

## *New Light on the History of Correspondence Schools*

What we now call distance education began long before computers linked students and teachers. Beginning in the late nineteenth century, hundreds of private companies, public universities, and enterprising individuals sold instruction by mail. Nearly any subject could be pursued, but vocational training was the best seller. The company that dominated the field, enrolling nearly 100,000 new students annually in the early twentieth century, was in Scranton, Pennsylvania, where its massive headquarters was known as the Big Red Schoolhouse. By comparison, the largest proprietary school in Philadelphia, Peirce College, never enrolled more than 2,000 students until World War I.<sup>1</sup>

The International Correspondence Schools (ICS) found its historian in 1996, when James Watkinson published an article in this journal.<sup>2</sup> He described the practical slant of the organization's textbooks, analyzed its enticing ads, profiled students from two cities, and concluded that ICS was a reputable vendor of the technical know-how that could help such ambitious adults as Arthur Godfrey, Eddie Rickenbacker, Walter Chrysler, Dwight Eisenhower's father, and the inventor of Scotch Tape get ahead.

Watkinson's valuable article said little about ICS after the 1920s; his paper traced the rise of a behemoth rather than its later life. In addition, he relied on published sources because the ICS archives were so meager—no correspondence to and from ICS staff, no annual reports to shareholders, no legal records, and no letters from students.<sup>3</sup> The few primary sources Watkinson missed—ICS advertisements in the National Museum of American History, the autobiography of an ICS advertising manager, the notes of an Italian immigrant who took carpentry and masonry—reinforce what he found elsewhere.<sup>4</sup>

<sup>1</sup>Jerome P. Bjelopera, *City of Clerks: Office and Sales Workers in Philadelphia, 1870–1920* (Urbana, IL, 2005), chap. 3.

<sup>2</sup>James D. Watkinson, "Education for Success: The International Correspondence Schools of Scranton, Pennsylvania," *Pennsylvania Magazine of History and Biography* 120 (1996): 343–69.

<sup>3</sup>ICS donated its small archive to the University of Scranton. Textbooks and newspaper clippings make up the bulk of the collection.

<sup>4</sup>N. W. Ayer Advertising Agency Records, National Museum of American History, Washington, DC; G. Lynn Sumner, *How I Learned the Secrets of Success in Advertising* (New York, 1952); Vincent Russoniello Papers (Collection MSS047), Historical Society of Pennsylvania, Philadelphia, PA.

Two boxes in the William Warren Scranton Papers at the Special Collections Library of Pennsylvania State University shed light on ICS from the early 1950s to the mid-1970s.<sup>5</sup> William Scranton's father was on the Board of Directors when thirty-two-year-old Scranton Jr. joined the company in 1949 as its vice president for legal affairs. Although the younger Scranton left in 1954, he rejoined the Board of Directors after his service in Congress, a term as governor of Pennsylvania, and an unsuccessful run for the Republican presidential nomination in 1964. Scranton's papers illuminate the financial ups and downs of ICS and reveal the risks of rapid expansion. From the annual reports, correspondence with ICS officers, press releases, and handwritten notes, historians can trace the lures and the perils of becoming a conglomerate.

In the 1940s and 1950s, ICS rebounded slowly but steadily from the sharp loss of students during the Depression. The GI Bill briefly pushed enrollments to 115,018 in 1947, but that was the only time when ICS equaled the peaks of 1900 to 1925. The company recruited around 70,000 new students each year in the 1950s; a profitable book publishing division grew more rapidly. By the early 1960s, the annual revenue of approximately twenty million was triple the comparable figure from the early 1940s, with the stock price doing much better: from a low of one dollar in 1942, it rose to ten dollars by the early 1950s and continued to climb throughout the decade. The annual profits grew faster than the annual sales in the 1950s, and in a strong market the shares did well.

The Scranton files reveal that ICS went on an acquisition binge in the 1960s, when for-profit education and publishing firms entered what investors today call a bubble. The market for schooling in many different forms seemed limitless, and stock prices skyrocketed. The company had seven suitors in 1961, but it wanted to buy rather than sell. By the end of the decade, InText (as it renamed itself) owned three vocational schools, a book distributor, an audiovisual company, a training program for overseas corporations, and five niche publishers. Annual sales began to surge in 1963, and the \$22,349,000 in that year soared to \$52,255,000 ten years later. But profits peaked in 1967, declined for the next three years, and became losses in the early 1970s. Some of the acquisitions were unprofitable, but all of them increased the company's debt. The officers nevertheless continued to envision new ventures—international “packaged

<sup>5</sup> William Warren Scranton papers, HCLA 1774, Special Collections Library, Pennsylvania State University. The thorough finding aid is available at <http://www.libraries.psu.edu/findingsaids/1774.htm>.

schools” where InText would provide the entire curriculum and construct the buildings; “family education programs” to coach parents on what toys, books, typewriters, and other gadgets to buy their children; and an MBA program with Hofstra University.

William Scranton owned 6 percent of the common stock (more than any officer, director, bank, or mutual fund), and the rapid expansion began to alarm him. He wanted to cut debts and pare international operations. On one annual report in which the president boasted, “we implemented a plan to create a growth and diversified company within the broad educational—or knowledge—field,” Scranton wrote, “Baloney.”<sup>6</sup> In his opinion, the company lacked a clear plan and instead borrowed too much money to enter fields in which it lacked expertise. He received letters from anxious employees, asking, “Won’t you please do something before it is too late?”<sup>7</sup> ICS barely survived the helter-skelter expansion. Its stock fell from thirty-two dollars a share in 1969 to a low of one dollar in 1974, recovering somewhat by 1979 when it accepted a fourteen-dollars-per-share takeover bid. InText stockholders experienced a rollercoaster ride quite unlike the economic security its home study advertisements promised.

For historians of higher education, the 207 boxes in the Scranton Papers include other rich materials on the late 1960s and early 1970s that reflect the former governor’s wide-ranging connections. Scranton worked with the Carnegie Commission on Higher Education (six boxes), the President’s Commission on Campus Unrest (four boxes), and Yale University (eight boxes). Those files might be hidden gems for other historians. The ICS and InText materials are less voluminous than other sections of the Scranton Papers, but they may be more unusual—no other archival collection clarifies the mid-century growth and retrenchment of this remarkable school.

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<sup>6</sup>InText 1968 Annual Report, box 85, folder 11, Scranton Papers, Pennsylvania State University.

<sup>7</sup>“Concerned Employees” to Governor Scranton, Dec. 6, 1970, box 85, folder 5, Scranton Papers, Pennsylvania State University.