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A HISTORY OF STUDENT FINANCIAL ASSISTANCE  
PROGRAMS AT OKLAHOMA STATE UNIVERSITY,  
1891-1978, WITH AN EMPHASIS ON THE  
CREATION AND ADMINISTRATION  
OF THE LEW WENTZ  
FOUNDATION

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in partial fulfillment of the requirements  
for the Degree of  
DOCTOR OF PHILOSOPHY  
May, 1979

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## PREFACE

Despite the rapid growth and importance of student financial assistance during this century, very little has been written on the subject. In particular there has been no study of the creation and growth of the programs of student financial assistance at Oklahoma State University. This study will detail the history of student financial assistance at Oklahoma State University between 1891 and 1926, the creation and administration of the Lew Wentz Foundation at the college from 1926 to 1978, and the growth and operations of the federally funded student aid programs from 1935 to 1978. The primary purpose of this study is to determine, by placing the financial assistance programs in an historical perspective, the value of these programs to Oklahoma State University. The significance of the Lew Wentz Foundation to the continued growth of the institution also will be stated. In addition, the effects of the economic and social changes of the twentieth century on the administration of the student financial assistance programs will be explained. It is hoped that this study will provide a better understanding of the value and scope of the financial aid programs available to students at Oklahoma State University.

The author wishes to thank Dr. Joseph A. Stout, Jr., who initially encouraged me to complete my Ph.D. degree. Further credit is due the other members of my committee including Dr. George F. Jewsbury, Dr. James M. Smallwood, Dr. Richard C. Rohrs, and Professor Harold V. Sare.

Gratitude is extended also to the Lew Wentz Foundation Board of Trustees who underwrote part of the costs of this dissertation. I also would like to thank Lloyd Wallisch of the special collections area and John and Vicki Phillips of the documents area of the Oklahoma State University Library for their assistance. In addition, I would like to express my appreciation for the help given me by Dr. Robert B. Clark and other members of the Department of Financial Aids in completing this study. A well-deserved note of thanks is extended also to Lisa K. Cantrell, my secretary, who provided encouragement and technical assistance when needed, and deciphered my handwriting to type a large portion of the first drafts of this dissertation. In particular, I wish to express appreciation to my wife, Betty, who, during the past year, devoted her evenings to typing a large portion of the rough drafts and all of the final copy of this dissertation, while caring for our two sons, B.J. and Michael.

Finally I ask understanding of my family, close friends, and associates for the hours that should have been spent with them, but instead were required to research and write this dissertation.

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## CHAPTER I

### INTRODUCTION

The history of financial assistance for students attending this country's institutions of higher education began in the seventeenth century soon after the first colleges were established. As early as the 1640s, Harvard provided part-time jobs for some students who could not otherwise pay their college expenses.<sup>1</sup> In addition, many students at that college were allowed to pay their term bills in commodities such as cattle, grain, lumber, leather goods, fruits, and vegetables.<sup>2</sup> Despite this flexibility, some students could not attend college without other types of financial assistance. And, in the early days of higher education, there were no loan programs and very few scholarships for students. The funds for scholarships were provided by private donors or came from town contributions. In 1643 Ann Radcliffe, for whom Radcliffe College was later named, donated funds to Harvard to be used for scholarships.<sup>3</sup> College officials awarded these scholarships to whomever they wished without specific guidelines. During the 1650s only ten students at Harvard received once-renewable scholarships, and these were for small amounts.<sup>4</sup>

In approximately 1667 the office of Scholar of the House was created at Harvard. The students given this title were usually seniors who were paid an annual stipend of five pounds to prevent disorders in the living quarters and to report on damages.<sup>5</sup> After 1669 from one to

six Scholars of the House were appointed annually. In addition, several students earned money by working on campus as clerks, waiters, or butlers.<sup>6</sup>

Since the seventeenth century most colleges and universities offered some types of scholarships, loans, or part-time jobs for students. During the three centuries after 1650, individual institutions of higher education developed student financial assistance programs for almost every conceivable purpose. However, as most colleges were not well endowed financially, the total amount of financial assistance available to students remained small. Consequently, many institutions offered student employment as their primary type of financial assistance.

The passage of the Morrill Act on July 2, 1862, provided a major impetus for the expansion of post-secondary education in America. This act provided that a grant of 30,000 acres of government land be given to each state for each of its senators and representatives in Congress; the proceeds from the sale of this land grant would be used to create and maintain agricultural and mechanical colleges. The primary goals of the Morrill colleges were to "teach such branches of learning as are related to agriculture and the mechanic arts" and to "promote the liberal and practical education of the industrial classes."<sup>7</sup> Many land-grant colleges chose to overlook the value of courses in scientific and classical studies and instead emphasized only agriculture, the mechanic arts, and the sciences contributory to them.<sup>8</sup> However, as a result of the Morrill Act, traditional higher education curriculums changed significantly.

The passage of the Hatch Act on March 2, 1887, further expanded higher education in America. The act provided that agricultural experiment stations could be established in connection with the land-grant

colleges.<sup>9</sup> The primary purpose of these experiment stations was to conduct scientific research of agricultural problems.<sup>10</sup> The experiment stations received an annual appropriation of \$15,000 from the United States Government.

