State of New York (an absolute Charter was granted in 1937).

In the March-April, 1932 issue of Land and Freedom, notice was taken of the founding of the School: "The Henry George School of Social Science, under the direction of Oscar H. Geiger, seems to us a movement destined to develop into a great institution. It marks a new step in an untried field, and will provide an educational center out of which will grow young and active leaders to assist us in the great battle for industrial freedom that is surely coming. It approaches its work in a spirit of full cooperation, and the generous and whole-hearted responses that have come to it since its inception are extremely gratifying."

(1) Page 14. A Seed Was Sown

At first the academic program consisted solely of evening forums where the student body would be invited to question the speaker of the evening. Soon, however, it was apparent that there was need for a systematic approach to the teaching of George. Geiger therefore prepared a ten lesson course, "Fundamental Economics," based on Henry George's Progress and Poverty. The course proved successful and became the foundation of the School's program. Courses were also developed in "Protection or Free Trade," and "Science of Political Economy" based on the writings of Henry George, and "The Philosophy of Henry George" based on a book by Geiger's son, George.

All four courses were offered for the Fall term in 1933. During the school year 1933-1934, there were 84 enrolled students, 75 of whom continued their studies for the entire course which ended in May 1934. Geiger was determined to make the School accessible to all who wanted to learn, especially young people, and thus although there was the formal requirement of a \$10. tuition fee, in practice many scholarships were offered. In the early years of the School, the New York City Board of Education gave "alertness" credit to public school teachers for completing the course in Fundamental Economics.

Since Geiger's death in 1934 the School has been transformed in a number of significant ways. The physical site of the School has been changed twice from its original location. For a few years (1938-1944) it was located at 30 East 29th Street; from there it was moved to its present site.

In the mid-thirties, inspired by the success in New York, Georgists throughout the country sought to establish extensions of the School in a number of American cities. Several of these became incorporated as not-for-profit educational institutions. Because of the beneficence of individuals and

organizations of Georgist persuasion the School's financial position improved considerably, to the point where it was possible to give modest financial support to a number of the extensions both in the United States and Canada. These extensions have thus been able to achieve a measure of financial stability, permitting them to retain full time extension directors and to rent office or classroom space.

Because the New York School was the school in the early days, whereas today it is the largest one of the many schools, for the purposes of this report "School" is used to designate the corporate entity which subsumes all of the non-incorporated extensions. The term is used also to include the separately incorporated schools in San Francisco, Los Angeles, Boston, Toronto and Montreal which receive subsidies, and the schools in Chicago, Newark and San Diego which do not. In practice those schools which are in-^{same}corporated maintain the/close ties to the School as those which are not incorporated. Thus it is the School which grants subsidies to its extensions, including the New York extension. The Director of the School happens also to be the director of the New York extension, but since organizationally these two positions are separate and distinct we refer to them as such.

THE OBJECTIVES OF THE SCHOOL

This brief history of the School has been recounted in order to give some perspective for examining the objectives of the School as they are understood today. It is clear from this history that early Georgists looked upon the School fundamentally as an educational institution for adults, especially young adults, the objectives of which were:

1. to teach the economics and social philosophy of Henry George;
2. to develop through education popular support for tax reform.

In the early days, classroom courses were the means used to achieve the first objective. The second objective was a concomitant of the first. As more students graduated from the School, it was hoped that they would join the ranks of those who sought tax reform. There was no thought of the School's serving an additional function as a quasi-political organization. Perhaps Geiger's early association with various Georgist groups had convinced him that political activity had to follow, not precede an educated public.

In interviews with extension directors, faculty, students, and friends of the School, the present perception of basic objectives was explored. Insofar as the New York extension is concerned, it seems clear that the perception is the same. The New York extension offers substantially the same program as the School did in the early days of its development, although a number of advanced courses have been added, some of which are not directly related to teaching the economics and social philosophy of Henry George.

Extensions in other parts of the country and Canada in general pursue the same two objectives. However, in a number of instances, because enrollments have shown no appreciable growth - or have actually declined - extension directors have tried to achieve these objectives outside of the scope of the traditional course offerings. One director posed this question: after the pre-term activity has subsided and the forthcoming results indicate a small class enrollment in the School, what can the director and his associates do to carry on the mission of the Georgist movement? He answered that the only alternative was to shift the emphasis from formal teaching in the School to propagandizing the public at large.

In some instances directors have increased the amount of time they had previously spent in working with civic organizations in the hope that they could inject the Georgist view into the activities of these groups. They have also prepared mailings of important reprints to a selected list of community leaders. Two or three directors have, either on a regular or occasional basis, arranged to make radio commentaries on contemporary problems from the Georgist point of view. Several plan public forums on current problems and invite the public at large.

Although there is a consensus among extension directors that the School must not participate directly in political activity, there is a strong feeling among many of them that the School should encourage alumni to participate in political action. Any activities which lead to the involvement of alumni in active work for the Georgist movement are considered important and proper activities for the director to engage in. In fact, going beyond this, it is the belief of many that in a broad sense the objective of the School is to aid, nurture, and support all activities which contribute to the furtherance of the Georgist movement. Therefore, the view was often expressed that although the role of the School as an educational institution is important, the real function of an extension depends upon the needs of the particular community in which it is located. Extensions as perceived by these people are actually organizing centers for Georgist activity. The only limitation on the kinds of activities performed is direct political action since there is widespread belief that the educational purpose of the School precludes this. In the minds of some directors there is no longer a sharp differentiation made between those activities which are the prime mission of the School and those which are objectives of the Georgist movement as a whole.

This is not to suggest that all of the extensions do not value the importance of offering courses each term. Rather, because the classes have failed to attract a sizable number of adults, activities once considered peripheral to the main concern of the School are now regarded as equal in importance. In contrast to the view held by some directors that the School should attempt to reach the public at large through non-course activity, there is the belief expressed by one Trustee and one director that there should be established an undergraduate school leading to a two or four year college degree.

OBSERVATIONS

1. The direct face-to-face teaching of students is no longer regarded by many extensions (especially the smaller ones) as the primary means of achieving the basic objectives of the School.
2. It would appear that attempts to reach the public at large through non-course activities, or to establish an undergraduate school do not advance the main purpose which the School has pursued since its inception - the offering of non-credit courses in economics for adults.
3. There is a need for defining and implementing concrete, intermediate program goals which can be achieved soon. In the past, most extension directors have been confronted with the persistent awareness that their efforts to vitalize the School have failed. But failure or success cannot be determined unless there are finite goals toward which activity is directed. The objectives as stated in this chapter define the aims of the School but do not provide benchmarks to measure achievement.

Throughout this report and especially in Chapter VI we make a number of recommendations which are designed to help the School in defining these intermediate goals.

Chapter II.

THE STUDENT BODY

Most extension directors are in agreement that the School has not managed to attract the kind of students who can get the most out of the program and who in turn are able and willing to devote their time and energies in working for the School. In this chapter there is an analysis of the available information about the students in the various extensions, and a discussion of recruitment and retention.

STUDENT CHARACTERISTICS

The New York extension keeps the most detailed information on the characteristics of its student body; most extensions do not keep any data of this kind. However, the various extension directors were able to give a number of impressions about the students who have graduated from their schools. These impressions when compared to the data obtained from the New York extension provide a useful profile of a representative number of students.

Extension directors outside New York make three generalizations about the students who have attended their schools during the past five years:

1. There is a preponderance of clerical and non-professional people attending classes.
2. Less than one half of the students have college degrees.
3. A large number of graduates - in some cases it was estimated at more than one half - are over 50 years of age.

In order to compare these impressions with the characteristics of the student body of the New York extension during the past five years, 1955-59, Exhibit I was prepared. This exhibit gives a breakdown of 6,197 enrollees and 2,579 graduates of Fundamental Economics according to education, sex,

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Student Characteristics - New York Extension 1955-1959 *

	1955		1956		1957		1958		1959		TOTAL		% Retention
	En-rolled	Graduates	En-rolled	Graduates	En-rolled	Graduates	En-rolled	Graduates	En-rolled	Graduates	En-rolled	Graduates	
<u>Education</u>													
College Degrees	261	104	292	127	280	99	325	133	389	165	1547	628	41%
College Non-Degree	352	142	349	154	238	95	298	131	317	125	1554	647	42
Non-College	794	333	640	253	483	212	534	240	645	266	3096	1304	42
<u>Sex</u>													
Male	665	268	603	255	473	201	585	260	699	289	3025	1273	42
Female	742	311	678	279	528	205	572	244	652	267	3172	1306	41
<u>Occupation</u>													
Business & Professional	216	105	247	117	203	97	247	111	271	102	1184	532	45
Clerical & Skilled	806	309	676	279	519	189	627	272	671	273	3299	1322	40
Unskilled	56	33	32	8	22	11	12	3	22	8	144	63	44
Non-Commercial	329	132	326	130	257	109	271	118	387	173	1570	662	42
<u>Age</u>													
Teens	82	26	69	15	46	18	59	17	105	28	361	104	26
Twenties	368	107	316	111	235	79	284	105	304	95	1507	497	33
Thirties	280	126	229	104	214	90	272	108	279	110	1274	538	42
Forties	230	117	197	84	163	73	183	88	211	103	984	465	47
Fifties	152	74	155	66	138	62	128	78	162	88	735	368	50
Sixties	79	39	59	32	45	24	67	29	83	45	333	169	51
Seventies	9	4	18	14	14	4	14	9	15	7	70	38	54
Eighties	2	0	0	0	1	1	1	1	1	1	5	2	
Nineties	1	0	0	0	0	0	0	0	0	0	1	0	
No Record	204	86	238	108	145	55	149	70	191	79	927	398	
Totals	1407	579	1281	534	1001	406	1157	504	1351	556	6197	2579	43

* Program year coincides with calendar year.

occupation and age. These enrollees and graduates constitute all of the graduates of the New York extension for the five year period 1955-59 excluding those who attended New York regional classes.

The following statistics are drawn from Exhibit I.

1. OCCUPATION

- a. For the five year period, enrollments in Fundamental Economics are about 21% Business and Professional; about 51% Clerical and Skilled; about 2% Unskilled; about 26% Non-Commercial (a category which includes housewives, students, unemployed, retired, etc.).
- b. For the five year period about 19% of the graduates are Business and Professional.
- c. For the five year period retention rates are about 45% Business and Professional; about 40% Clerical and Skilled; about 44% Unskilled; and about 42% Non-Commercial.
- d. Comparing 1955 with 1959 there is an increase of about 25% in Business and Professional enrollments although retention declined about 11%.
- e. Comparing 1955 with 1959 there is a decline of about 17% in clerical and skilled enrollments although retention increased about 6%.
- f. Comparing 1955 with 1959 enrollment variations for Unskilled are not significant since the number of enrollments is small.
- g. Comparing 1955 with 1959 there is an increase of about 18% in non-commercial enrollments and retention increased 5%.
- h. Comparing 1955 with 1959 there is a total decrease of about 4% in enrollments and retention rates remain about the same.
- i. The three categories, Business and Professional, Clerical and Skilled, and Non-Commercial, show consistent increases for the past three years. Enrollments and retentions for 1959 show the following changes as compared with 1957:

	<u>Enrollments</u>	<u>Retention Rates</u>
Business and Professional	+ 33%	- 3%
Clerical and Skilled	+ 29%	+ 5%
Non-Commercial	+ 51%	+ 3%

2. EDUCATION

- a. For the five year period there are about twice as many non-college students as there are students with college degrees.
- b. The five year total shows that non-college students about equal those students who have had some college.
- c. For the five year period about 25% of the graduates are adults with college degrees.
- d. For the five year period retention rates are about 41% College Degree; about 42% College, non-Degree; about 42% non-College.
- e. Comparing 1955 with 1959 there is an increase of about 49% in College Degree enrollments and retention rates increased 2%.
- f. Comparing 1955 with 1959 there is a decrease of about 10% in College, non-Degree enrollments, but retention rates decreased only about 1%.
- g. Comparing 1955 with 1959 there is a decrease of about 19% in non-College enrollments but retention rates remained about the same.
- h. Enrollments and retentions for 1959 show the following percentage changes as compared with 1957:

	<u>Enrollments</u>	<u>Retention Rates</u>
College Degree	+ 39%	+ 7%
College, non-Degree	+ 33%	No change
Non-College	+ 34%	- 2%

3. SEX

There are about the same number of male and female enrollments and retention rates are almost the same for each sex.

4. AGE

- a. The largest number of those enrolled are in their twenties and thirties; however retention rates for these ages are not as high as for those people in their forties, fifties and sixties.
- b. There is no age record for a large number of students. There is no rational basis for assigning these students to any particular age group. Consequently, if there were a preponderance of people of one age group in this category the enrollment figures and retention rates would be markedly affected.

OBSERVATIONS

The record of New York student characteristics agree with impressions extension directors have about their students in two respects:

1. Most students are Clerical and Skilled; less than a quarter are Business and Professional.
2. Relatively few students are college graduates, but there is a larger percentage of college graduates now completing the course.

The New York student characteristics do not agree with impressions extension directors have about their students in respect to age: only about 22% of the graduates over the past five years were 50 or over.

These statistics become more meaningful when a composite of them is made to describe the typical graduate of the School during the past five years. For this purpose, advantage is taken of recent studies⁽¹⁾ which have analyzed present day society into four broad categories or "publics." These studies are adapted for the purposes of this study.⁽²⁾

Following is a description of these four publics. (The description bears an interesting similarity to the remarks made by James Robinson referred to on page 3 of this report.)

