

mation on sales that many retailers, wholesalers, and manufacturers now routinely

collect, a more accurate picture of inflation might emerge.

## SOCIETY

### *Financial Aid for Whom?*

"Scholarships: Need or Merit?" by Herschel Grossman, in *Cato Journal* (Winter 1995), Cato Institute, 1000 Massachusetts Ave. N.W., Washington, D.C. 20001-5403.

Professional baseball's exemption from federal antitrust laws has sparked controversy for years, but when America's colleges and universities received a similar exemption two years ago, hardly anybody noticed. Students, argues Grossman, a Brown University economist, are being shortchanged.

For decades, he notes, Brown and the seven other Ivy League schools joined with the Massachusetts Institute of Technology in "a cartel to limit competition for desirable undergraduate students." The institutions agreed to award scholarships on the basis of "need," not "merit." (And they defined need in a narrow way.) At an

annual meeting called "Overlap," representatives of the universities even jointly decided on how much aid they would offer to specific individual applicants. By not awarding "merit" scholarships, Grossman maintains, the institutions avoided costly bidding wars over talented students.

Need-based aid, especially when joined with so-called need-blind admission policies (admissions decided without regard to students' financial situation), gives families less incentive to save for college, since the more they save, the less aid they will get. A study last year found that the prospect of need-based aid prompted the typical middle-class family with two chil-

### *Mixed Blessings*

The American woman's situation today is difficult, Midge Decter observes in *The Women's Quarterly* (Winter 1996), not because she is in chains, but because she is free—free in an entirely new way, thanks to "the fateful and as yet not fully fathomed separation of sex and procreation."

*A woman must now decide everything essential to her. Whether to be serious about work or not—a decision which does not afflict any but the richest of men and which afflicts many of them with alcoholism and other forms of despair. Whether to sleep with this man or that man or none—again, a decision which afflicts few men in relation to women, for sexual revolution or no sexual revolution, few men can even now count themselves on the choosing end of this particular transaction. Whether to marry (a question which once offered her only the alternative of a pinched and barren spinsterhood) and whom to marry and when to marry—a form of freedom heretofore enjoyed, or possibly not enjoyed, only by men. Concomitant with this last freedom has come the freedom to divorce—if she thinks she ought to or even if she merely wants to.*

*In short, a woman must make up her mind in every major area of her life about what to do, whether to do, and how to be. Thus with the exception of unhappy accidents or unavoidable misfortunes, her satisfaction and contentment are in her own hands—to a degree possibly unprecedented in the history of mankind, a degree experienced by her as bordering on the intolerable. The question "What does woman want?" has become for her the question "What do I want?" It is a question none of us has the spiritual wherewithal to answer on one's own. Yet on her own is what the modern enlightened woman now is.*

dren not yet in college to reduce its annual savings by about half.

The colleges and universities have justified the ban on “merit” scholarships on equity grounds. If they awarded merit-based assistance, they claim, they would have to cut aid to needy students. But Grossman points out that the richest Ivy League schools—Harvard, Yale, and Princeton—devote a smaller proportion of their gross revenues to financial aid than many of the poorer ones do. Moreover, Grossman says, there’s a lot of fat in higher education—in the form of lavish pay for light teaching loads, substantial support for research projects and graduate students, and time for professors to earn extra income as consultants.

When the U.S. Department of Justice brought an antitrust action in 1991, the Ivies quickly agreed to terminate Overlap; MIT agreed to a separate settlement later. The colleges continued to claim that they were offering aid based only on need. But

Grossman says that they seemed to start competing for talented students by stretching their definition of “need” and adjusting their aid offers according to “merit.” Over time, he believes, this competition probably would have intensified, to the point where a substantial amount of assistance was being awarded on the basis of merit, more students were getting aid, and the aid packages were larger. Unfortunately, Grossman concludes, this now seems unlikely.

Congress, “in the face of intense lobbying by the educational establishment,” enacted legislation in October 1994 that explicitly allows colleges to agree to give only need-based aid, to adopt a common definition of “need,” and to exchange any information about the income and assets of prospective students and their families necessary to make their agreement work. In short, he says, all private colleges in the United States now have carte blanche “to collude to limit financial aid in any way they choose.”

## *Why Women’s Colleges Work*

“Women-Only Colleges” by Mikyong Kim and Rodolfo Alvarez, in *The Journal of Higher Education* (Nov.-Dec. 1995), Ohio State University Press, 1070 Carmack Rd., Columbus, Ohio 43210.

The rise of the modern feminist movement in the 1960s almost rang the death knell for the traditional women’s college. Rejected as separate but patently unequal by feminists of the 1960s and ’70s, these schools saw their number shrink from 300 in 1960 to 84 (including 71 four-year institutions) today. Now, much research suggests that young women get certain benefits from female-only colleges that they don’t get at coed institutions, report Kim and Alvarez, a doctoral candidate and sociology professor, respectively, at the University of California, Los Angeles.

Examining data from surveys in the fall of 1987 and the summer of 1991 of 387 students from 34 women’s colleges and 3,249 women from 274 coed institutions, the authors find larger improvements in academic ability at



*Though they had no male classmates, these 1995 Wellesley College seniors were all smiles at their commencement.*

the women’s colleges, at least as measured by how the women themselves judge their capacities. After four years at the coed institutions, 76.7 percent of the women rated their academic ability as either “above average” or in “the highest 10 percent”—a 4.5-point increase over the 1987 figure. At the women’s