Congress passed the Second Morrill Act on August 30, 1890, which increased funds for the land-grant colleges by \$15,000 that year, with an annual increase of \$1,000 per year for the next ten years until the amount reached \$25,000 annually.<sup>11</sup> This additional financial support provided the impetus for the creation of many new agricultural and mechanical colleges during the 1890s.

The Second Morrill Act was passed at an opportune time for those who were interested in establishing an agricultural and mechanical college in Oklahoma. The contest over locating the college sparked a heated debate in the First Territorial Legislature.<sup>12</sup> Stillwater residents worked to ensure that the college was placed in Payne County. On December 24, 1890, the last day of the session, their efforts were rewarded. The legislature voted to create an agricultural and mechanical college in Payne County.<sup>13</sup> A legislative site selection committee recommended on July 11, 1891, that the college be established in Stillwater, rather than at any of the other proposed sites in the county. Accepting this recommendation on November 25, 1891, the Governor transferred the deeds to the 200 acres of college property in Stillwater to the newly created board of regents for the college.<sup>14</sup> After additional struggles over the sale of bonds for the construction of campus facilities, Stillwater residents finally realized their dream of having a college.<sup>15</sup>

Because of economic conditions in the region between 1891 and 1926,

most college students in Oklahoma had to earn all of their educational expenses. There were few student loan funds at Oklahoma A&M College during those years.<sup>16</sup> However, in 1926 Lew Wentz, a Ponca City oil millionaire, established a \$50,000 student loan fund at the Oklahoma A&M College. The Lew Wentz Foundation was the most significant privately endowed student financial aid program ever created at the college. When the Wentz Foundation was established, the original endowment was approximately five times as large as all of the other loan funds at the college combined.

The Lew Wentz Foundation provided educational loans for a generation of needy students during the "Great Depression" of the 1930s. Many of those students might not have otherwise been able to attend college. The demand for Wentz loans decreased sharply in the 1940s because student enrollment at Oklahoma A&M College also declined during World War II. However, the Wentz Foundation provided loans to the few students who needed financial assistance to attend college and deferred the repayment of loans for students who had entered the military service. Veterans returning to college after World War II had less need for Wentz loans as they were eligible to receive educational assistance through the provisions of the Serviceman's Readjustment Act of 1944 (G.I. Bill). Due to the prosperity of the early 1950s, the volume of Wentz loans made to students increased only slightly. However, loan volume increased rapidly between 1955 and 1960.

In addition to the long-term Wentz loans, the foundation established the short-term Wentz Emergency loan program in 1955. The foundation also provided hundreds of scholarships to students after 1960. Moreover, the Wentz Foundation continued to provide a large amount of

financial assistance to students at Oklahoma State University during the 1960s. However, the total amount of financial aid provided to OSU students annually by the federally financed student aid programs such as the National Defense Student Loan, Educational Opportunity Grant, and the College Work-Study programs finally equaled and ultimately surpassed the amount of assistance which the Wentz Foundation provided. Despite the growth of the federal programs, the number of needy students also continued to increase during the 1960s and 1970s. Thus the foundation offered an increasing amount of student loans in recent years, reaching a high of \$600,000 for the academic year of 1973-1974. The Wentz Foundation has remained a very important and substantial part of the financial assistance provided to students at Oklahoma State University for more than fifty years. The various programs of the foundation have provided funds to assist hundreds of needy students attending college. For nearly forty years the history of student financial assistance at this institution primarily has been the story of the creation and administration of the Lew Wentz Foundation.

The federal government also entered the area of student financial assistance in 1935 by creating the National Youth Administration (NYA). This federally funded program was designed to provide part-time jobs for students attending colleges and universities during the depression.<sup>17</sup> Further federal assistance for higher education came with the passage of the Serviceman's Readjustment Act of 1944 (G.I. Bill), which provided educational funds for World War II veterans.<sup>18</sup> The benefits of this act were later extended to veterans of the Korean and Vietnam wars. The creation of the National Defense Student Loan Program (NDSL) in 1958 marked the beginning of increased federal support for post-secondary

education.<sup>19</sup> Federal student financial assistance has grown dramatically since then. Several other substantial federal student aid programs have been created during the past twenty years to meet a variety of national, state, and local needs. Among these programs were the Health Professions Student Loan (HPSL), College Work-Study (CWS), Educational Opportunity Grant (EOG), Federally Insured Student Loan (FISL), Law Enforcement Education Program (LEEP), and the Basic Educational Opportunity Grant (BEOG). However, this vast array of financial aid programs is a very recent phenomena. There were no such programs for students attending colleges and universities in the 1890s.



FOOTNOTES

<sup>1</sup>Samuel Eliot Morrison, Harvard College in the Seventeenth Century, Pt. 1 (Cambridge, Mass.: Harvard University Press, 1936), p. 107.

<sup>2</sup>Samuel Eliot Morrison, Three Centuries of Harvard: 1636-1936 (Cambridge, Mass.: Harvard University Press, 1936), p. 14.

<sup>3</sup>Adelaide H. Thierry, When Radcliffe Was Teen-Age (Boston, Mass.: Bruce Humphries, Inc., 1959), p. 13.

<sup>4</sup>Morrison, Harvard College, Pt. 1, p. 107.

<sup>5</sup>Morrison, Three Centuries, p. 29.

<sup>6</sup>Morrison, Harvard College, Pt. 1, p. 108.