- a. The inattentive - a group that includes the majority of citizens: uninformed, apathetic, unable, for example, to give even the name of any major economic thinker;
- b. the attentive - a group that may constitute up to 30% or 40% of adult citizens, depending upon the boundaries of the definition used: persons who read the news in newspapers, listen occasionally to newscasts on radio and television, and who would be able to identify Karl Marx as a Communist thinker or able to explain the difference between an income tax and a property tax;

1. See Gabriel A. Almond, The American People and Foreign Policy (New York: Harcourt Brace and Company, 1950) - and Cyril O. Houle and Charles A. Nelson, The University, The Citizen and World Affairs (Washington: American Council on Education, 1956) Chapter 3.
2. For the benefit of those persons who are trustees of both the Schalkenbach Foundation and the Henry George School, we offer a parallel analysis to that used in our report to the trustees of the Schalkenbach Foundation, dated May 31, 1960. The analysis used in the context of the School will help the reader distinguish between the target public of the Foundation and the target public of the School.

- c. the actively concerned - a small group made up of persons who are generally college graduates and are often businessmen or professionals or their wives, who read news magazines and journals of opinion, participate in educational programs for adults, belong to civic and "cause" organizations, and who would be able to identify Adam Smith and might have an opinion on the justice of the graduated income tax;
- d. the professionals in economics - an almost infinitesimal number of persons, usually in positions of influence and often exercising some leadership in thought or action over the actively concerned group. They include professional economists, public officials such as assessors, college economics teachers, staff members of economic education organizations, lobbyists, and the like.

To which of these publics do graduates of the School belong? Exhibit I shows that about 25% of the graduates for the five year period hold college degrees and that about 19% are engaged in business or professions. Thus, it is apparent that not more than from 20-25% of the student body are included in the public called the actively concerned. Most of the remaining 70-75% of the student body are included in the public called the attentive. This is based upon the following assumptions:

1. Most students are interested and sufficiently well informed to be classified as attentive, as evidenced by their enrollment in the School.
2. Few students belong to the group defined here as the inattentive since enrollment requires an overt action and the requirement for graduation is attendance for at least seven of the ten sessions.
3. Few students belong to the professionals as revealed by occupational breakdown of the college educated. It has already been pointed out that only about 25% of the graduates in Fundamental Economics have college degrees.

IDENTIFYING THE TARGET PUBLIC

School people often express concern that people of "influence" are not attending the School. One director said that he failed to see a bright future for his extension because enrollments were low and those who did

graduate were people who could not be counted upon to influence others. The case should not be overstated, however. There is one director, for example, who feels that by offering courses for special groups he has been able to reach some people of influence, and another director believes that through special promotion techniques he has reached an audience which will bring new prestige to his extension.

Nevertheless the greater number of extension directors are as concerned about the kind of people who attend as they are about the numbers of people who enroll.

A relationship of influence among the four major publics described earlier is assumed: the professionals influence the opinions of actively concerned citizens and also exert direct influence on public policy; actively concerned citizens exercise leadership in a variety of direct and indirect ways over the attentive citizen; and the large bulk of inattentive citizens, to the extent that they are influenced at all, move first into the category of the attentive and then, if further affected by people or events, into the category of actively concerned citizens.

Within this hierarchy of publics, the members of the smallest group - the professionals - have per man the greatest effect upon the opinions of others and the greatest effect upon the formulation of public policy. Conversely, the members of the largest group - the inattentive - have per man the least effect upon the opinions of others and the least effect upon the formulation of public policy.

Which of these publics, then, is the best target for the major concentration of promotional activity? Members of the inattentive public are generally uninterested and apathetic; and the most influential of all the

publics, the professionals, are not likely candidates since they cannot be attracted to informal classes taught by amateurs in subjects in which they consider themselves experts. There remain for consideration, then, the attentive and the actively concerned publics. It has already been observed that most students presently graduating from the School are members of the group called the attentive and that they do not exert sufficient influence on others to enhance the reputation of the School and make significant contributions as leaders in the movement.

RECOMMENDATIONS

It is recommended, therefore, that the School concentrate its major efforts on recruiting students from the public called the actively concerned.

Surely, the School cannot hope to make progress toward its basic objectives unless it is able to convince those who influence others that these objectives are vital for a healthy, viable economy which offers maximum freedom for everyone.

In making the recommendation that the School concentrate on a particular segment of society, we are not advocating that the School should become an exclusive educational center for an elite group. On the contrary, people from all walks of life may benefit personally from inquiry into Georgist thought and can provide popular support for possible tax modifications in the future. However, when one considers the limited financial resources of the School and the basic objectives it wants to achieve, it is apparent that the School must be highly selective in deciding where its major efforts must be directed.

The point must be made strongly that the problem which almost all of the extensions face is related both to the kind and numbers of people who are enrolling in the School. On the one hand present enrollments of students

from the attentive public could be doubled or trebled and the general impact of Georgist thought upon American society would not be appreciably affected. But on the other hand it is doubtful whether a small number of students from the actively concerned public could themselves marshal public opinion to the point of effecting fundamental change in the existing tax structure.

PROBLEMS OF RECRUITMENT AND RETENTION

Isolating the target public was the first important step in the analysis. Two immediate questions suggest themselves as the next consideration in this inquiry:

1. How can potential students of the target public be attracted to the School? The promotional activities of the School must be considered both in terms of the content of the promotional materials which are to be developed and the techniques employed for distributing literature and advertising the School's program.
2. Once the student has been attracted to the School, how can he be encouraged to complete the course? There are two basic considerations in dealing with this question:
 - a. the suitability of the curriculum for the student's essential needs;
 - b. the quality of the instruction offered to the student.

There is a third consideration which must be taken into account. This has to do with the first impressions which are made upon the new student. The factors which contribute to these first impressions are not peculiar to a particular target public nor to the Henry George School. But they are important considerations when one analyzes attrition after the first class session. If the student is not favorably impressed with his first experience with the School, the most capable staff using the best textual material available may not have a second opportunity.

Promotion

Present promotional activities are examined first and then the question of suitable activities for the new target public is considered.

At present most extensions are seeking to attract a cross-section of the community in which the School is located. It naturally follows that the promotional literature and advertising is designed to appeal to people from all walks of life - all four of the publics described earlier.

Thus, in an attempt to reach people with widely disparate occupations and interests whose educational and cultural values are accordingly varied, emphasis is placed on those problems and concerns which seem to be shared by all people.

Consistent with the plan to attract people from all of the four publics, the School has utilized voters' lists, telephone directories, and rented lists for mailings of promotional literature. In addition, many extensions develop posters which are placed in libraries, recreational centers, and industrial plants and offices. To a lesser extent, extensions place advertisements in local newspapers prior to the start of a new school term, and on occasion, radio spot ads have been used.

If the School decides to concentrate its promotional activity on a narrower target public as suggested in this report, it is apparent that the content of promotional materials and advertising must focus more sharply on the specific problems and concerns of the actively concerned citizen.

What approaches are most likely to appeal to the actively concerned citizen? We make a number of recommendations in this regard. It is important, however, to set forth certain assumptions about the actively concerned citizen:

1. He is interested in self-improvement intellectually as well as materially.
2. He is concerned about local and national problems and is eager to participate actively in civic organizations.

3. He is receptive to opportunities for participating in adult programs which are intellectually challenging and which offer him opportunity to gain new insights and broader understandings.
4. He is sophisticated and is inclined to be suspicious of advertising techniques which promise definitive answers to complicated problems. He is, in short, skeptical of panaceas.
5. Adult programs using a discussion method rather than a formal lecture method are attractive to him, but he wants to be reassured that the leadership of the group is good and that the discussion is based on substantial textual materials.
6. He is aware that many adult education programs sponsored by schools or other institutions have tuition requirements and that there are often additional expenses for text books. A free course of an intellectual nature offered by a school is such a rarity that he is inclined to be suspicious of an institution which has no tuition requirements. Beyond this he is used to paying for worthwhile things, whether material or educational, and consequently may question the value of "something for nothing."
7. Since he is somewhat sophisticated in economics he will seek to associate with a school which he believes upon first acquaintance to be a creditable institution which offers up-to-date courses.

RECOMMENDATIONS

We therefore make the following recommendations:

1. In regard to the content of promotional literature and advertising, the School should commence to make a careful and objective analysis of all of the promotional materials prepared by the various extensions with a view toward revision or development of entirely new literature. These revisions or new formulations should take into account the interests and predispositions of the target public. We suggest that the following central themes be developed in the promotional literature and advertising directed toward the target public:
 - a. One's education is not complete if he has no understanding of basic economic problems.
 - b. One is better prepared to meet his responsibilities to himself, his family, and society if he understands basic economic problems.
 - c. An educated man owes it to himself to participate in an inquiry which offers new intellectual challenges, deeper insights, and broader understandings of basic economics.

- d. A basic requisite for adult leadership in contemporary American life is a clear perception of basic economic problems.
 - e. By making scientific inquiry into basic economics one can come to grips with complicated economic problems which face contemporary society.
 - f. By means of the discussion method under the competent direction of a skilled discussion leader, one can give full expression to his thoughts and hear those of other community leaders. Discussion is based upon the writings of classical and contemporary economists. (Considered later in this chapter.)
 - g. The tuition is moderate. (Considered in Chapter V.)
2. It is further recommended in regard to techniques for distribution and advertising that each extension director should make an intensive study of his respective community with a view toward pinpointing distribution of literature to those areas where the target public is most likely to reside, work, or use recreational facilities. Likewise an assessment of city and neighborhood newspapers should be made with a view toward placing advertisements in those newspapers most likely to be read by the target public.

Each director should experiment with the various promotional techniques until the most effective plan is determined for reaching the target public. For example, one term he might spend most of his promotional budget on newspaper advertisements, the next term he could increase the quantity of mailings and distribute more posters; still another term he might prepare two separate mailings for the same audience. By keeping a careful record of the technique which draws the greatest number of responses, he can arrive at a pragmatic basis for determining the best course to take in promoting the activities of the extension.

3. The name of the School and consequently the name of all of the extensions should be changed to "The School of Economic Science, Formerly Henry George School." ("The School of Economic Science" is the present name of the Toronto extension.) The School would thus be faithful to the principles for which it was established and at the same time would eliminate the possible connotation that the economics taught is outdated.

Turning now to the second problem: Once the student has been attracted to the School, how can he be encouraged to complete the course?

In this section there is a consideration of aspects of the problem which concern the curriculum and the instructional program, two basic factors

in the student's decision to drop out or complete the course.

Curriculum

According to the annual descriptive brochure published by New York International Headquarters for 1960, there are three basic courses offered by the School. These are Fundamental Economics, Applied Economics, and Science of Political Economy all based on the writings of Henry George. In practice the term "basic course" is used synonymously with Fundamental Economics and the other two basic courses are considered "advanced courses." In this report, in order to avoid confusion, the basic courses are understood to consist of the three courses described in the brochure, and the advanced courses to be those offered in addition to these three.

The brochure lists 16 advanced courses. It is only rarely, however, that any extension other than the New York extension offers any advanced courses. At the present time, the curriculum of the Henry George School consists in the main of the course in Fundamental Economics. (The data for this assertion are presented in Chapter V.) An analysis of this course as it is presently being offered is therefore important.

In interviews with extension directors, faculty members, students, and friends of the School, it was apparent that there are a number of views about the essential purpose of the basic course in Fundamental Economics. This is not to suggest that there are clear cut "schools of thought" on the subject. Actually most people showed a flexibility in their thinking about what the course should accomplish.

For the purpose of analysis, however, these divergent views are isolated and implications each has for the content of the course and the teaching methods employed are noted. They are as follows:

1. Indoctrination in the principles of economics and social philosophy as espoused by Henry George.

In varying degrees most everyone concurs in this point of view-- although some prefer the term "education" to "indoctrination." The belief is widely held that despite attempts to modernize or simplify, adapt or revise, Progress and Poverty, unabridged, has never been surpassed in clarity of thought and power of presentation. It remains the most popular text used in all of the extensions. Since the text must be "learned," it is believed by many that the best teaching technique is the question-answer method as suggested in the Teacher's Manual. Many say that it remains for the teacher to "open" the inquiry to save it from what could become a rigid formulation.

There is another view that Progress and Poverty (and the study supplements the School has developed) notwithstanding its excellence, is too difficult for most students and is, in fact, one important cause of high attrition; that, in practice, few actually read it; and that there is extraneous and irrelevant material in the book. Therefore this view holds that the abridged version of Progress and Poverty or Economics Simplified (based on Progress and Poverty) should be used.

2. Inquiry into economics emphasizing current rather than "basic" problems.

There is the view often expressed that the important part of George's theory is "the remedy," land value taxation. Some argue that in order to emphasize the remedy showing its applicability to the present, the course should be built around such problems as taxation and urban renewal. In practice this has not been done since there are no texts which develop the course in this way. Enterprising faculty members who believe the course should have a topical emphasis keep a current file of newspaper and journal clippings and urge their students to do likewise. They continue to use Progress and Poverty as the text, but digress on current problems as they arise.

In California, both in Los Angeles and in San Diego, the text developed by William Truehart is used by some faculty members. This text is based on selections from the writings of Henry George and others and in addition considers contemporary problems.

Those who want to stress current problems tend not to use the Teacher's Manual as it was intended to be used or do not use it at all. The point is made that stressing current problems encourages freer discussion. Consequently, those holding this view believe that there is less likelihood that all of the points covered in Progress and Poverty will be considered.

3. An open inquiry into the principles of basic economics with no attempt being made to indoctrinate students in Georgist thought.

Everyone agrees with George when he says in Progress and Poverty, page 13, (New York: Schalkenbach Foundation, 1958), "As mistakes are generally concealed by the respect paid to authority, I propose in this inquiry to take nothing for granted, but to bring even accepted theories to the test of first principles, and should they not stand the test, freshly to interrogate facts in the endeavor to discover their law. I propose to beg no question, to shrink from no conclusions, but to follow truth wherever it may lead."

Some frankly acknowledge that they are in the paradoxical position of on the one hand advocating "indoctrination" in the theories of Henry George and on the other hand maintaining that freedom of inquiry is basic to the essential purpose of the School. Many expressed themselves as opposed to the view that George is the "deity" and Progress and Poverty is the "bible" in all matters pertaining to economics.

