

Concordia University in Portland, Oregon set to close by end of the semester

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On Monday, Concordia University (CU) in Portland, Oregon announced that it will close at the end of the 2020 spring semester, resulting in the layoffs of all 1,518 faculty and staff members and the displacement of about 5,000 students. The closure is only the most recent in a long string of closures, mergers, and acquisitions of primarily small, private liberal arts schools like Concordia.

Concordia is owned by the Lutheran Church—Missouri Synod (LCMS), the second largest body of the Lutheran denomination in the United States. The university was first opened in 1905 as the Concordia Academy to train pastors and religious schoolteachers, becoming a co-ed high school by 1968 and finally a four-year higher education institution in 1977.

As of 2019, Concordia offered 15 baccalaureate programs in Education, Law and Management. Despite its small size, it is home to the second largest teacher preparation program by number of graduates in Oregon, in between two public universities—Portland State University and Western Oregon University. More than half of the layoffs involve staff in the Nursing and Education departments.

“After much prayer and consideration of all options to continue Concordia University - Portland’s 115-year legacy, the Board of Regents concluded that the university’s current and projected enrollment and finances make it impossible to continue its educational mission,” Interim President Dr. Thomas Ries said in the official announcement of the school’s imminent closure.

The Board of Regents’ decision to cease the university’s operations came after years of financial decline and instability, with the costs of running the institution exceeding the revenue, which largely comes

from student tuition, public endowments, and private fundraising.

According to local news station KGW8, Ries admitted to reporters, “It has had a negative cash flow for quite some time.” Concordia’s revenue fell from \$116 million in 2017 to \$113 million in 2018, based on data published in the university’s annual financial report.

While school officials continue to speak about how this is the result of a long-standing problem, students and faculty have voiced their anger over the lack of transparency, mismanagement of funds, and the short notice that has left students scrambling to find a way to continue their education.

On Thursday, dozens of students and faculty members walked out of class at 10:00 a.m., in protest against the closure. The crowd held a rally during which several students spoke about their stories and grievances, then marched to the president’s office for a sit-in protest.

Some of the handmade signs read: “I want to expand my mind, not my debt”, “CU in Court”, and “The Concordia community is not disposable.” Student speakers commented on their sadness about losing a university they enjoyed attending, their solidarity with the teaching staff, and their anger toward the conduct of the university officials.

One student explained, “I do not believe that the LCMS has our best interests in mind. The LCMS does not pay taxes. In the years before the closure, they raised the salaries of the president and many other Board of Regents members. The money spent on campus security could have gone toward tuition costs.”

William Spaulding, a student at Concordia University, even filed a class action lawsuit against the university for “unlawful trade practices” and “unjust

enrichment,” with the aim of holding the university responsible for the release of financial records, along with adequate severance packages for faculty and financial assistance for students.

Attorney Michael Fuller writes in the introduction to the case, “Concordia University misled hundreds of students about its financial condition and collected tuition in 2020 that students would not have paid had the students known the truth about Concordia University’s looming closure. Now, many Concordia University students are left unable to graduate and with credits that cannot be directly transferred for credits of equal value at a different university.”

Concordia’s closure follows on those of Marylhurst University and the Oregon College of Art and Craft, two other small, private schools in Oregon that shut down for similar financial reasons in the recent past.

“The big question at this point is not whether there will be more closures—it’s how many,” warned Rick Seltzer, an expert on the topic of postsecondary school closures and a reporter for *Inside Higher Ed*.

Based on a 2018 report published by Moody’s Investors Service, an average of 11 private colleges close each year across the United States, a rate which is expected to rise. The private college closure rate is nearing 1 percent annually, with at least 25 percent of private colleges running a deficit.

Analysts attribute the stress on private, nonprofit colleges to a number of factors. The number of “nontraditional” students, those who are over 24 years old and are returning to school after working and raising families, has increased since 2000 across the United States, with over half of all college students consisting of this group. That demographic change has increased the interest in online distance learning, flexible schedules, and career-focused programs, which are all features marketed by the private education market.

While overall enrollment in postsecondary institutions increased by 27 percent between 2000 and 2017, the National Center for Education Statistics wrote, “undergraduate enrollment increased at a greater rate at private for-profit institutions (109 percent) than at private nonprofit institutions (27 percent) and at public institutions (24 percent).”

Small, private liberal arts schools have suffered enrollment drops due to these changes. About 80

percent of the revenue for Concordia University was acquired through tuition, which students pay through a combination of money from their own pockets, family contributions, scholarships, grants, and burdensome student loans. For universities heavily dependent on tuition for revenue, a decline in enrollment places them in a tighter financial situation.

The *Center for Responsible Lending* wrote in January 2019, “Many for-profit students are nontraditional students, making sacrifices and struggling to manage family and work obligations to make better lives for their families. For-profit colleges target them with aggressive marketing, persuading them to invest heavily in the future with promises of successful careers and financial stability that ultimately do not materialize.”

The widespread character of these trends in higher education confirms that the closures of valuable educational institutions are not simply the fault of particularly corrupt or incapable individuals who sit atop the university administration. Rather, they are the product of the broader crisis of the capitalist system, with the fundamental right to education placed at the behest of private for-profit interests.



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