<sup>7</sup>United States Statutes at Large, XXII (1862), pp. 503-505.

<sup>8</sup>Dr. A.C. Scott, "The Story of an Administration of the Oklahoma Agricultural and Mechanical College," March 1942, p. 12, Special Collections, Oklahoma State University Library, Stillwater, Oklahoma.

<sup>9</sup>Statutes, 49th Congress, XXIV (1887), p. 440.

<sup>10</sup>Ibid.

<sup>11</sup>Statutes, XXVI (1890), pp. 417-18.

<sup>12</sup>Philip Reed Rulon, "The Founding of the Oklahoma Agricultural and Mechanical College 1890-1908" (Unpublished Ph.D. Dissertation, Oklahoma State University, 1968), pp. 19-25.

<sup>13</sup>Ibid.

<sup>14</sup>Ibid.

<sup>15</sup>A brief account of the problems encountered in selling these bonds is provided in Edwin C. McReynolds, Oklahoma: A History of the Sooner State (Norman, Okla.: University of Oklahoma Press, 1954), p. 296.

<sup>16</sup>The Oklahoma Agricultural and Mechanical College at Stillwater was renamed Oklahoma State University on July 10, 1957, by an act of the State Legislature. For the purposes of this study, I will use the term Oklahoma A&M College when writing about events which occurred at the

institution prior to July 1957. I will use the term Oklahoma State University when covering the period from 1957 until the present.

<sup>17</sup> U.S. Presidents: Executive Order 7086, June 26, 1935.

<sup>18</sup> Statutes, 78th Cong., 2nd Sess., LVII, Pt. I (1944), pp. 249-301.

<sup>19</sup> Ibid., 85th Cong., 2nd Sess., LXXII, Pt. 1 (1958), pp. 1588-1604.

## CHAPTER II

### EARLY FINANCIAL ASSISTANCE AT OKLAHOMA

#### A&M COLLEGE, 1891-1926

Because of the lack of funds necessary to construct campus facilities, the first classes of the Oklahoma Agricultural and Mechanical College were held at the Congregational Church in Stillwater on December 14, 1891. The church was an old one-room structure which was cold in the winter and extremely hot in the summer. Equipment was limited to a couple of blackboards. The various classes of students were separated by movable partitions.<sup>1</sup> It was under these rudimentary conditions that the process of higher education began in Stillwater.

Between 1891 and 1910 many young Oklahomans were unable to attend college because of inadequate financial resources. During those years the economy of the state was based almost entirely on small-scale farming and cattle raising.<sup>2</sup> Thus, a majority of the students attending Oklahoma A&M College in the 1890s were quite poor financially. They had to work approximately thirty hours per week to pay their college expenses. Within a few years after the college was established, many students found employment at the agricultural experiment station. Others worked in the college dining hall, post office, newspaper, or in the laboratories and offices of the institution. Some students found part-time jobs off campus in the Stillwater area.

Despite the fact that tuition was free at Oklahoma A&M College,

students were charged an incidental fee of one dollar per term, and books cost from two to five dollars each term.<sup>3</sup> There also was a two dollar breakage fee for sophomores in chemistry, and a two dollar charge for students using school typewriters.<sup>4</sup> In addition to these expenses, room and board with private families cost from \$2.50 to \$3.00 per week while furnished rooms averaged from \$1.50 to \$3.00 per week.<sup>5</sup> To help reduce the cost of attending college, some students formed boarding clubs. These clubs evidently were a success because they provided good meals for less than two dollars per week, while giving the students a convenient place for dining.<sup>6</sup> Although the boarding clubs helped reduce expenses, most students attending Oklahoma A&M College still had to work from twenty to thirty hours per week, at ten cents per hour, to pay room and board costs. There were no long-term loans, scholarships, or grants for students at that time.

During its first thirty-five years of operation, college officials assumed that students would resolve their own financial problems by working part-time. Many of the land-grant colleges emphasized student employment as their primary type of financial assistance and provided jobs for deserving students at the agricultural experiment stations. Oklahoma A&M College was no exception to this rule. During 1896 the agricultural experiment station at Stillwater spent approximately \$3,200 for student labor. This indicated that most students at the college were earning their educational expenses by working at the agricultural experiment station.<sup>7</sup> In 1899 one writer commented that the institution had "an unusually large percentage of students" who were attempting to earn a living while attending college.<sup>8</sup> He also indicated that working while attending college was very difficult to accomplish.

Therefore, by the turn of the century, some people already had realized that excessive employment could be detrimental to studies. Other types of financial assistance definitely were needed.

The demand for part-time jobs increased rapidly during the late 1890s. One reason for this was that enrollment in the regular college classes had increased to 228 by 1900.<sup>9</sup> There also were 142 students enrolled in preparatory classes that year. As the college could not employ all of the students who needed to work part-time, the residents of Stillwater provided some jobs for students.<sup>10</sup> However, off-campus jobs were limited, for the population of Stillwater was less than 4,000 people.<sup>11</sup>