In practice many extension directors acknowledge that they have pursued a more rigid course than they would ideally like to pursue. They are emphatic in their belief that it is a rare individual who, being exposed to the thinking of Henry George, and the method of inquiry he followed, can resist wholeheartedly embracing his views. Consequently, in theory at least, a free and open inquiry is subscribed to by most of the people interviewed.

A few faculty members have attempted to put this belief into practice. They use Progress and Poverty as the sole text but substitute for the approach suggested in the Teacher's Manual, a free-wheeling discussion of basic economic problems based upon provocative questions to the group.

While subscribing to the basic notion of free inquiry, the Chicago School, (called the Commerce and Industry Division) has departed radically from the traditional approach to the basic course in Fundamental Economics. In Chicago, no text whatsoever is used. The main emphasis is upon George's scientific approach to economics. However, although the leadership of the extension is Georgist, there is no attempt made to imbue students with the philosophy of Henry George. According to the director it is conceivable that the name of Henry George might not be mentioned throughout the entire course. However, through free inquiry a typical group, according to the director, might very well be expected to arrive at the same conclusions reached by George.

The teaching approach employed is the conference method which utilizes discussion leaders from the plants or offices holding classes. Thus there is no school "faculty" in the conventional sense. Conference leaders meet weekly prior to holding their classes. These meetings are conducted by a "coach" who discusses with the leaders the class plan for the coming session.

Observations

1. Although a number of approaches are employed in teaching Fundamental Economics, Progress and Poverty is used in most classes and the Teacher's Manual is utilized extensively.
2. The Chicago extension's Commerce and Industry Division has experimented for a number of years in an approach markedly different from any other extension. Thus far the optimistic hopes for the extension in terms of numbers of enrollments and contributions have not been realized.

Of these varying points of view, which is the most attractive to the target public toward which we have suggested that the School direct its attention? The actively concerned citizen, who is the recommended target, is intelligent, well educated, concerned about himself and society, and skeptical about easy formulations or solutions to difficult problems.

These further assumptions are made:

- a. He is capable of reading and understanding a book such as Progress and Poverty.
- b. Having been attracted to the School by the prospects of improving his mind and increasing his understanding of basic economic problems he will resist attempts to circumscribe a free inquiry.
- c. He will react negatively if he believes he is asked to subscribe to a point of view before he is ready to do so.

RECOMMENDATIONS

In regard to curriculum adjustments we therefore make the following recommendations:

1. The School should commission the best available man to develop a basic text for use in an introductory course in economics.

The text should consist of a series of selected readings from the works of classical and contemporary economists, including Henry George, and should be organized around several major economic issues or ideas. The purpose of this course would be (a) to acquaint the student with the fundamental issues in economics as perceived by classical and contemporary economists, and (b) to provide an intellectual readiness for an intensive study of Progress and Poverty.

The selections from the writings of classical economists will establish for the student a familiarity with the climate of opinion prevalent in George's day, and give him a first hand opportunity to examine the theories which George found unsatisfactory. The selections from present day economists will provide current examples which are familiar to the student and will give him an opportunity to evaluate classical formulations in the light of contemporary problems.

There should be no a priori determination made about the number of sessions required for the new course. Because of the complexity and scope of the course, the editor and the School staff may find that ten two hour sessions will not suffice.

The course should not be intended as a thorough-going analysis of the works of major economists, but rather as an introduction to persistent problems. The task of the editor will be to select substantial readings so that the course will provide necessary background for further study.

2. The educator commissioned to develop the new text should also be asked to write a leader's manual based on the text.
3. The course described above should be conceived as the first part of two basic courses. The second course as we have already suggested should be an intensive analysis of Progress and Poverty. An evaluation should be made to determine whether ten two hour sessions is the most effective length for the course.
4. A thoroughly revised leader's manual should be developed for Progress and Poverty. The manual should take into account the changes in teaching methods recommended later in this chapter.
5. The entire curriculum should be reassessed. When the new text is completed a careful analysis should be made of the other basic courses and the teacher's manuals being used, Applied Economics (for which a revised manual is now being developed) and Science of Political Economy, and the advanced course, Human Rights (based on Henry George's A Perplexed Philosopher and The Land Question). This analysis should include a study of the texts themselves, enrollment and graduation patterns, and faculty evaluations of the courses.

Furthermore, other advanced courses on Georgist thought should be assessed in terms of their eventual place in the curriculum. The following courses would be included in such an assessment: The Philosophy of Oscar Geiger, The Economic Basis of Tax Reform, and the Georgist Philosophy in Practice.

These questions should then be resolved:

- a. Should the three courses based on George's writings remain as separate and distinct courses or should they be woven together into one or two courses which are longer in duration? Are the present books sufficiently challenging and instructive to be used as texts or should a new text be written?
 - b. Have other advanced courses proven to be valuable adjuncts to the basic courses? Do they provide new insights and broader understandings of Georgist thought or are they merely restatements of views provided in the works of Henry George?
6. Advanced courses which do not deal with economics or closely related fields should be eliminated from the curriculum. The unique contribution to education which the School can make lies in the field of economics. YMCAs and extensions of colleges and universities offer a wide selection of courses which are of interest to adults and are known for the catholicity of their curricula. The central purposes of the School are diluted, in our opinion, if the School gains a reputation as an institution which offers economics as one among a pot pourri of general courses.

Faculty Considerations

In conversations with faculty members throughout the United States and Canada, it was apparent that there is sincere dedication and enthusiasm which motivates these people to devote their time and energies in furthering the cause of the School. The faculties of the various extensions are usually comprised of graduates of the School program who serve on a volunteer basis.

Requirements for faculty membership vary with different extensions. Most extensions require that a candidate for a faculty position have completed all of the basic courses offered by the extension. In practice,

since very few courses beyond Fundamental Economics are offered, a graduate of Fundamental Economics may be invited by the director of the extension to serve on the faculty upon his teacher's recommendation. There are no formal academic requirements. In fact, most directors believe that formal education is not an important criterion for successful faculty performance. The prime prerequisite in their view is a thorough grasp of the theories of Henry George and a sincere desire to impart this information to others.

A few extensions offer occasional faculty training programs or institutes and prospective teacher candidates are invited to attend. However, attendance at training programs is not mandatory in most instances.

Once a teacher is invited to serve on the faculty he is usually free - in some cases he is encouraged - to conduct the class as he sees fit. Most directors do not make a regular practice of visiting classes. Directors maintain that this is not from inadvertance but rather is based upon the belief that volunteer workers resent being "watched" and that if regular supervision were instituted a number of faculty members would resign. Some extensions hold faculty meetings several times during the year. These, however, are not usually meetings in the strict sense of the word. They are, more often, dinner gatherings to hear a visiting lecturer or are social occasions which provide opportunities for informal conversation of interest to the group.

Except for the New York extension, there are few extensions which keep detailed biographic data of their respective faculty members. Most directors, however, concur in the belief that the following are typical characteristics of their faculties:

1. They are either "old time Georgists" or have been associated with the School for a number of years.

2. They are middle aged - 45 years or older.
3. They are college graduates.

We compare these opinions with actual biographic data of 40 teachers of the New York extension who were in the active file as of July, 1960:

1. The following table is an array of the number of courses taught by 40 teachers as of July, 1960.

Teacher	Number of Courses	Teacher	Number of Courses
1	1	21	15
2	1	22	16
3	1	23	17
4	1	24	18
5	1	25	18
6	2	26	18
7	3	27	21
8	3	28	22
9	3	29	23
10	3	30	24
11	4	31	25
12	5	32	27
13	7	33	30
14	10	34	31
15	10	35	35
16	10	36	36
17	11	37	40
18	11	38	41
19	12	39	47
20	15	40	59

Median 15
Mean 16.9

2. The following table is an array of the ages of 30 teachers for whom age information is available:

Teacher	Age	Teacher	Age
1	29	8	42
2	30	9	43
3	31	10	43
4	33	11	44
5	36	12	45
6	39	13	47
7	42	14	47

Age information table, Continued

<u>Teacher</u>	<u>Age</u>	<u>Teacher</u>	<u>Age</u>
15	50	23	60
16	50	24	63
17	50	25	64
18	53	26	64
19	53	27	65
20	55	28	65
21	56	29	67
22	58	30	70

Median 50

3. Faculty education is as follows:

College degree	22
College non-degree	7
No college	4
No record	7

The above data suggest that the characteristics of the faculty of the New York extension are similar to those reported by other extensions.

Teaching Method

Promotional literature prepared by the various extensions describes the teaching method used by the School as "the Socratic method." Presumably this is used synonymously with the question-answer method recommended in the Teacher's Manual for Fundamental Economics.

Many extension directors believe that a class discussion is the proper format for the classes. However, they tend to believe that in most classes the teacher is more often a lecturer than a discussion leader.

In the course of class visits it was apparent that the instructor is inclined to lecture rather than to lead a discussion. In most instances the instructor used the Teacher's Manual and asked the questions suggested in that guide. In most of the classes the instructor did not expect many students to have done the assignment for the evening. Consequently, he would attempt to fill in the gap by elaborating on the question and giving a full

answer, sometimes reading verbatim from Progress and Poverty.

The instructor usually encouraged the class to view him as the authority figure whose determination about the merit of any comment was final. In one or two instances where the instructor seemed less sure of his ground, he served more as the intermediary between the class and the authority of the Teacher's Manual. There was only an occasional willingness on the part of the instructor to make any distinction between what George said in the text and what might, in fact, be true. In other words the course as it is presently taught is on the one hand an explication of the text, Progress and Poverty. But beyond this the instructor usually does not encourage an examination of what George says; rather, he seeks to convince the class that acceptance of what is said is the measure of understanding the book.

An example of a third meeting of a class in Fundamental Economics will further illustrate this point: Lesson II, as suggested in the Manual had dealt with definitions and the instructor reviewed these briefly. The instructor put such questions as these to the class: What is wealth? What is labor? What is land? What is capital? When George's definition was given he would pronounce it as being correct. Turning then to Lesson III, he commenced to ask questions from the Manual such as these: To what can we attribute the poverty of supposedly over-populated countries, other than density of populations? Does the increase of population decrease or increase the power to produce wealth? Does the increase of population therefore explain why poverty persists amidst advancing wealth?

Clearly the questions posed in Lesson III are of a different order from those posed in Lesson II. In Lesson II, the student is asked to learn

the definitions as they are used by George in Progress and Poverty. In Lesson III, however, the answers require judgment on the part of the student. The teacher in the class considered here treated these two kinds of questions as if there were no distinction between them. When the answers were given verbatim or paraphrased from the text, they were pronounced as correct. When they deviated from the text, they were dismissed as incorrect. The questions were not prefaced by "What does George say about these questions?" This sort of a preface was implied when definitions were being established since the students realized that if they were to understand George they first had to understand the terms as he uses them.

As a consequence this inference was clear: The information and formulations in the text embodied the truth. When students could repeat and were willing to accept what was in the text they had met the requirements for satisfactory performance and could move on to another question.

Certain suggestions have already been made about the curriculum. The recommendations we make in regard to teaching methods are based in part upon this reasoning:

1. University or college courses in economics which utilize the lecture method are usually taught by specialists in economics.
2. University or college specialists in economics because of their academic training are recognized by their students as specialists in their field.
3. Faculty members of the Henry George School are alert and intelligent and have a thorough grasp of the philosophy of Henry George. However, they are not now, nor are they likely to be in the future, specialists.
4. The actively concerned citizen who enrolls as a student in the School will not accept his instructor as a specialist if he, in fact, is not one.

5. A faculty member in the role of discussion leader is not required to be a specialist in economics; he should, however, be skilled in the art of discussion leading as well as being thoroughly familiar with the text.

RECOMMENDATIONS

We therefore make the following recommendations:

1. The discussion method should be used for all courses under lay leadership. As used here, the discussion method means a round table meeting under the direction of a class leader. It is the leader's task to help the members of the group express fully their views about the subject under consideration, not to promulgate his own views. His job is to ask provocative questions which often can be answered only by close analysis of the text; but there are no predetermined "right" answers which the group is expected to find and accept.

This method is substantially different from the "question-answer" method suggested in the Teacher's Manual. In the case of the Manual questions are posed for which there are definitive answers. An example will serve to contrast the two approaches:

- a. Teacher's Manual for Fundamental Economics
Lesson VIII. Question 18:

Q. "Would it be unjust for the community to collect all rent without compensation to landowners?"

A. "No, the community would merely be taking that which is rightfully its own."

- b. Discussion method approach to the same point:

Q. "George contends that it is just for the community to collect all rent without compensation to landowners. Is he suggesting that confiscation of private property is justifiable?"

Capable instructors of the School, of course, do not follow the Manual slavishly. Nevertheless, the very format of the Manual suggests a teaching method which does not lend itself easily to free inquiry.

2. A faculty candidate should be eligible for appointment only after successfully completing all basic courses offered. A prerequisite for appointment to the faculty should be attendance at a leader training institute. These institutes should be planned and conducted by the head of the School in cooperation with the local extension director.

3. Supervision of the faculty by extension directors should include frequent class visitations followed by individual evaluation meetings.
4. Every extension should establish a faculty or leader's council and should meet monthly or bi-monthly. The purpose of the council would be to provide an opportunity for the faculty to discuss mutual problems regarding the content of the courses and discussion leading techniques.

First Impressions

In this chapter problems of retention have been discussed in terms of the curriculum and teaching. Although these two aspects are critical, there is a third factor which must be taken into account; the first impressions made upon the new student when he attends his first class at the School. These first impressions can be crucial determinants in the student's decision to return to the School for subsequent meetings. Although these impressions are based upon the student's perception of the total school environment, for the purpose of analysis three distinct elements can be isolated:

1. the physical plant;
2. school and class organization; and
3. the faculty.

