of alumni and already large endowment funds, it is my conviction that more and more private institutions are going to have to solicit for current expenditures, and not for endowment funds, for the reason that, even if you get a 5-percent return on $1 million, you only have $50,000, and that is about three salaries.

So I am not suggesting that institutions will not be trying to get endowment funds and will be unwilling to accept them. Quite the contrary. I am suggesting that our economy being what it is and the demands being so great by so many institutions, that I think they must turn their attention to the annual giving program. And I am a trustee of three institutions where this, in fact, is what we are doing. We are trying to get people to sign up for a specified amount indefinitely.

The idea is that this would be a substitute for the income from endowment.

I don't believe—I can't speak for the board of trustees of Eisenhower College, and I shouldn't, but I ought to say, Mr. Erlenborn, that I can't believe that Eisenhower College could raise $25- or $30 million in endowments in the next 10 years unless something very unusual happened, as happened at McAllister College, where they received $25 or $30 million in one chunk. I can't believe this is going to happen in many places.

I believe we have to solicit for our funds year by year.

Mr. ERLENBORN. Do you anticipate that you will be doing this at Eisenhower College?

Dr. MCGRATH. I surely do.

Mr. ERLENBORN. So that the indications here are that you would make a go of it on student fees alone. This is not a true picture. You will need additional help over the long term.

Dr. MCGRATH. There are many other things, you see, Mr. Erlenborn. The instructional costs usually run between 50 and 60 percent of the current operating expenses. That is for teachers and library, and so on. But there are many other expenses in the institution, not capital expenses, but other kinds of expenses, which will also have to be covered.

We will need outside funds to do that.

I would hope that through the maintenance of a selective curriculum and a high student-faculty ratio, I would hope 20 to 1—20 students for each full-time faculty member—and that the income from student fees of all kinds would, within 5 years, carry the current operating budget.

Now, this assumes that we won't have an uncontrolled inflation, or a severe depression in which we lose students, as we did in 1933. But assuming a moderately normal economic condition, I would hope, and I believe, that that will be the case.

Mr. ERLENBORN. Is there any existing institution that can serve as a model for what you hope will happen, or will you be unique if you are able to achieve this?

Dr. MCGRATH. Well, there is one that got into a little trouble, and I hesitate to associate our name with it, out in Iowa. But this institution more than covered the current operating expenses out of tuition and fees. I say we don't want to be compared with this institution because that institution did take a very substantial percentage of its entering