Although many students had earned all or most of their college expenses by working part-time at the college farm, the experiment station, or in other positions on the campus or in the city of Stillwater, school officials cautioned prospective students in 1900 that the college could not provide jobs for all needy students.<sup>12</sup> Student employment continued to be a problem for the total enrollment of the college increased to 435 by 1902.<sup>13</sup> Despite this increase, several students had to leave college for part of the academic year during this period to work at home.<sup>14</sup> According to one source, most of these students were leaving college for financial reasons.<sup>15</sup> It was a common occurrence for students to drop out of school to earn money to pay for college expenses. Many students possibly could have remained in college had they received a small loan or found a part-time job. Therefore, there was an increasing need for additional student financial assistance. For the young men who were able to remain in college during those years, it must have been welcome news when they learned in March, 1896, that "as yet none of the young

ladies have withdrawn from school."<sup>16</sup>

Costs to attend college were not great in the early 1900s, but neither was income. By the academic year of 1910-1911, students were advised that they should have at least fifty dollars available at the time they entered college to ensure three or four months of consecutive study. This estimate included \$30.00 for room and board for two months, \$6.00 for books and supplies, \$3.85 for incidentals, and \$17.15 for a military uniform.<sup>17</sup> However, despite the growth of the institution, student labor remained the primary type of financial assistance offered to students at Oklahoma A&M College by the academic year of 1910-1911. School officials informed students in that year that they could find work at the college farm, creamery, orchard, garden, or printing department. The rate of pay was 12.5 cents per hour "for work faithfully performed."<sup>18</sup> At that time a room in a dormitory cost \$3.00 per month and board cost from \$3.25 to \$3.75 per month.<sup>19</sup>

The college had not established any additional programs of financial aid for students by August 1915, when acting President L.L. Lewis presented his annual report to the State Board of Agriculture in Oklahoma City. He indicated that many students were working their way through college by devoting approximately four hours per day to their on-campus jobs.<sup>20</sup> In 1915 on-campus housing cost three dollars per month and meals cost approximately ten dollars per month.<sup>21</sup> Lewis also stated that these part-time jobs had been assigned to students who were in financial need and were doing well academically. This indicated a positive approach in assigning student employment. Despite this, however, students were employed only in instances where it would benefit the institution. Lewis revealed that the board had set aside \$4,000

that year for student labor. He indicated that the institution employed many students as janitors. He also stated that his philosophy was to provide a meaningful work experience for the students employed by the college whenever possible.<sup>22</sup>

By the academic year of 1919-1920, school officials estimated that it cost approximately \$127 to attend Oklahoma A&M College for nine months. This included \$100 for room and board, \$12 for books and \$15 for incidentals.<sup>23</sup> Educational costs had more than doubled between 1910 and 1920. One reason for this was that the economy of the state of Oklahoma had expanded greatly during those years due to the rapid development of the oil industry.<sup>24</sup> In addition, farm prices had increased during and immediately after World War I. The development of better farming machinery increased cotton, corn, and wheat production in the state. However, a national economic recession in 1920-1921, which was caused by a rapid decrease in the demand for agricultural products, decreased wages in Oklahoma while the cost of manufactured goods remained constant. Oil prices also decreased after 1920.<sup>25</sup> The recession made it more difficult for students to earn all of their college expenses. Despite these economic problems, student employment still was the only assistance which Oklahoma A&M College offered to help students pay their educational expenses.

In September 1920 Jake Katz, a Stillwater merchant, donated money to establish five annual scholarships in memory of his deceased son, Albert Jerome Katz. The scholarships were \$100 each and were paid in nine monthly installments. The scholarship recipients were selected by the president of the college and the scholarship council. The criteria used in the selection process included scholastic achievement and an

evaluation of the "general worth of the students."<sup>26</sup> The Katz Scholarship program was the first on-going program of financial assistance for students at Oklahoma A&M College. Additional financial aid programs were needed as the total college enrollment continued to increase in the 1920s.

The college formed a student loan committee in 1922 to explore the possibility of establishing a short-term loan fund for students.<sup>27</sup> Meeting in November 1922 M.J. Otey, the chairman of the committee, proposed that a bill be drafted and introduced in the state legislature requesting an appropriation of \$25,000 to establish a student loan fund at the college.<sup>28</sup> Otey stated that this money would be loaned to needy students at 4 percent interest. In a second effort to secure funds for a student loan program, he wrote to Edith Mitchell, a member of the state house of representatives, in February 1923. He indicated that the state legislature had appropriated some money for scholarships between 1921 and 1923 and that a small amount of these funds had not been used. He requested that Mitchell introduce a bill which would allow the college to transfer any unspent portion of the funds in its scholarship fund to the student loan fund at the end of each year. Previously this money had to be returned to the state treasury.<sup>29</sup> Although these appropriations evidently provided a substantial number of scholarships for students at the college, the program had been discontinued in 1923 after Governor John C. Walton reduced the legislative appropriation for university maintenance from \$700,000 to \$500,000.<sup>30</sup> As a result, the committee sought other sources of funding for the proposed student loan program.