The following suggestions are based upon accepted school management procedures which have special relevance for the School.

Physical Plant

1. The building in which classes are held should be easily accessible to the residential area or business district where the target public is expected to live or work.
2. The building should be clean, well maintained, and orderly in appearance.
3. If street parking is difficult, special parking arrangements should be made. Promotional literature should clarify these arrangements and those students who have registered in advance of the course should be reminded prior to the first class session. During the first class session an announcement should be made for the benefit of those who have not been informed.

4. Classroom furniture should be in good repair and properly scaled for adults.

School and Class Organization

1. The building where the class is scheduled to be held should be opened and properly lighted at least one half hour prior to the starting time of the first class each evening.
2. When students arrive at the school building, they should be greeted by a representative of the school - director, registrar, or faculty member. If the class is being held in a building such as a YMCA or a library, the group worker or librarian should be apprised of course offerings and classroom locations. In addition, prominently displayed signs should announce room assignments.
3. There should be a definite procedure and place for registration, either at a reception desk or office or in the classroom itself.
4. The classroom should be properly ventilated and adequately lighted.
5. The classroom furniture should be suitably arranged for a discussion meeting: one or more tables around which a single row of chairs are arranged.
6. Classroom aids such as chalk boards (complete with an adequate quantity of chalk and erasers) should be set up prior to the start of class.
7. A room or a definite space should be set aside for outer wraps and students should be directed to place them there by prominently displayed signs.
8. If money is to be collected for tuition or sale of textual materials, a cash box with sufficient change should be provided to the teacher about one half hour before the class is scheduled to end.

Faculty

1. The faculty member should be present in the classroom at least 15 minutes prior to the start of class.
2. The faculty member should provide each student with a "stand-up" card on which he writes his name. This card should be placed on the table in front of the student. The faculty member also should prepare a card for himself.

3. The faculty member should allow about 15 minutes after the scheduled starting time before opening the class. (This of course applies to the first session only.)
4. The faculty member should introduce himself, give a brief history of the School, and make a few general comments about the purpose of the course. In his talk, the faculty member should clearly indicate his role: that of discussion leader, not economics specialist.
5. Every attempt should be made to reinforce the idea that a free and open inquiry in fundamental economic problems is the essential purpose of the course. This means that the faculty member should be careful not to make remarks which could introduce any bias for or against the philosophy of Henry George.

If the School adopts our recommendations regarding curriculum the faculty member in response to inquiries can point out that Henry George is one of many economists whose work will be discussed.

6. The faculty member should not spend much time in discussing the process of the discussion method since this can result in an extended discussion about discussions. It is more useful to start the discussion of the subject for the evening as soon as possible.

We recommend that the head of the School use the suggestions made here as the basis for a School check list and that copies of the check list be sent to each extension to aid in the self-evaluation of school facilities and operations.

Chapter III.

ORGANIZATION AND FUNCTIONS OF THE SCHOOL

In this chapter the organization and functions of the School are considered. The School is the entity which subsumes all of the extensions, including the New York extension. International Headquarters under the leadership of the Director of the School is the administrative arm of the School. The Director reports to the Board of Trustees which is comprised of eleven members.

INTERNATIONAL HEADQUARTERS STAFF

At the present time the staff of International Headquarters consists of the Director of the School, his secretary, the assistant to the Director, the correspondence secretary, the bookkeeper, the international secretary (translator), the editor of the Henry George News, two clerks and a typist. The duties of the assistant to the Director, the bookkeeper, the two clerks and the typist involve responsibilities to the New York extension as well. (See Exhibit III)

Duties of Director

The Director of the School assumes all of the staff responsibility for the execution of School policy. Following are his responsibilities:

1. Coordinates the activities of the 12 extensions (including New York) which receive subsidies from the School and 8 which do not, and assist in program activities as requested and as time permits.

Extensions receiving subsidies are asked to submit monthly expense reports and all extensions prepare a summary of the year's activities for the Annual Report. In addition, directors are asked at the close of each term to send to Headquarters a report which includes the number of graduates, the names and addresses of graduates, and lists of new faculty members. (In practice, these reports are frequently not forthcoming.) These are the only formal reports which are required.

In addition, the Director of the School and extension directors maintain informal contact through an exchange of letters. The frequency and length of these letters vary. Some letters from extensions constitute informal reports of activities. More frequently, however, the letters are brief and deal with specific administrative concerns such as book orders and subsidy payments.

2. Supervises the distribution center for printed and mimeographed materials such as text books, teacher's manuals, School brochures, and reprints of articles concerning the Georgist movement.

Extensions pay for textbooks, but receive teacher's manuals, brochures and reprints free. Free materials are provided as requested; there is no assigned quota.

3. Writes periodic news letters to extension directors and faculty.
4. Supervises publishing and distribution of the Henry George News.
5. Shares responsibility with the local extension director for planning the Annual Conference. The site of the Conference rotates each year among the various extensions.
6. Visits extensions as time and budget permit.

The Director of the School uses the occasion of the Annual Conference to plan a series of visits to extensions near the city where the Conference is being held. Aside from these trips, the Director of the School rarely visits extensions, and except for those extension directors whose schools are in close proximity to New York, directors seldom travel to International Headquarters.

7. Supervises all of the Headquarters personnel.
8. Supervises the activities of the Correspondence department.
9. Prepares an annual budget for Trustee approval.
10. Attends Board and Executive committee meetings.
11. Solicits funds for the School.
12. Maintains through correspondence and personal contact liaison with other Georgist organizations.
13. Supervises a Speaker's Bureau.

The Director estimates that he spends two thirds of his time in his role as head of International Headquarters.

In interviews with extension directors it was apparent that most of them do not make a distinction between the New York extension and International Headquarters. In the light of the history of the School this is understandable. When Oscar Geiger founded the Henry George School in New York City there were no extensions; however, as new extensions came into existence the New York School naturally provided much of the leadership and necessary funds. Consequently the extension directors came to look upon the Director of the New York school not only as the administrative head of that school but of the extensions as well.

Throughout the years of the School's history one individual has served as both the Director of the School and the Director of the New York extension. And the fact that International Headquarters and the New York extension are housed in the same building has tended further to blur the distinction between the two offices. Finally, except for preparation of the budget, the Director of the School himself does not make a sharp distinction between the two offices he heads. This is apparent in the Annual Report. No separate report is made for International Headquarters as independent from New York extension. Both reports are made under the heading "New York." Thus one finds in this section such items as a report on enrollments and graduations; news about the Annual Conference; activities of the Director, in his capacity as Director of the School; and reports on the Henry George News.

Duties of New York Extension Director

In order to obtain a full measure of the responsibilities of the present Director of the School it is useful to set forth the duties he performs in his role as director of the New York extension. They are as follows:

1. Prepares promotion for each term.
2. Determines distribution channels and the printing runs for the various promotional pieces.
3. Prepares advertising copy.
4. Determines where advertising will be placed and frequency of insertions.
5. Plans course offerings for each term.
6. Visits each class at least once a term.
7. Approves candidates for faculty.
8. Holds occasional informal faculty meetings.
9. Plans faculty dinners several times a year.
10. Supervises School staff.

The director estimates that he spends about one third of his time in administering the activities of the New York extension.

Observations

1. Because he cannot devote his full time efforts to this work the Director of the School does not have sufficient contact with extension directors and consequently cannot supervise the work of the extensions and assist in program development.
2. There is no regularized procedure whereby the Director of the School and directors of the extensions can evaluate past activities and discuss future program plans of their respective extensions.

There is no tradition for this sort of relationship between the Director of the School and extension directors. Extension directors do not expect such assistance and the Director himself believes that even if time and travel expense were not problems he would hesitate to take too active a role since this might be interpreted as an invasion of extension directors' prerogatives.

RECOMMENDATIONS

We therefore recommend that the duties which are now the responsibility of the Director of the School be divided between two administrators:

1. The Executive Secretary

- a. This individual should be the administrative head of the School including all of the departments of International Headquarters.
- b. In addition he should actively supervise the school and community activities of all of the extensions. This means that he would work closely with directors in program development and give assistance in building alumni organizations, planning fund raising appeals, etc.
- c. He should also direct faculty training for all extensions, personally conducting leader training institutes with the assistance of local extension directors. The local director would still choose his own faculty and remain responsible for instruction in his own extension, but the Executive Secretary would bear the primary responsibility for initial staff training.
- d. Following are the qualifications for the office of Executive Secretary:
 1. He should be an experienced executive.
 2. He should be thoroughly familiar with the Georgist movement and imbued with the ideals of Henry George.
 3. He should be able and willing to spend extensive time in the field.
 4. He should be able to give vigorous leadership to the School, inspiring directors and volunteer workers to utilize all of their capabilities to the highest degree.
 5. He should be an effective speaker.
- e. The salary for such an individual should range between \$9,000. and \$10,000.

2. The Director of the New York Extension

This individual would devote his full time efforts to administering the New York extension and would report to the Executive Secretary, as would all extension directors.

THE BOARD OF TRUSTEES AND STAFF RELATIONSHIPS

Regular meetings of the Trustees are held each month except during the summer months. When a quorum is in attendance the meeting is designated as

a "Board meeting;" when less than a quorum is in attendance the meeting is designated as an "Executive committee meeting." Any three Trustees are empowered to take Board action. The Vice President of the School chairs Board meetings.

The Director of the School sends notifications of Trustee meetings and records the minutes. He also prepares an informal agenda for the meeting and on occasion makes informal reports of certain aspects of School activities. Except for preparing the Annual Report which is a public document, the Director does not make formal reports to the Board. Interviews with Trustees reveal that they do not feel sufficiently informed on such matters as the activities of extension directors, the scope of the curriculum in the various extensions, and local fund raising plans. Board and Executive committee meetings usually last from one to one and one half hours. Between meetings the Director and two or three Trustees have frequent telephone conversations and informal conferences. The School budget is prepared by the Director and approved by the Trustees. Once approval is granted the Director has a relatively free hand in administering the affairs of the School. Significant policy determinations are made by the Trustees.

There are, officially, two standing committees, the Financial Committee and the Henry George News Committee. Individual Trustees will occasionally discuss with the Director such matters as fund raising and curriculum.

RECOMMENDATIONS

In view of the foregoing the following recommendations are made:

1. The Executive Secretary, upon consultation with the Vice President (or, in his absence, with another Trustee designated by the Board) should prepare an agenda in advance of each Trustee meeting and this agenda should be sent to each Trustee prior to the meeting.

2. The Executive Secretary should prepare a report of School development since the last meeting and each quarter he should present a more extensive report of the total School operation. These reports should become an integral part of the minutes of the meeting.
3. Minutes of the previous meeting should be mailed to all Trustees along with notification of the next meeting.
4. In addition to the existing committees, the following standing committees of the Board should be established:
 - a. Committee on Fund Raising
 - b. Committee on Curriculum
 - c. Committee on Extensions
 - d. Committee on Correspondence School
 - e. Committee on Employee Welfare Benefits

The purpose of these committees should be to recommend basic policy decisions in the area of their concern for action by the Trustees.

5. The Committee on Employee Welfare and Benefits should take up as its first order of business the question of a suitable retirement plan for extension directors and other employees of the School.
6. The Board should invite friends of the School to serve on committees, under the direction of a Trustee, in which they have special interests and competences.
7. Terms of Trustees should be limited to three years and no Trustees should be elected for more than two consecutive terms, with the proviso that a Trustee may be elected again to membership in the year following the expiration of his second term.

This procedure could be started by placing present Trustees in three classes of equal size by lot: Class of 1961, Class of 1962, Class of 1963. Thereafter one third of the Trustees would be elected annually.

8. Trustees should automatically be dropped from membership on the Board after three unexplained absences.

BUDGET PROCEDURES

At present the budget is prepared in the Spring by the Director of the School and is submitted to the Board of Trustees in May or June. The

Board of Trustees usually grants tentative approval of the budget at the May or June meeting and in September or October gives final approval.

In the preparation of the budget, the Director continues the subsidy arrangements for all unincorporated extensions and for those incorporated extensions where the director is salaried by the School. The three subsidized incorporated extensions whose directors are not salaried by the School - Boston, Los Angeles, and San Francisco - submit their requests to the Director, and the Board acts upon these requests.

Toward the end of each calendar year, the School occasionally experiences a shortage of funds and has had to borrow money from the bank. These cash shortages are principally due to the timing of the grants from the Lincoln Foundation which are made semi-annually.

The School budget does not include a contingency item.

Once the budget is given tentative approval in May or June, the Director is free to make internal changes as needed for small amounts of money. When a substantial amount is involved, the Director prepares a memorandum to the Financial Committee which is empowered to take appropriate action.

RECOMMENDATIONS

In view of these findings we recommend the following:

1. The Executive Secretary should submit his recommended budget to the Board of Trustees at the March or April meeting. The budget should be reviewed and formally adopted prior to the beginning of the budget year, so that it will not be necessary to operate at the beginning of the fiscal year without an approved budget.
2. At the time of budget review, the Executive Secretary should submit a full report on the performance of all extensions, including those which are incorporated. His budget should

reflect his recommendations regarding the subsidy allotment for each extension. Thus adoption of the budget by the Board will be made in cognizance of a review of the performance of all extensions.

3. In order to prepare for possible shortage of cash for the operation of the School's activities, the Executive Secretary should prepare for the Board at the time the budget is presented, a cash requirements schedule for each of the four quarters, thus enabling the Trustees to work out a plan for supplying the necessary funds, and alerting the Trustees to the approximate time when the shortage will occur.
4. The budget should include a contingency of about 2 or 3% to cover unforeseen expenses.

EXPENSES OF INTERNATIONAL HEADQUARTERS AND NEW YORK EXTENSION

Whereas in practice there is only a slight distinction made between the functions of International Headquarters and the New York extension, the Director in preparing a budget does consider New York extension expenses separately. There are six major categories of expense used in the current School budget.

1. International Headquarters Expense.
2. New York Building Maintenance.
3. New York Extension Expense.
4. Correspondence Course Expense.
5. Henry George News Expense.
6. Expenses for Other Extensions.

Exhibit II shows the proposed budget for fiscal 1960-61 excluding "Expenses for Other Extensions," which is considered in Chapter V of this report.

Upon close examination of the five categories it is apparent that all expenses can properly be allocated to two categories only, International Headquarters and New York extension. It is clear that Correspondence Course

HENRY GEORGE SCHOOL OF SOCIAL SCIENCEFive Categories of Expense
from the Proposed Budget, fiscal 1960-61International Headquarters Expense

Salaries - Director and Office	\$ 29,000.00	
Printing, Stationery and Supplies	5,500.00	
Postage	1,600.00	
Legal and Accounting	2,500.00	
Insurance	250.00	
Travelling - including International	2,000.00	
Publicity, Lectures and Forums	300.00	
Investment Custodian Charges	500.00	
Franchise Taxes and Filing Fees	200.00	
Library	300.00	
Annual Conference	2,000.00	
Public Relations	2,000.00	
Social Security Taxes	1,500.00	
Miscellaneous	1,200.00	\$ 48,850.00

New York Building Maintenance

Salaries	3,000.00	
Repairs and Supplies	6,500.00	
Fuel	2,500.00	
Gas and Electricity	1,500.00	
Furniture and Equipment Purchased	2,000.00	
Equipment Repairs and Maintenance	1,000.00	16,500.00

New York Extension Expense

Office Salaries	8,500.00	
Printing, Stationery and Supplies	1,000.00	
Postage	1,500.00	
Radio and Periodical Advertising	1,000.00	
Direct Mail Advertising	10,000.00	
Telephone	1,800.00	23,800.00

Correspondence Course Expense

Salaries	4,000.00	
Printing, Stationery and Supplies	800.00	
Postage	2,000.00	
Radio and Periodical Advertising	2,200.00	
Direct Mail Advertising	2,000.00	11,000.00

Henry George News Expense

Salaries	4,000.00	
Printing and Paper	3,600.00	
Postage	400.00	8,000.00

<u>Grand Total</u>		<u>\$108,150.00</u>
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Expense and Henry George News Expense are departments of International Headquarters and that all expenses incurred in operating these departments are properly Headquarters expense. Furthermore a portion of New York Building Maintenance Expense logically should be assigned to Headquarters and a portion should be assigned to New York extension.

In making a proper allocation of expenses to each of the two categories it is useful to analyze the functions of the various staff members.

Exhibit III lists all of the personnel assigned to New York and shows the percentage of time spent on duties related to Headquarters and New York extension. These percentages are based upon staff estimates. Exhibit III also shows the portion of salary in dollars as of the 1960-61 budget allocated to each category.

Building Maintenance Costs

The next step in the analysis of expense is to apportion the cost of Building Maintenance to the categories, Headquarters and New York extension, basing the apportionment upon the percentage of maintenance required as shown in Exhibit IV.

For the purposes of this Exhibit the number of offices, classrooms, etc., is the basis for determining maintenance required. Thus, on the first floor, since there are four offices, each office is assumed to require 25% of the maintenance cost. Furthermore, since some personnel perform duties for both Headquarters and New York extension, space usage is based upon the percentage of time staff members spend on their respective duties. Thus, since as was shown in Exhibit III, the bookkeeper spends 60% of his time on duties related to Headquarters, the assumption is made that 60% of the maintenance expense of his office is properly assigned to International Headquarters.

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Allocation of New York Staff Salaries
1960-61

	Headquarters		New York Extension	
	% of time	Salary Allocation	% of time	Salary Allocation
Director of School	66 2/3	\$ 4,333.	33 1/3	\$ 2,167.
Assistant to Director	50	2,210.	50	2,210.
Secretary to Director	100	4,160.	-	-
Translator	100	3,380.	-	-
Bookkeeper	60	2,652.	40	1,768.
File Clerk	50	1,560.	50	1,560.
Shipping Clerk	50	1,690.	50	1,690.
Typist	50	2,080.	50	2,080.
Librarian	50	390.	50	390.
Correspondence Sec'y	100	3,380.	-	-
Editor H. G. News	100	3,900.	-	-
Registrar	-	-	100	4,160.
Night Registrar	-	-	100	3,640.
Janitor *	30	918.	70	2,142.
Total Salaries		\$30,653.		\$21,807.

* Percentages of Janitor's time is based on the maintenance required by various departments. This allocation is explained in Exhibit IV.

HENRY GEORGE SCHOOL OF SOCIAL SCIENCEMaintenance Costs for Headquarters and New York
Extension in New York School Building

	Headquarters		New York Extension	
	Personnel Time	Maintenance Required	Personnel Time	Maintenance Required
1st Floor: (Four offices-each 25%)				
Bookkeeper	60%	15 %	40%	10 %
Mailing	50	12.5	50	12.5
Correspondence	100	25	-	-
Registrar	-	-	100	25
<u>Total Maintenance</u>	-	<u>52.5%</u>	-	<u>47.5%</u>
2nd Floor: (Two rooms-each 50%)				
1 Auditorium	-	-	-	50%
1 Dining Room	-	-	-	50
<u>Total Maintenance</u>	-	-	-	<u>100%</u>
3rd Floor: (Four rooms-each 25%)				
1 Library	50%	12.5%	50%	12.5%
3 Classrooms	-	-	-	75
<u>Total Maintenance</u>	-	<u>12.5%</u>	-	<u>87.5%</u>
4th Floor: (Two offices, three class- rooms-each 20%)				
Secretary to Director	100%	20%	-	-
Asst. to Director	50	10	50	10
3 Classrooms	-	-	-	60
<u>Total Maintenance</u>	-	<u>30%</u>	-	<u>70%</u>
5th Floor: (Two offices, two class- rooms-each 25%)				
Schalkenbach Foundation	-	25%	-	-
Henry George News	100%	25%	-	-
2 Classrooms	-	-	-	50%
<u>Total Maintenance</u>	-	<u>50%</u>	-	<u>50%</u>
6th Floor: (Apartment for Dining Room Mgr.)	-	-	-	100%
<u>Total Maintenance</u>	-	-	-	<u>100%</u>
7th Floor:				
Penthouse	66 2/3%	66 2/3%	33 1/3%	33 1/3%
<u>Total Maintenance</u>	-	<u>66 2/3%</u>	-	<u>33 1/3%</u>
Total Maintenance Required for Entire Building		Approx. 30%		Approx. 70%

Exhibit V is a reallocation of the proposed budget according to New York extension and International Headquarters for fiscal 1960-61. In addition to changes made because of staff salary and building maintenance expense reallocations, four other changes have been made:

1. Half of the Library expense has been reallocated to New York extension.

This change has been made because it is reasonable to suppose that students of the New York extension are frequent users of books and journals purchased for the Library. This reasoning is consistent with the assignment of half of the librarian's salary to the New York extension and half of the building maintenance costs of the Library to the New York extension.

2. Half of the Publicity, Lectures and Forums expense has been reallocated to New York extension. It is reasonable to suppose that half of this expense is spent for publicizing extension programs.
3. Ten per cent of the total Telephone expense is charged to International Headquarters based on the Director's estimates of telephone usage.
4. Social Security Taxes have been reallocated according to the proportion of salaries included in each of the two categories, as follows:

Based on total salaries of \$48,500. (Exhibit II):

International Headquarters	\$29,000
New York Building Maintenance	3,000
New York Extension	8,500
Correspondence Course	4,000
Henry George News	<u>4,000</u>
Total	\$48,500

Based on total salaries of \$52,560. (Exhibit V):

International Headquarters	\$30,653
New York Extension	<u>21,807</u>
Total	\$52,460

HENRY GEORGE SCHOOL OF SOCIAL SCIENCEInternational Headquarters Expense and New York
Extension Expense based upon Proposed Budget 1960-61International Headquarters Expense

Salaries	\$30,653.00
Printing, Stationery, Supplies	5,500.00
Postage	1,600.00
Legal and Accounting	2,500.00
Insurance	250.00
Traveling - including International	2,000.00
Publicity, Lectures and Forums	150.00
Investment Custodian Charges	500.00
Franchise Taxes and Filing Fees	200.00
Library	150.00
Annual Conference	2,000.00
Public Relations	2,000.00
Social Security Taxes	948.00
Building Maintenance	4,050.00
Correspondence Course	7,000.00
Henry George News	4,000.00
Telephone	180.00
Miscellaneous	1,200.00

\$ 64,881.00

New York Extension Expense

Salaries	21,807.00
Printing, Stationery, Supplies	1,000.00
Postage	1,500.00
Radio and Periodical Advertising	1,000.00
Direct Mail Advertising	10,000.00
Telephone	1,620.00
Publicity, Lectures and Forums	150.00
Social Security Taxes	552.00
Library	150.00
Building Maintenance	9,450.00

47,229.00Grand Total\$112,110.00

(Note that there is a discrepancy of \$3,960 between salary totals as shown in Exhibit II and Exhibit V. This results from staff assignments made after the proposed budget for fiscal 1960-61 was prepared. Staff salaries used in Exhibit V are based upon the current weekly payroll and reflect these new staff assignments.)

Exhibit II shows \$1,500 expenses for Social Security Taxes. In Exhibit V \$948 has been allocated to International Headquarters and \$552 to New York extension, using the proportion $\$1,500/\$48,500 :: \text{International Headquarters}/\$30,653$.

Exhibit V gives a clearer picture of School expenditures than does Exhibit II. By establishing two categories only it is apparent that the expenses of operating the New York extension are actually more than double the amount shown in Exhibit II. The fact is of special significance in examining the cost per graduate of the Fundamental Economics course. This is discussed in Chapter V of this report.

Chapter IV.

THE NEW YORK BUILDING: Space Utilization

This chapter analyzes the uses made of the New York building by the School and indicates possible courses of action which can produce substantial economies.

During the Fall term of 1960 the extension scheduled 24 classes as follows:

Fundamental Economics	14
Applied Economics	2
Science of Political Economy	1
Other Advanced	6

The weekly schedule of these classes is as follows:

Monday	3 classes
Tuesday	8 classes
Wednesday	5 classes
Thursday	5 classes
Friday	3 classes

In addition, the extension schedules weekly "Friday at Eight" activities in the auditorium.

There are eight classrooms in the School building and one auditorium. Since it is feasible to schedule two classes of two hours each for five evenings of the week, the potential utilization of the classrooms in the building - not including possible Saturday sessions - is 80 classes per week. The actual utilization is 24 classes per week or 30% of the potential space available.

In Chapter II it was recommended that the School restrict its class offerings to economics with special emphasis on the economics of Henry George. Of the six "Other Advanced Courses" referred to above as being offered in September 1960, two are Great Books courses, one is a public

speaking course, and one is a money and banking course. Thus, five of these six courses are not related to the basic objectives of the School. In other words, only 19 courses of the 24 offered are related to economics. Considering only these 19 courses, the actual space utilization is 19 classes per week or about 24% of the potential space available.

Whereas approximately the same number of classes can be assumed for Fall, Winter, and Spring terms, there are far fewer classes offered during the Summer terms.

The auditorium is used regularly on Friday evenings (Friday at Eightth) and infrequently during the rest of the week. It seats about 110 people, but attendance at the Friday meeting rarely exceeds fifty, often falling below 25.

The School does make classrooms and the auditorium available for outside organizations. A donation of \$10 is asked by the School for one-time classroom use and \$25 for one-time auditorium use. During the fiscal year 1959-60 these donations amounted to \$5,730.

Observations

1. The New York building is primarily used by the New York extension.
2. There is very low space utilization of classrooms and the auditorium. There are eight classrooms available which are being used at about 29% of maximum utilization (including courses which are not Georgist in character or related in any way to the study of economics).
3. Four classrooms, half of those presently available, could accommodate as many as 40 classes - 16 more than are presently offered - each week, assuming two class periods of use daily for each room. If Friday is excluded, four classrooms still provide a capacity for 32 classes a week.
4. The dining room occupies one half of a floor and the dining room manager's apartment occupies an entire floor.

5. Because of the peculiarities of the building which was designed as a gracious residence, considerable space cannot be utilized effectively for offices or classrooms.
6. In several instances offices are of disproportionate size, some inadequate for efficient working conditions, others far larger than good management dictates.
7. The building is expensive to maintain: the proposed budget for 1960-61 assigns \$16,500 to maintenance including janitor's salary.
8. The Trustees of the School, and the Director and his staff all express a great deal of pride in the beauty of the building and its desirable location. The building was purchased in 1944 for \$98,000 and was evaluated in January 1959 at \$375,000. However, according to the Director, the School has actually been offered as much as \$500,000 for the property.

RECOMMENDATIONS

We accordingly recommend that the Board of Trustees appoint a committee to explore the possibility of adopting one of the following alternative courses of action:

- a. Sell the New York building and rent suitable quarters which could house both International Headquarters and the New York extension.

The sale of the building would yield \$375,000 minimally. Suitable rental space can be found in a prestigious location in Manhattan at a cost of about \$12,000 (about 2,400 sq. ft. at \$5. a square foot). This cost is based upon the assumptions shown in the following table.