Otey later reported that the bill requesting an appropriation of



\$25,000 to set up a student loan fund at the college had also been disapproved by the legislature and that another bill was passed "which left the loaning of money to the bankers."<sup>31</sup> Despite these legislative setbacks, the committee began a fund raising effort. This time they were more successful. The student loan fund balance was \$1,376.50 by January 1923, and soon increased to a total of \$1,436.50. Thirty-nine donors from Ardmore, Oklahoma City, Okmulgee, Skiatook, and Tulsa had contributed. Most of this money soon was loaned to needy students.<sup>32</sup> The loans had to be repaid with interest within the same academic year the money was borrowed. In October 1923 Bradford A. Knapp, president of Oklahoma A&M College, transferred the student loan fund account to Professor E.E. Brewer. Brewer collected and re-loaned this money several times during the next six years.<sup>33</sup>

By the academic year of 1925-1926, although most students still had to earn money to pay for their educational expenses, there were a few established scholarship programs and five small loan programs. In addition to the Katz Scholarships, students could compete for ten annual Oklahoma Bankers Scholarships valued at \$160 each, and two annual Cottonseed Crushers Scholarships valued at \$160 each.<sup>34</sup> Moreover, five loan programs were available to students by that time. These included: the Alumni Corporation Loan Fund, the Lahoma Club Loan Fund, the Royal Arch Masons Educational Fund, the Federation of Womens' Clubs Loan Fund, and Daughters of the American Revolution Loan Fund. The Lahoma Club loans had to be repaid within a year after graduation, and the Federation of Womens' Clubs loan had to be repaid within two years at 4 percent interest. Although the total amount of these loan funds was not very substantial, they were significant in that they were the first

long-term loan programs for students at the college.<sup>35</sup> Moreover, these programs were important because school officials estimated the total cost of attending the college for the academic year of 1925-1926 to be from \$250 to \$450.<sup>36</sup>

The enrollment of the college had increased from approximately 1,800 in 1923, to more than 2,500 in the fall of 1925.<sup>37</sup> This may have been caused by a brief period after 1924 when both wages and prices were increasing. This false prosperity was short-lived, however, as inflation continued to increase rapidly.<sup>38</sup>

The money available for student labor fluctuated in some years as a result of legislative appropriations. One example of this occurred early in 1925 when the state legislature "cut salaries and maintenance by a total of \$91,000 below the 1923-1924 level."<sup>39</sup> Consequently, President Knapp implemented a strict college economy program. Funding did not improve measurably the next year, for in January 1926, Knapp advised John A. Whitehurst, president of the State Board of Agriculture, that he planned to reduce the level of janitorial service at the college. Knapp stated that he would continue the janitorial service at a reduced level until the end of the winter term and then discontinue it altogether for the spring semester.<sup>40</sup> Thus, students who supplemented finances by doing janitorial work for the college suffered reduced work schedules until March; most of them had no job for the spring semester.

Soon after Knapp wrote Whitehurst, the Young Men's Christian Association (Y.M.C.A.) disclosed that it had helped 354 students find jobs during the fall term.<sup>41</sup> On January 20, 1926, officials of the Y.M.C.A. indicated that they would maintain a job referral service for students. Stan Pier, general secretary of the Y.M.C.A., stated that many students

needed jobs at that time.<sup>42</sup> In addition, school officials asked that all odd jobs or regular positions be listed with the Y.M.C.A.<sup>43</sup>

Thus, there had been positive growth both in the size and number of financial assistance programs available to students attending Oklahoma A&M College at Stillwater in the three and a half decades between 1891 and 1926. Yet, much remained to be done. Scholarships were limited and the short-term and long-term loan programs were small. The long-term loans primarily were administered by off-campus organizations. This situation would change significantly in 1926 with the creation of the Lew Wentz Foundation.

#### FOOTNOTES

<sup>1</sup>A good account of the physical surroundings is provided in Philip Reed Rulon's "The Founding of the Oklahoma Agricultural and Mechanical College 1890-1908" (Unpublished Ph.D. Dissertation, Oklahoma State University, 1969), pp. 88-89.

<sup>2</sup>Edwin C. McReynolds, Oklahoma: A History of the Sooner State (Norman, Okla.: University of Oklahoma Press, 1954), p. 291; Victor Ed Harlow, Oklahoma: Its Origins and Development (Oklahoma City, Okla.: Harlow Publishing Corporation, 1949), pp. 281-282.

<sup>3</sup>The College Paper, June 20, 1900, p. 52.

<sup>4</sup>Ibid., May 1902, p. 42; December 1, 1899, p. 95.

<sup>5</sup>Ibid., May 30, 1899, p. 35; December 1, 1899, p. 95.

<sup>6</sup>Oklahoma A&M College Mirror, October 15, 1897, p. 8; The College Paper, May 15, 1899, p. 7.

<sup>7</sup>College Mirror, September 15, 1897, p. 9.

<sup>8</sup>College Paper, November 1, 1899, pp. 65-66.

<sup>9</sup>Ibid., June 20, 1900, p. 43.

<sup>10</sup>Ibid.

<sup>11</sup>Ibid., May 1902, p. 47.

<sup>12</sup>Ibid., June 20, 1900, p. 53.

<sup>13</sup>Ibid., May 1902, p. 48 and 59.

<sup>14</sup>College Mirror, February 15, 1896, p. 7; October 15, 1897, p. 8; February 1898, p. 8; October 1, 1899, p. 52.

<sup>15</sup>College Paper, December 2, 1901, p. 141.

<sup>16</sup>College Mirror, March 16, 1896, p. 7.

<sup>17</sup>Oklahoma A&M College Annual Catalog 1910-1911, Stillwater, Oklahoma, pp. 15-16.

<sup>18</sup>Ibid., p. 17.

- <sup>19</sup> Annual Catalog 1911-1912, p. 15.
- <sup>20</sup> President L.L. Lewis to State Board of Agriculture, "Annual Report of 1915," August 1, 1915, p. 7, Presidential Papers, Special Collections, Oklahoma State University Library, Stillwater, Oklahoma.
- <sup>21</sup> Ibid.
- <sup>22</sup> Ibid.
- <sup>23</sup> Annual Catalog 1919-1920, p. 15.
- <sup>24</sup> McReynolds, Oklahoma: Sooner State, p. 335; McReynolds, Oklahoma: The Story of its Past and Present (Norman, Okla.: University of Oklahoma Press, 1961), pp. 287-288.
- <sup>25</sup> McReynolds, Oklahoma: Sooner State, pp. 335-336; McReynolds, Oklahoma: Story of Past and Present, p. 290.
- <sup>26</sup> President Knapp Memo to The Daily O'Collegian, November 16, 1924, Presidential Papers, OSU Special Collections.
- <sup>27</sup> For the purpose of this study, short-term loans will be defined as money which generally has to be repaid within the same academic year in which it is borrowed.
- <sup>28</sup> Minutes of first meeting of Student Loan Committee, November 17, 1922, p. 1, Correspondence Collection, OSU Department of Financial Aids, Stillwater, Oklahoma.
- <sup>29</sup> M.J. Otey to Mrs. Edith Mitchell, February 2, 1923, Correspondence, OSU Financial Aids.
- <sup>30</sup> According to McReynolds, Oklahoma: Sooner State, p. 346, the Oklahoma Supreme Court declared the action by the governor to be unconstitutional on August 18, 1928. However, the scholarship program was never re-established.
- <sup>31</sup> E.E. Brewer to President H.G. Bennett, April 15, 1929, Correspondence, OSU Financial Aids.
- <sup>32</sup> Ibid.
- <sup>33</sup> Ibid.
- <sup>34</sup> Oklahoma A&M College General Catalog 1925-1926, p. 24.
- <sup>35</sup> For the purpose of this study, long-term loans will be defined as money which does not have to be repaid within the same academic year in which it is borrowed.
- <sup>36</sup> General Catalog 1925-1926, p. 16.

<sup>37</sup> The Daily O'Collegian, September 14, 1925, p. 1; Bradford A. Knapp to John A. Whitehurst, January 8, 1925, Presidential Papers, OSU Special Collections.

<sup>38</sup> McReynolds, Oklahoma: Story of Past and Present, pp. 304-305.

<sup>39</sup> Knapp to Whitehurst, September 14, 1925, Correspondence, OSU Financial Aids.

<sup>40</sup> Ibid., January 3, 1926.

<sup>41</sup> The Daily O'Collegian, January 7, 1926, p. 1.

<sup>42</sup> Ibid., January 20, 1926, p. 2.

<sup>43</sup> Ibid.

### CHAPTER III

#### ESTABLISHING THE LEW WENTZ

#### FOUNDATION, 1926-1930

In the summer of 1926, Lew H. Wentz, a wealthy Ponca City oil man, donated \$50,000 to Oklahoma A&M College to establish a student loan fund.<sup>1</sup> Wentz was not college educated, but he believed in the future of higher education.<sup>2</sup> Doubtless, his generous donation was also prompted by the requests of young men and women from Ponca City who had asked him for small loans to attend Oklahoma A&M College.

When college officials announced on July 2, 1926, that Wentz had established a large student loan fund at the college, there was great rejoicing in Stillwater. One writer stated that the \$50,000 endowment was "by far the most material boost ever given the student loan fund on the Oklahoma A&M College campus."<sup>3</sup> Before this gift, loan funds in existence at the college had totaled less than \$10,000, of which most already had been loaned to students. The college still was utilizing student labor whenever possible so that a large number of students could earn almost all of their college expenses. A Wentz loan would allow many of these students more time for their studies. President Knapp commented that the loan fund would help many students complete their education, "without the necessity of dropping out for a year or two in order to earn the money," and that the donation was "a very fortunate and wonderful gift."<sup>4</sup>

On July 7, 1926, the State Board of Agriculture accepted the \$50,000 fund.<sup>5</sup> Knapp indicated at that time that, in addition to the five \$100 scholarships provided annually by Jake Katz, the college administered only about \$1,500 in student loans. However, various civic and patriotic organizations also controlled approximately \$8,500 in student loan funds.<sup>6</sup> Due to the small amount of student loan money controlled by the college prior to 1926, Knapp had been unable to help many worthy students who were in desperate need of financial assistance. Two months later Knapp announced that he firmly believed that the Wentz loan fund would be a valuable asset to the college, for there were "a great number of deserving students who must drop out of school each year because of lack of money."<sup>7</sup> Knapp estimated that the \$50,000 fund would provide assistance for approximately 500 to 600 needy students, or about one-fifth of the total enrollment of the college.<sup>8</sup>

On September 16, 1926, Wentz met with his own attorneys and bank and trust officials to begin the lengthy process of drawing up an agreement to establish the loan fund formally.<sup>9</sup> It was announced at this meeting that first year students would not be eligible for Wentz loans. Wentz wanted to be certain upper division students who already had proven their interest in college be helped first. Students also were required to earn at least 25 percent of their college expenses. The loans were to be repaid after graduation at a low interest rate.<sup>10</sup> Preparing the agreement took considerable effort and time, for Wentz had decided that a study of similar student loan funds at other institutions should be made, and that an outline of their operating procedures should be studied.