<u>RENTAL SPACE NEEDS</u>		
New York Extension	International Headquarters	Space shared by extension & Headquarters
Offices:	Offices:	Offices:
Director and Secretary Registrar	Executive Secretary and Secretary Henry George News Editor Correspondence Secretary Translator	Bookkeeper Shipping Room

RENTAL SPACE NEEDS Continued

New York extension	International Headquarters	Space shared by extension & Headquarters
<p>Classrooms:</p> <p>2 accommodating 25-30 students each</p> <p>1 double size with acoustical partition (serves as 2 classrooms with partition closed and auditorium and library with partition open)</p>		
<p>Total space:</p> <p>About 1,480 sq. ft.</p>	<p>Total space:</p> <p>About 620 sq. ft.</p>	<p>Total space:</p> <p>About 300 sq. ft.</p>

At the present time, as previously noted, (see Exhibit II) maintenance costs for the New York building are budgeted at \$16,500 including janitorial services. Thus the rental of space in a highly desirable location would cost the School substantially less money than it is presently paying for maintenance of the New York building. Furthermore, even by the most conservative measure, the interest accruing on the principle sum realized from the sale of the building would yield \$16,000 per year.

- b. Rent the New York building to a tenant and rent for the School suitable quarters which could house both International Headquarters and the New York extension.

The New York building is an attractive property which could easily command a rental which would cover the rent for the new School location and account for additional annual income.

- c. Rent three floors of the School building and consolidate the School activities in the remaining part of the building.

The rental income would depend upon the uses to which the building would be put by the tenants. In any event the income from the rental would represent a substantial increase in total annual income.

Chapter V.

THE EXTENSIONS

This chapter deals with the recent history and activities of the extensions.

In the course of visits to the various extensions it was apparent that the School is fortunate in having as directors of the various extensions a group of workers whose loyalty and devotion to the School go far beyond their prescribed duties. It is, indeed, unusual to find professional workers who themselves make periodic contributions to the organization for which they work. It was impressive to find that a number of directors make regular financial contributions to the School.

Each director is an individual in his own right, valuing greatly his freedom to administer his school as he sees fit. But each is eager to find solutions to the problems he faces and is receptive to suggestions for improving the general effectiveness of his extension. Scarcely without exception, directors made a point of indicating their interest in exploring every means possible to improve their work.

As was observed in Chapter I many directors see the mission of the School as extending beyond that of providing education in economics for adults. Nevertheless, all are aware that at present the measure of the success of their extension is judged primarily by the number of students graduated from the basic course in Fundamental Economics and the cost per graduate of this course. What they do not know is how many graduates from their respective extensions constitute satisfactory performance and what is a favorable ratio of cost per graduate. Thus some directors talk about

their hopes for "holding the line" by maintaining roughly the same number of graduates this year as they did last year. Others hope for a modest increase in enrollment.

A FIVE YEAR RECORD OF COSTS PER GRADUATE

Exhibit VI shows the mean cost per graduate of Fundamental Economics during the past five years for all of the extensions which receive subsidies from the School, including the New York extension, from 1955 to 1959. Local contributions are not included because the purpose of the analysis is to show the per-student subsidy received from the School budget. The cost per graduate is in excess of the figures shown in Exhibit VI if local contributions are considered.

The expense of the New York extension, \$47,229, as shown in Exhibit V equals 42% of the total expenses for International Headquarters and New York extension. These expenses constitute the "subsidy" which the extension receives from the School. For the purposes of Exhibit VI, it is assumed that for each of the five years under consideration about 42% of the total expenses for International Headquarters and New York extension constitutes New York extension "subsidy."

The derivation of the "subsidy" given to the New York extension for each of the five years is shown in the following table:

	<u>New York Extension Subsidy</u>	
	<u>International Headquarters plus New York Extension *</u>	<u>New York extension **</u>
1955	\$ 101,000	\$ 42,400
1956	98,000	41,200
1957	110,000	46,200
1958	105,000	44,100
1959	105,000	44,100

* rounded to nearest thousand
 ** rounded to nearest hundred

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Mean Cost Per Graduate of Fundamental Economics
for all extensions
1955 - 1959

	1955		1956		1957		1958		1959		Total Subsidy	Total Grads.	Cost/ Grad 5 Year Period
	Subsidy (1)	Grads.	Subsidy	Grads.	Subsidy	Grads.	Subsidy	Grads.	Subsidy	Grads.			
Boston	\$ 5,100	152	\$ 6,000	63 ⁽²⁾	\$ 4,100	34	\$ 3,500	24	\$ 3,500	40	\$ 22,200	313	\$ 71
Cleveland	5,600	27	5,900	65	6,100	58	5,900	64	6,200	54	29,700	268	111
Denver	4,300	38	5,700	12	4,800	18	4,800	10	4,800	12	24,400	90	271
Detroit	5,400	90	5,900	25	5,700	77	6,200	48	6,600	55	29,800	295	101
Hartford	1,200	55	1,100	37 ⁽³⁾	3,000	37 ⁽³⁾	3,300	32	3,300	24	11,900	185	64
Los Angeles	4,000	108	5,100	79	5,100	61	5,700	98	6,000	276	25,900	622	42
Montreal	3,300	48	3,600	46	3,600	58	3,600	52	3,600	58	17,700	262	68
New York	42,400	733	41,200	753	46,200	578	44,100	608	44,100	716	218,000	3,388	64
Philadelphia	5,300	218	5,700	223	5,800	110	5,800	139	6,100	141	28,700	831	35
St. Louis	5,000	72	5,300	69	5,300	49	5,300	61	5,600	69	26,500	320	83
San Francisco	4,600	95	3,400	96	4,500	52	4,500	100	8,000 ⁽⁴⁾	106	25,000	449	56
Toronto	1,900	28	3,400	48	3,300	51	3,200	48	4,000	75	15,800	250	60
TOTALS		1,664		1,416		1,146		1,284		1,626	\$ 475,600	7,273	\$ 65

Mean Cost Per Graduate --
over five year period

(1) Subsidies are rounded to the nearest \$100.

(2) Boston reported the number of graduates as "small" for this year; the mean of the four year total is used.

(3) Hartford did not report the number of graduates for these years; the mean of the two year total is used.

(4) Includes East Bay and Sacramento.

Subsidies for the various extensions are accounted for in the budget under the category "Expenses for Other Extensions." Exhibit V excluded this cost which is estimated for fiscal 1960-61 at \$57,600. The total estimated budget for 1960-61 is therefore \$169,710 (\$112,110 as shown in Exhibit V plus \$57,600, "Expenses for Other Extensions").

Observations

1. Taking the total enrollments over the past five years it is clear that as a whole the School has not grown and, in fact, has declined somewhat:

<u>Graduates</u>	
1955	1,664
1956	1,516 *
1957	1,183 **
1958	1,284
1959	1,626

* In this year Boston reported "small" for the number of graduates and Hartford did not report any number.

** Hartford did not report any number of graduates.

2. Several extensions have shown a steady decline in numbers of graduates during the five year period; others have maintained about the same number of graduates; one or two have shown modest increases.
3. The five year record indicates that in terms of numbers of graduates the School as a whole is about on dead center:
1955 — 1,664; 1959 — 1,626.
4. The costs per graduate are high by comparison with other non-accredited adult education programs. These costs range from \$35 to \$271, the mean cost being \$65 per graduate.
5. Because the expenses of each extension are so small, it is clear that decreasing expenses is not a feasible solution to decreasing cost per graduate ratios. Only increased enrollments can accomplish a reduced ratio.

Exhibit VII shows the cost per graduate of Fundamental Economics for each extension by year, 1955-59. As contrasted with Exhibit VI, this exhibit shows the fluctuations in costs over the five years.

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Cost per Graduate of Fundamental Economics
for each extension in year
1955-1959

	(1) Mean Cost per Graduate	1955	1956	1957	1958	1959
Boston	\$ 71.	\$ 33.	\$ 95. (2)	\$120.	\$146.	\$ 88.
Cleveland	111.	207.	91.	105.	92.	115.
Denver	271.	113.	475.	267.	480.	400.
Detroit	101.	60.	236.	74.	108.	120.
Hartford	64.	22.	35. (3)	81. (3)	103.	138.
Los Angeles	42.	37.	65.	84.	58.	22.
Montreal	68.	68.	78.	62.	69.	62.
New York	64.	58.	55.	73.	73.	62.
Philadelphia	35.	24.	26.	53.	42.	43.
St. Louis	83.	69.	77.	108.	87.	81.
San Francisco	56.	48.	35.	87.	45.	75.
Toronto	60.	68.	71.	65.	67.	53.

(1) See Exhibit VI.

(2) Boston reported the number of graduates as "small" for this year; the mean of the four year total is used.

(3) Hartford did not report the number of graduates these years; the mean of the two year total is used.

Observations

1. In the cases of Boston, Denver, Detroit and Hartford, the cost per graduate for each of the past two years is significantly higher than the mean cost per graduate; the cost per graduate has been increasing in these extensions.
2. Toronto reports 75 graduates for 1959. All of these paid a minimum tuition of \$15 for the first ten weeks of the 28 week course. Thus, if it were not for this tuition income a substantial addition to the Toronto subsidy would have been needed in order to graduate 75 students. The extension reports that in the Fall of 1960, 104 students paid \$15 each in tuition. This means that at a minimum \$1,560 in income accrued to the extension through tuition payments; this amount would have been needed in additional subsidy had there been no tuition income.

ACTUAL COSTS ARE HIGHER

In calculating the cost per graduate from the basic course in Fundamental Economics, it has been pointed out that if local contributions were included, the cost per graduate would be increased. In most instances, these local contributions are not great. However, a substantial expenditure not taken into account in Exhibits VI and VII is the cost of International Headquarters itself. Presumably the basic purpose for International Headquarters is to coordinate the activities of the extensions and provide services for them.

If one assumes that for 1960 the total number of graduates of the course in Fundamental Economics remains at about 1,600 (the total number for 1959 was 1,626), and that the actual expenditures for 1960-61 will be about as budgeted, total cost per graduate would be as follows:

Total Cost per Graduate including International Headquarters
Expense (1960-61)

<u>No. of graduates</u>	<u>Total Expense</u> (rounded to nearest thousand)
1,600	\$170,000
Mean cost per graduate	\$106.

CRITERIA FOR EVALUATION

At the present time the number of graduates of Fundamental Economics and the cost-per-graduate ratio are the only criteria used for assessing the activities of the extensions. At first it might appear that an increased number of graduates of Fundamental Economics would in itself solve the growth problems of the School. However, an important question arises here: Would large numbers of graduates of Fundamental Economics serve to fulfil the objectives of the School? If the objectives of the School are:

- a. to teach the economics and social philosophy of Henry George, and
- b. to develop through education popular support for tax reform, (see Chapter I),

would they be fulfilled in this way?

Interviews with people close to the School bear out that scarcely anyone would contend that a ten week course in Fundamental Economics could accomplish these objectives. Most people agree that completing the course in Fundamental Economics is only the beginning and that graduation from the courses in Applied Economics and Science of Political Economy is indispensable for a basic understanding of George. Even those who questioned the usefulness of these two courses maintained that study beyond Fundamental Economics is essential. It is the consensus of directors that without 30 weeks exposure to Henry George a student rarely develops close ties and is not likely to contribute time and money to the School.

Exhibit VIII has been prepared to show the number of students who graduated either from Applied Economics or Science of Political Economy during the five year period 1955 through 1959. This exhibit also shows, for the purpose of comparison, the number of Fundamental Economics graduates.

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Graduates of the Three Basic Courses
1955 - 1959

	1955		1956		1957		1958		1959		Totals	
	Fund. Econs.	Other	Fund. Econs.	Other	Fund. Econs.	Other	Fund. Econs.	Other	Fund. Econs.	Other	Fund. Econs.	Other
Boston	152	58	(1) 63	-	34	-	24	4	40	8	313	70
Cleveland	27	-	65	-	58	-	64	32	54	20	268	52
Denver	38	-	12	23	18	12	10	9	12	-	90	44
Detroit	90	9	25	13	77	20	48	-	55	-	295	42
Hartford	55	16	(2) 37	-	37	-	32	10	24	-	185	26
Los Angeles	108	21	79	18	61	14	98	35	276	(3) 22	622	110
Montreal,	48	20	46	20	58	29	52	15	58	23	262	107
New York	733	239	753	171	578	165	608	147	716	207	3,388	929
Philadelphia	218	-	223	-	110	-	139	11	141	31	831	42
St. Louis	72	12	69	9	49	-	61	-	69	-	320	21
San Francisco	95	33	96	17	52	45	100	57	106	29	449	181
Toronto	28	2	48	10	51	10	48	5	75	24	250	51
TOTALS	1,664	410	1,516	281	1,183	295	1,284	325	1,626	364	7,273	1,675

All extensions,
excluding New York
New York extension

- (1) Boston reported the number of graduates as "small" for this year; the mean of the four year total is used.
 (2) Hartford did not report the number of graduates for these years; the mean of the two year total is used.
 (3) Includes 72 from Christian College Program.

3,885 746
3,388 929

7,273 1,675

Observations

1. Only a relatively few students graduated from either Applied Economics or Science of Political Economy over the five year period:

All extensions receiving subsidies excluding New York	746
New York extension	<u>929</u>
	1,675

2. There are no available data which indicate how many students completed both Applied Economics and Science of Political Economy. Extension directors are unanimous in their belief that very few students actually do complete both of these courses. At best, the total number of students (for all 12 extensions) who completed both courses could be one half of 1,675 or about 838.
3. Thus the percentage of graduates of Fundamental Economics who completed both Applied Economics and Political Economy could not exceed about 12%. This percentage is arrived at by dividing the maximum number of graduates of both courses - 838 - by the number of graduates of Fundamental Economics - 7,136.
4. The New York extension which graduates the largest number of students in all courses shows a somewhat better percentage, 14%. This percentage is arrived at by dividing the maximum number of graduates of both courses - 465 - by the number of graduates of Fundamental Economics - 3,388.
5. It is reasonable to suppose that the two criteria - numbers of graduates of Fundamental Economics and cost per graduate - are not sufficient for evaluating the progress of any extension.

A more meaningful yardstick is the number of graduates of the two other basic courses. For a student who has completed all three courses will have spent a concentrated period of time in the study of Henry George's philosophy. Furthermore, if an extension were truly making an impact upon its student body one would expect that a substantial number of graduates of the three courses would choose to become active members in an alumni organization sponsored by the extension. These two criteria, graduation from three basic courses and participation in an alumni organization, would provide far more reliable criteria for evaluating the work of an extension.