Meanwhile, President Knapp made loans during the fall of 1926,



using the \$5,000 which Wentz already had advanced to the college from his personal funds. In October 1926 Knapp outlined the current status of the loan fund for Wentz.<sup>11</sup> He indicated that loans totaling approximately \$11,000 had been approved for 43 students and that, except for \$210, all of the money had been advanced. Knapp also revealed that he had approved Wentz loans for some students who had borrowed money from their local banks at 10 percent interest to attend college.

Knapp was anxious to see the loan fund established with a fixed set of rules as he estimated that he would approve between \$15,000 and \$20,000 in Wentz loans during the academic year of 1926-1927.<sup>12</sup> However, because the trust agreement was not prepared during October, Wentz advanced an additional \$3,000 for student loans.<sup>13</sup> Knapp was impatient and urged Wentz to finalize the trust agreement in November because the balance of the loan fund was quite low. Knapp also indicated that he believed it was time to establish the Wentz Board, for he needed the advice of the members on several matters.<sup>14</sup> The Wentz Board members finally were selected in late November. The board consisted of Knapp, James J. McGraw, president of the Exchange National Bank of Tulsa, F.G. Drummond, an alumnus of Oklahoma A&M College, and Joe N. Hamilton of Ponca City.

In December 1926 Wentz asked Knapp to arrange a joint meeting of the trustees of the Wentz Foundations of Oklahoma A&M College and the University of Oklahoma.<sup>15</sup> Wentz planned to have the final trust document finished that month. Meanwhile, the millionaire advanced another \$1,000 to meet loan requests.<sup>16</sup> He later informed the trustees that he would not be able to attend the scheduled joint meeting and asked that it be postponed. He sent each institution an additional \$3,000 for

student loans.<sup>17</sup>

The Lew Wentz Foundation became a legal reality on December 28, 1926, when Wentz and the members of the board of trustees signed the trust agreement.<sup>18</sup> The trust document indicated that the Lew Wentz Foundation had been created "for the purpose of making available a fund from which deserving students attending the Oklahoma Agricultural and Mechanical College may borrow to assist them in obtaining an education."<sup>19</sup> The agreement also provided that the board of trustees would always consist of the president of the Oklahoma Agricultural and Mechanical College, the president of the Exchange National Bank of Tulsa, a member of the alumni association of the college, and a business or professional man appointed by Wentz. The trustees could formulate rules and regulations for the administration of the trust, determine a reasonable rate of interest of not less than 5 percent to be charged on all money loaned, employ clerical help, pay all necessary expenses required to administer the trust, and borrow money for trust purposes as long as the total debts of the trust did not exceed 20 percent of the value of the fund. The trust document also stated that Lew Wentz could amend or change the agreement at any time during his lifetime, provided that the amendments did not have the effect of revoking the trust. Moreover, the trustees could not receive any remuneration for their services.<sup>20</sup>

Wentz sent Knapp a check for \$5,000 in late December and indicated that he wanted to hold a board meeting before he deposited the \$50,000.<sup>21</sup> Knapp later informed Wentz that he had encountered some unusual cases in approving loans which required the approval of the trustees. However, he stated that the meeting would have to be delayed because he was busy preparing materials for the state legislature.<sup>22</sup>

Wentz worked individually with the trustees during the early months of 1927 to draft an application form, promissory note, rules and regulations, and other materials required for the administration of the loan fund. Wentz also asked the Field Cooperative Association of Mississippi to send Knapp copies of its loan forms. Knapp informed Wentz that with minor adjustments, the Wentz Foundation could use the forms.<sup>23</sup> Knapp said that the college previously had used a general application and a bank note. He also indicated that as the foundation was growing rapidly, he planned to appoint a "local administrative officer" to approve loans, correspond with students, and do the routine work of the foundation.<sup>24</sup> This important task was given to Earle C. Albright, the assistant to the president.

In the middle of February 1927, Knapp informed Wentz that some students were "dropping out of college on account of lack of funds."<sup>25</sup> Although he still was busy with the state legislature, Knapp urged that the board meet soon to approve the rules and regulations of the foundation and to adopt proper forms. Wentz also was busy at that time and therefore sent Knapp a check for \$3,000.<sup>26</sup> Wentz later asked Knapp to schedule a board meeting in April. Anticipating that there might be a further time delay, Wentz advanced the college an additional \$3,000 in the middle of April.<sup>27</sup>

The first meeting of the Lew Wentz Foundation Board of Trustees was held at the Exchange National Bank of Tulsa on April 25, 1927.<sup>28</sup> The trustees quickly established a set of rules and procedures, and approved the forms necessary to administer the Wentz loan fund efficiently. The trustees also established a loan maximum of \$300 per year for sophomores and juniors, and a limit of \$400 per year for seniors. Students who

were married could borrow an additional \$100 above these limits, but the cumulative total of their loans could not exceed \$1,000. In addition, the secretary and assistant secretary of the foundation were placed under surety bonds. The trustees also decided to send Wentz a monthly operations report.<sup>29</sup>

The Wentz Board met again a month later in the president's office at Stillwater.<sup>30</sup> The trustees decided to require students to take out, or assign to the foundation, a \$1,000 life insurance policy as collateral on loans of more than \$50. They agreed to accept a ten-year term policy for \$1,000 as a minimum. The limits for summer loans were \$66 for sophomores and juniors, and \$88 for seniors. Seniors who were married could borrow \$110 for the summer. The trustees approved 12 loan applications for the summer term.<sup>31</sup>