ALUMNI ORGANIZATIONS

All extension directors are interested in building strong alumni organizations which can provide valuable assistance in the administration of the extension and which can become the focal point for Georgist activity in the area. However, most directors report that their efforts to develop alumni groups have failed. Since graduates from Fundamental Economics courses are few there are seldom new people to draw upon for alumni activities.

LOCAL CONTRIBUTIONS

Directors are constantly alert to possible new sources of financial support for their extensions. But with the exception of two or three extensions, local contributions are nominal only. It is not possible for most extensions to survive without the subsidies they receive from the School.

Once again the small numbers of graduates of Fundamental Economics is given as the reason for the lack of success in establishing a broad base of contributions. Local Georgists and a few friends of the School usually account for all contributions.

THE QUESTION OF TUITION

There is a general awareness that the tuition-free tradition stems from the depression days when few people who were attracted to the School could afford to pay even the nominal charge Oscar Geiger suggested. Today, everyone agrees, ability to pay is not the problem. Rather, many directors believe that willingness to pay is the important consideration. There is a widely held belief that most people who become students of the School would not do so if tuition were charged. Directors argue: since we are having such a difficult time increasing our enrollments when we offer free courses,

why should we further complicate our work by attempting to charge tuition?

Thus, there is no philosophic argument advanced against charging tuition, but rather a pragmatic concern about the likelihood of success.

Today two or three extensions make nominal course charges, but only one, Toronto, has established a \$25. tuition for the 28 week program (which covers the three basic courses). A tuition charge of \$15 (which includes a copy of Progress and Poverty) is made for the first ten sessions and a fee of \$10 is charged (which includes three other texts) for the remaining 18 sessions. As the Toronto director puts it, "The course fee offsets one-time advertising costs and gives the new student a stake in the course which is proportionately large at the start when he is most likely to be lost. The fee screens out most of the 'course-takers' and the 'crackpots.'"

The director believes that the payment plan gives the student an incentive to continue for the remainder of the course. The new program was inaugurated in the Fall of 1959 after successful experimentation with an \$8 tuition charge in the Spring of that year. The director reports that 86% of the enrollees in the Fall of 1959 finished the first ten sessions and made their second payments for the remaining 18 sessions. Of these students 86% finished the second part of the course. In the Fall of 1960, the director reported that 104 students registered for the course and paid the minimum \$15 for the first ten sessions.

Observations

1. Except for New York, Toronto, San Francisco, and Los Angeles, there is a notable lack of vigor in the extensions.

The New York extension continues to enroll and graduate the largest number of students.

The Toronto extension, in addition to experimenting with tuition plans, has developed an extremely active alumni group

consisting of about 75 members (there were nine in 1959), all of whom have met the requirements for membership: completion of the three basic courses. The Toronto alumni group has already attracted capable and intelligent young adults to the School. The group is extremely well organized, providing supportive help to the director in fund raising, publicity, and the planning of public meetings. Furthermore, the group has already developed a certain measure of prestige in the community. Candidates for public office have participated in open forums sponsored by the School. The meetings have been well publicized in the newspapers and are well attended. The extension has also developed creative newspaper advertisements which are designed to attract an influential segment of the adult population of Toronto (the group referred to in this report as the actively concerned).

The San Francisco extension has involved an important core of young professionals in leadership roles and the director continues to deliver radio talks over a local station.

The Los Angeles extension has been active in curriculum development, notably in a revision of the course in Fundamental Economics.

2. The start of each school year for most extensions is merely a repetition of the year which has passed. Instead of planning there is the expressed hope for magical solutions to the problems besetting the School: an "angel" who would subsidize the activities of the extensions; a depression which would jolt Americans to economic reality; an increased subsidy from New York; a new School building; funds to hire a public relations firm; funds to increase the number of mailings.
3. Since school enrollments in many extensions are low, alumni groups are seldom active and fund drives are unsuccessful.
4. Only when significant headway is made toward increasing enrollments can there be real hope for vitalizing the School with young and vigorous volunteer leadership.
5. The salaries of extension directors are inadequate. There can be no hope of attracting capable young professionals to work for the School unless adequate salaries and suitable employee benefits are offered.
6. Toronto's success in charging tuition is evidence that under some circumstances it is practical to establish fees for enrollment in the School. The Toronto solution may not, of course, be equally effective for all extensions. It should be observed that failure in certain extensions to establish a tuition

policy in the past may not be relevant when the School sets its sights on a new target public, the actively concerned.

RECOMMENDATIONS

We therefore recommend the following:

1. A salary range of \$5,000 to \$7,000 should be established for directors, with the exception of New York where the range should be between \$6,500 and \$8,000, and certain employee benefits including a retirement plan (see Chapter III), should be offered.
2. Every extension should experiment with various tuition plans either based upon the Toronto plan or upon other formulations. For example, an extension might continue to treat each of the three basic courses separately, offering Fundamental Economics as a free course and charging tuition for the other two. ... Tuition (which can include texts and teacher's manuals) should range between \$10 and \$15 for a ten week course. This cost is moderate in comparison with courses offered by other adult education organizations. And assuming that the target public is the actively concerned, there is no reason to believe that a smaller tuition fee would make a difference in a student's decision to enroll in a course.
3. There should be established a set of criteria for evaluating extensions and a regular procedure for making evaluations. In the plan of action proposed in Chapter VI, further suggestions are made in this regard.

Chapter VI.

SUMMARY AND PLAN OF ACTION

This chapter consists of a summary of the recommendations made in this report and offers a plan of action which the School can follow during the next two years.

SUMMARY

In our letter to the Board of Trustees dated July 7, 1960, and referred to in the Introduction to this report, we submitted a plan for the survey of the School. In enunciating the scope of the plan we posed a number of questions with which the study was to be concerned. Our findings with respect to these questions and recommendations relating to them are as follows:

ADMINISTRATION

1. Are there ways in which the professional staff work can be more effectively organized?

We believe that there are. This problem is discussed in Chapter III where we have recommended that the responsibilities now being assumed by the Director of the School be divided between two administrators, an Executive Secretary and a director of the New York extensions. (Pages 39-40)

2. Is there need for additional personnel?

The division of responsibility of administering the School and the New York extension will necessitate the addition of the Executive Secretary and his secretary. However, the position of assistant to the Director (who works half time for the New York extension) can be eliminated, since a full time Executive Secretary and a full time director of the New York extension can presumably perform the duties the assistant is presently performing.

3. Are job functions clearly described and responsibilities fixed?

Since the School does not have an elaborate organizational structure, there is no overlapping of job functions and respon-

sibilities. Rather, the major problem confronting the School is one of setting and implementing reasonable goals for the various extensions. (See Plan of Action later in this Chapter.)

4. Is the present salary scale appropriate?

In our view salaries for extension directors are inadequate. The salary range for positions of similar responsibilities is \$5,000 - \$7,000; and between \$6,500 - \$8,000 (in the case of the New York director, page 61). Furthermore, the salary for the new position of Executive Secretary should range between \$9,000 and \$10,000 (page 40).

5. Are policy relations between staff and trustees properly defined?

We believe that certain procedures can be established which will more clearly define the areas of responsibility. We have made a number of specific recommendations relating to the organization of the Board of Trustees and the roles of the Executive Secretary and Trustees (pages 41 and 42).

EXTENSIONS

1. What are the major factors that contribute to the success of some extensions and to less satisfactory results elsewhere?

This involves broad questions about the operation of the extensions and is treated in detail in Chapter V. At present the criteria being applied are numbers of graduates in Fundamental Economics and the cost per graduate of Fundamental Economics. It has been noted that for most extensions the numbers of graduates are few and cost per graduate is high (Exhibit V and VI).

We have questioned the sufficiency of these criteria since without further study beyond Fundamental Economics, students have only a rudimentary understanding of Henry George and they seldom develop close ties to the School.

Few extensions show the kind of vigor necessary for success even according to these criteria.

2. What steps can be taken to improve extension performance where needed?

The most important step we recommend is the establishment of short term program goals. It is apparent that very little planning is done by the various extensions with the consequence that each year's performance bears a marked resemblance to the previous year. Later in this chapter we suggest a plan of action for establishing program goals.

3. What criteria should govern extension subsidies?

We have observed that graduation from the three basic courses is a more meaningful criterion for success than graduation from Fundamental Economics only, and that development of effective alumni organizations is a second important criterion. (p.57)

Later in this chapter in the suggested Plan of Action, extension director involvement in the establishment of these criteria is explained.

STUDENT BODY

1. Whom should the School attract as students?

We have discussed in detail in Chapter II of the report, the advisability of the School's focusing its recruitment efforts on a new target public, the actively concerned. Because of the decision to seek a new target public promotional activities, curriculum, and faculty are all affected.

Recommendations in regard to these include:

- a. Promotion — materials and techniques should be revised to appeal to the new target public. (Pages 19 and 20)
- b. Curriculum — a complete reassessment of course offerings should be made including the development of a new course based on a text written by the best available educator; advanced courses not dealing with economics or closely related fields should be eliminated; new leader's manuals should be developed (page 25).
- c. Faculty — the methods of instruction should be changed to increase the amount of discussion; faculty members should attend leader training institutes run by International Headquarters; faculty members should be more closely supervised; faculty or leader's councils should meet monthly or bi-monthly. (Pages 33-34)

Furthermore we have suggested a checklist of good school practices which will encourage a good first impression of the School. (Pages 33-35)

2. Is the School succeeding in attracting such persons?

At the present time relatively few students from the target public, the actively concerned, are being attracted to the School (page 14).

LEADERSHIP

1. Is the School attracting sufficient persons of capacity to assume positions of leadership as trustees, teachers and staff to ensure vigorous growth in future years? If not, what steps need to be taken to obtain and hold such leadership?

The School clearly is not attracting new leaders, primarily because there are not a sufficient number of people with leadership qualifications who are graduating from the School. (Page 15) Our recommendation to involve more people from the actively concerned (the group from which most leaders in adult organizations come) should provide a more substantial pool of available people who will assume future positions of leadership. Insofar as paid workers are concerned, there is not at present sufficient incentive in terms of material benefits to attract people of exceptionally high calibre to work for the School.

Salary increases (see Administration above) can bear some positive results in this regard. Also a retirement plan and other employee benefits (page 46) would offer incentives for new professional staff people.

FINANCING AND BUDGET

1. Are there ways in which the income of the School can be increased? Should the School consider a registration or tuition charge?

There are three specific ways in which we believe income of the School can be increased:

- a. When extensions have increased their enrollments and volunteer leaders cooperate with the directors in establishing effective alumni groups, fund raising committees in appealing to larger numbers of students will be more successful than in the past.
- b. In the event that the Board decides to sell the New York building and rent suitable space elsewhere, considerable interest income from the capital accruing from the sale will be available. Furthermore, present building maintenance costs will be eliminated (page 50 and 51). If either of the other two recommended alternatives are adopted, renting the New York building either totally or in part, there will be additional rental income available to the School (page 51).
- c. Tuition charges can account for a significant increase in School income. We have discussed this question at length (pages 58-60) and recommend (page 61) that each extension experiment with a tuition plan best suited for its particular operation. Special attention is called to the Toronto plan which has proved successful (pages 60-61).

2. In addition to financial consequences what effect would such a change (tuition charge) have on the makeup and size of the student body?

Assuming the target public, the actively concerned, it is doubtful that charging a tuition fee would affect a decision to enroll in a School course. In fact, it is the opinion of some that since the actively concerned are accustomed to tuition charges in many adult courses they have participated in, the charging of a fee might in their view enhance the creditability of the School.

3. Can available funds be more effectively allocated?

We believe they can in two significant ways:

- a. More economical use of School building space.

In Chapter IV we showed that the amount of office, classroom, and other space available in the New York building is far in excess of the School's present or anticipated needs. Sale or rental of the building would reduce the expenditure of funds which could be used for other purposes. Indeed, as has been shown, the School would actually increase its income.

- b. Re-evaluation of subsidy needs of the various extensions.

The plan of action suggested in this chapter offers a method by which a determination can be made for more effective allocation of funds to extensions.

4. Are there ways in which the present budgeting methods and procedures can be improved?

We believe that there are. In this regard we recommend that the Executive Secretary submit his budget to the Board of Trustees in March or April and that he include for Board information recommendations about subsidies for all extensions. The Board should adopt the budget prior to the beginning of the fiscal year. Furthermore, we recommend that a cash requirements schedule be prepared by the Executive Secretary and that he include a 2% or 3% contingency item in his budget. (Pages 42-44)

COST OF IMPLEMENTING RECOMMENDATIONS

In the course of this report a number of recommendations have been made which, if implemented, would increase the expenditures or reduce income of the School. Other recommendations, if implemented, would increase income or reduce expenditures. The table on the following page analyzes these recommendations.

ANNUAL COST OF IMPLEMENTATION

Additional Expenditures or Reduced Income		Reduced Expenditures or Increased Income	
Rent for new quarters	\$12,000	Annual return from sale or rental of building	\$16,000
Loss of classroom rental income from present New York building	6,000	Tuition income *	20,000
Salary - Executive Secre- tary and secretary	13,000	Saving of salary of Ass't to Director	4,400
Additional travel for Executive Secretary	2,000	Saving of maintenance costs	16,500
Salary increases for extension directors	15,000		
	\$48,000		\$56,900

* assuming enrollments comparable to 1959.

(In 1959 there were about 1700 graduates of Fundamental Economics. This means that there were about 3800 enrollments (assuming 45% attrition). There were also about 350 graduates of other basic courses, or a total enrollment of about 875 (assuming 40% attrition). Thus there were approximately 4,675 enrollments.)

It appears that the School can actually gain financially while implementing recommendations which can markedly improve its operations. When the new text is being developed there would be a one time cost of perhaps \$10,000, the editor's stipend for one year.

PLAN OF ACTION

The first part of this chapter recounted the recommendations made in this report. This part of the chapter presents a suggested plan of action for two years and a time table which can be used as a guide for implementing the plan.

We recommend that at the Annual Conference for 1962 a number of sessions be set aside to discuss future plans of the School. These meetings should be closed to everyone except directors of the extensions, Trustees, and the Executive Secretary. Closed meetings are indispensable to a free and open airing of common problems.

At these meetings the Executive Secretary should spell out the problems confronting the School as he views them and indicate the goals International Headquarters has set for itself during the next two years: (These goals are recommendations made in this report. They are repeated in order to afford an opportunity to see the full scope of the plan.)

1. To develop a basic text and leader's manual for use in an introductory course in economics.
2. To develop a new leader's manual for Progress and Poverty.
3. To reassess the entire curriculum of the School.
4. To develop a training plan for leader's training institutes.
5. To analyze all promotional materials published by Headquarters and the various extensions with a view toward revision or development of entirely new literature.
6. To sell or rent (wholly, or in part) the New York building and find suitable rental quarters elsewhere for both International Headquarters and the New York extension.

In setting the stage for the discussion about the intermediate program goals for the extensions, the Executive Secretary should review with the group salient parts of this report including the following:

1. That the prime purpose of the School is the direct face-to-face teaching of economics to adults.
2. That the actively concerned public should be the target for major recruitment concentration.

3. That each director should make an intensive study of his community with a view toward pinpointing distribution of literature where it will be most effective. And similarly a study of newspapers should be made to determine where the most effective placement of newspaper advertisements can be made.
4. That each director should experiment with various promotional techniques in order to determine the most effective technique for his extension.
5. That renewed efforts should be made to experiment with various tuition plans.

EXTENSION PLANS: Director-made and Implemented

It is apparent that some extensions are not making satisfactory progress in terms of numbers of graduates, development of effective alumni groups, or in reducing the cost per graduate; at present the funds being allocated to some extensions could more profitably be spent in others. It is likewise apparent that the School is not likely to suddenly close an extension without taking into account the future work or retirement plans of directors who have devoted many years of their lives in working for the School.

Based upon numbers of graduates of the three basic courses and the cost per graduate, the School could conceivably establish basic minimums for each extension and close at once those extensions which do not achieve these minimums. We do not recommend such an abrupt course of action.

Rather, we believe that this is a good time to offer each director the opportunity of starting afresh, to re-evaluate the work of his extension and to formulate new plans for the future.

THE PLAN

The director of each extension should take the first step in determining specific intermediate program goals which can be achieved by his

(*) extension. However, talks with the various extension directors revealed that few of them keep many school records and that as a consequence they do not have a clear idea of their enrollment, attendance, and graduation records for the past several years. (Directors often were uncertain whether their impressions about students, faculty, or school programs were based upon events of the previous year or several years before.)

The only existing record for many historical events is the Annual Report, but except for the 1952 report, no recent summary of activities has been made. Therefore, if a director wants to refresh his memory since 1952 he must make a study of the reports of the past years.

In order for directors to develop intermediate program goals for their extensions they must have a clear perception of where they have been and where they now are. We therefore recommend that at the Annual Conference, following the discussion about setting intermediate program goals, the Executive Secretary distribute to each extension director an historical summarization (based upon Annual Reports and monthly financial reports) of his respective school covering the past five years.

This summarization should include:

1. The number of enrollments and graduations for Fundamental Economics and the two other basic courses by year.
2. The subsidy payments extensions have received from the School by year.
3. Contributions from local sources by year.
4. Alumni activities by year.

(*) We recognize that extensions which are independently incorporated and independently financed would not relate to the Executive Secretary in the same way that other extensions would. Essentially we refer here to extensions which receive a substantial proportion of their operating funds from the School or are not independently incorporated.

Directors should be asked to check this record with data they may have in their home office. They will thus have a basis for making plans. In the future directors should be requested to keep this information up to date.

During the course of the Annual Conference, the Executive Secretary should schedule private conferences with each director to discuss problems peculiar to his extension. The main purpose for these meetings should be to assist the director in developing one year program goals for his extension. Each director will, of course, need to reflect further when he returns home, but he will have had an opportunity to benefit from the advice and suggestions of the Executive Secretary.

Developing First Year Program Plans

We believe that each extension director should develop two one-year plans, the first covering the period September 1962 through August 1963 and the second covering the period September 1963 through August 1964.

Since most of the program goals of International Headquarters related to curriculum will not be achieved before January 1963, plans for the first year cannot include basic changes in the curriculum. Therefore, directors in making their plans will be considering the three basic courses, Fundamental Economics, Applied Economics, and Science of Political Economy as their major course offerings.

We suggest that the following format be used by the directors in spelling out their first year plans:

(Planning form appears on following page.)

EXTENSION PLANNING
September 1, 1962 - August 31, 1963

Extension:
Name of Director:
Date:

Recruitment Techniques	Fall	Winter	Spring	Summer
Number of Mailings				
Quantity for Each Mailing				
Quantity of Posters Distributed				
Number of Newspaper Ads				
Other: (describe fully)				
<hr/>				
Course Offerings (No. of Groups)				
Fundamental Economics				
Applied Economics				
Science of Political Economy				
Other: (List)				
<hr/>				
Faculty				
Number available for leading				
Faculty Courses				
Faculty Meetings				
* Leader Training Institute (Check if desired)				
<hr/>				
Alumni Activities				
Membership Goals				
Number of Meetings				
Other: (describe fully)				
<hr/>				
Fund Appeals				
Techniques to be Used: (Describe fully including estimates of dates appeals will start)				
<hr/>				

Contribution Goals (specify amount for year)

* Five institutes for the year will be planned by International Headquarters. Extensions desiring institutes should have 15 or more faculty or faculty-candidates. Dates will be determined upon consultation with extension directors.

EXTENSION PLANNING (Page 2)
September 1, 1962 - August 31, 1963

Budget

Income:

Subsidy from School
Other Contributions (describe fully)
Tuition Income

Expense:

Salaries
Office Supplies
Postage
Telephone
Building Rental
Miscellaneous

Vacation Plans

Indicate Dates

General Comments

When all of the plans have been received by the Executive Secretary, he should select the five locations where leader training institutes will be held and set up a tentative schedule. Using the institute schedule as a partial basis for travel commitments, the Executive Secretary should then plan Fall visits to all of the extensions receiving subsidies.

Each extension director should submit bi-monthly reports to the Executive Secretary commencing November 1962. These reports should evaluate progress toward achieving the goals the director has set for himself and revised plans for the next bi-monthly period. The present monthly expense report should be subsumed in this bi-monthly report.

The Executive Secretary should experiment with various forms to be used for these reports.

The Annual Conference for 1963 will afford the Executive Secretary the second opportunity in the course of the first year plan to meet all directors. (The first meeting will have occurred during Fall, 1962.)

At this time the Fall and Winter terms will have been completed and the Spring term will have started. The Executive Secretary and each extension director can therefore make tentative evaluations of the progress made during the course of the first year plan.

The Executive Secretary will already have received four bi-monthly reports which will have alerted him to any serious problems.

Evaluating the Activities of the Year

During the course of the meetings between the Executive Secretary and each extension director, an objective appraisal should be made of the extension's activities during the past six years. As a result of these evaluations the Executive Secretary and each extension director should arrive at one of the following conclusions:

1. Progress is satisfactory and new program goals should be developed for the school year 1963-64.
2. Progress is not satisfactory, but there is reasonable hope that by employing different methods, the extension can in the next year show significant growth. Therefore, new program goals should be developed for the school year 1963-64 which will embody these modifications.
3. Progress is not satisfactory and there appears to be no reasonable hope that by employing new methods, the extension can show significant growth in the next year.

If this is the determination two alternatives seem possible:

- a. The present extension director should resign and a successor should be found at once.
- b. The Executive Secretary should recommend to the Board of Trustees that the extension close since it is serving no useful function for the School.

The Second Year Plan

The plans for the second year should embody all of the changes which will have occurred in curriculum. Extension directors should submit their program plans as they did in the previous year. The Executive Secretary should make a careful assessment of these plans in view of the accomplishments of the previous year and should send to the extension directors his suggested alterations of the new plans.

Directors should continue to make bi-monthly reports and the Executive Secretary should plan to extend leader training institutes to more extensions and visit all extensions as he did the previous year. The Executive Secretary should take a stronger supervisory rôle, making special visits to extensions which are experiencing serious program problems.

* * *

On the following page is a Timetable for action to be taken in regard to the recommendations offered in this report.

TIMETABLE

Action	Responsibility	Target Date
1. Act on recommendations of this report.	Board of Trustees	April 1961
2. Appoint committee to recommend candidates for positions of Executive Secretary and the director of New York extension	Board of Trustees	April 1961
3. Appoint committee to investigate sale or rental of New York building	Board of Trustees	April 1961
4. Appoint the Executive Secretary and the director of New York extension	Board of Trustees	September 1961
5. Decide on sale or rental of New York building	Board of Trustees	September 1961
6. Start new manual for <u>Progress and Poverty</u>	Executive Secretary	February 1962
7. Retain editor of new text for academic year 1962-63	Executive Secretary	April 1962
8. Complete new manual for <u>Progress and Poverty</u> .	Executive Secretary	April 1962
9. Commence reassessment of School curriculum	Executive Secretary	April 1962
10. Adoption of Budget 1962-63	Board of Trustees	April-May, 1962
11. Start analysis of all promotional materials	Executive Secretary	May 1962
12. Complete extension Planning Reports	Extension Directors	June 1962
13. Review extension Planning Reports	Board of Trustees	July 1962
14. Complete analysis of all promotional materials	Executive Secretary	August 1962
15. Complete reassessment of School curriculum and recommend curricular changes	Executive Secretary	August 1962

TIMETABLE Continued

<u>Action</u>	<u>Responsibility</u>	<u>Target Date</u>
16. Review curricular changes	Board of Trustees	August 1962
17. Develop training plan for Leader's Training Institutes	Executive Secretary	August 1962
18. Select locations for five Leader Training Institutes	Executive Secretary	September 1962
19. Move School and New York exten- sion to new quarters	Executive Secretary	January 1963
20. Adoption of Budget 1963-64	Board of Trustees	April-May 1963
21. Hold Annual Conference of School	Executive Secretary	May 1963
22. Complete new text and Leader's Manual	Executive Secretary	June 1963
23. Make evaluations of School pro- gram, September 1961-June 1962	Executive Secretary- Extension Directors	June 1963
24. Review extension evaluations	Board of Trustees	July 1963
25. Complete extension Planning Re- ports for second year	Extension Directors	July 1963
26. Review extension Planning Reports	Board of Trustees	July 1963

NELSON ASSOCIATES • MANAGEMENT CONSULTANTS
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July 7, 1960

The Board of Trustees
Henry George School of Social Science
c/o Mr. Lancaster Greene, Vice President
50 East 69th Street
New York 21, New York

Dear Mr. Greene:

We submit herewith our proposed plan of survey of the Henry George School. Our conversations with you, Mr. O'Connor, Mr. Weinstein, Mr. Recker and Mr. Clancy have been most helpful in clarifying the purposes our study would serve.

In this letter we have set forth the scope, methods and time and costs of the proposed study. It is always advisable, I am sure you will agree, to have a clear understanding of the terms of the agreement at the very outset. If there is any respect in which the following paragraphs do not meet your expectations and needs, we shall be happy to review the proposal with you and make appropriate modifications.

SCOPE

The proposed study is to be a general survey of certain major aspects of the School's operations. As we understand it from our conversations, the impetus for the Study stems from a desire on the part of trustees and staff to increase the effectiveness of the School. The survey would give attention in particular to the following areas:

1. Administration: Are there ways in which the professional staff work can be more effectively organized? Is there need for additional personnel? Are job functions clearly described and responsibilities fixed? Is the present salary scale appropriate? Are policy relations between staff and trustees properly defined?
2. Extensions: What are the major factors that contribute to the success of some extensions and to less satisfactory results elsewhere? What steps can be taken to improve extension performance where needed? What criteria should govern extension subsidies?

3. Student Body: Whom should the School attract as students? Is it succeeding in attracting such persons? What steps are required, if any, to increase the effectiveness of the School in attracting and holding the desired students?
4. Leadership: Is the School attracting sufficient persons of capacity to assume positions of leadership as trustees, teachers and staff to ensure vigorous growth in future years? If not, what steps need to be taken to obtain and hold such leadership?
5. Financing and Budget: Are there ways in which the income of the School can be increased? Should the School consider a registration or tuition charge? In addition to financial consequences, what effect would such a change have on the makeup and size of the student body? Are there ways in which the present budgeting methods and procedures can be improved? Can available funds be more effectively allocated?

In each of these areas we shall attempt to find answers to these questions and to make appropriate recommendations. We recognize that when proposing changes full account must be taken of the special origins and traditional practices of the School.

The intent of all recommendations made would be to strengthen the School for its future tasks by clarifying its goals and improving its operations.

The study would not involve a detailed review of office methods and practices, accounting procedures or record keeping functions. Study of these operations would be undertaken only to the extent that they impinge upon areas outlined above.

METHODS

Our methods of study would include:

- interviews with the Director and a representative group of trustees
- visits to not less than three extensions, including interviews with the extension directors

July 7, 1960

- study of relevant historical records, including minutes of meetings of the Board of Trustees
- study of the literature and publications of the School
- study of financial records and budgets
- class visits
- review of current activities.

We would bring to bear upon our work extensive consulting experience with non-profit organizations. The survey would be conducted by the undersigned and an associate, both familiar with educational enterprises through direct personal experience.

* * * * *

Sincerely yours,

s/

Charles A. Nelson
NELSON ASSOCIATES