In order to receive a Wentz loan, students were required to make satisfactory academic progress in their coursework.<sup>32</sup> In cases where a student's grades were considered unsatisfactory, the board often suggested that the applicant work during the summer to clear all prior loan obligations in order to be considered for a Wentz loan the subsequent semester. The trustees also decided that, as they could not approve all loan requests, they would disapprove applications from students who lived with their parents in Stillwater. These students were considered to be more able than others to pay their expenses without a loan from the foundation. In addition, preference in awarding Wentz loans was given in descending class order to those needy students who previously had borrowed from the foundation. Requests from new applicants were considered next. Some applications were approved for more than one academic year, as long as the student continued to progress satisfac-

torily. Moreover, the president of the college had to approve all requests from students to allow them to defer the repayment of their loans so they could enter graduate school.<sup>33</sup>

Of the 135 students who received loans from the Lew Wentz Foundation during the academic year of 1926-1927, 122 were men and 13 were women.<sup>34</sup> There were 36 sophomores, 36 juniors, 56 seniors, and 3 graduate students. These figures included 36 enrolled in agriculture, 26 in engineering, 7 in home economics, 32 in science and literature, 15 in education, and 19 in commerce. Fifty-nine of these students were sons or daughters of farmers. The others came from homes whose parents were employed in a variety of other occupations.<sup>35</sup> As the foundation had approved more than \$30,000 in loans during that year, the average amount loaned to these students was approximately \$220. The total of all educational expenses for the academic year of 1926-1927 was estimated to be from \$300 to \$450.<sup>36</sup> Thus, the Wentz loans had paid between 50 and 75 percent of the cost of attending Oklahoma A&M College that year. As the enrollment at the college was more than 2,500 in 1926-1927, approximately 5.4 percent of the students had received Wentz loans to pay their educational costs.<sup>37</sup> Yet, most of the students still had to work to earn their college expenses.

By September 1927 the process of approving requests for Wentz loans was well established.<sup>38</sup> The students were required to submit a completed application to the president's office by August to be considered for the fall semester. They also had to submit a detailed expense budget for review. The applicants were required to provide four positive reference letters from their hometown and three from faculty members. The hometown references had to include the pastor,

banker, and two other responsible businessmen. The dean of the school in which the student was enrolled also submitted confidential reports to the student advisory committee and the faculty advisory committee. The assistant to the president then interviewed the students whose applications had been approved by the loan committees. The remaining applications were presented to the trustees at the next board meeting for review. A good reference from a student's hometown banker meant almost certain approval. A good reference from a faculty member also was necessary for approval. Students submitting their first application were required to have the loan note cosigned. Other students were required to secure cosigners if their ability to repay the loan was questionable. The trustees reduced loan requests whenever the amounts listed in the applicant's detailed expense budget were considered to be excessive. Some loan requests were reduced because the instructor suggested that the student needed less money. Other loan requests were decreased by the amount of the student's part-time job earnings or other resources.<sup>39</sup> Therefore, the application process was designed to review the student's need and ability to repay prior to approving the loan request. After approving a loan, school officials drew up a contract between the applicant and the Wentz Foundation. This agreement stated the amount of the loan and the approximate amount to be advanced each month,<sup>40</sup> Repayment of the loan began three months after graduation. The amount to be repaid each month was determined by the borrower's ability to pay.<sup>41</sup>

Although students had submitted loan requests totaling \$12,160 by October 1927, the balance in the Wentz fund was only \$9,655.<sup>42</sup> Because of this, Knapp asked the board to fund seniors and juniors who had "progressed satisfactorily during the past school year."<sup>43</sup> Therefore,

the trustees approved loans totaling \$7,285 at that time. The trustees met again in February 1928 to consider loan requests from current borrowers for additional amounts totaling \$3,486.68. At that time the balance of the loan fund was \$8,693.16.<sup>44</sup> The trustees approved \$3,336.68 in loans including several requests from students for loan increases to pay for expenses such as life insurance premiums, trips, and clothes. As the volume of these requests had increased, the trustees established the procedure that the president of the college and his assistant could approve the additional amounts without board approval.<sup>45</sup> This action gave Knapp and his assistant the authority to deal with interim problems which arose between board meetings.

As Wentz had attended the board meeting held in October 1927 he was aware that the cash balance of the foundation was very low.<sup>46</sup> Therefore, the following February, Wentz informed Knapp that he would increase the endowment of the foundation by \$25,000 if necessary. He stated that he might have underestimated the number of students who were willing to borrow money to attend college.<sup>47</sup> Knapp accepted the offer and the additional amount was deposited in the Wentz Foundation account as needed during the next two years. Thus, the total endowment of the foundation rose to \$75,000.

During the academic year of 1927-1928, 86 students borrowed more than \$20,000 from the foundation.<sup>48</sup> This number included 45 new borrowers and 41 former borrowers. According to class rank there were 2 sophomores, 42 juniors, 40 seniors, and 2 graduate students. These students were in various fields, for 25 were in agriculture, 21 in engineering, 5 in home economics, 18 in science and literature, 5 in education, and 12 in commerce. The parental occupations of these students were similar

to those listed for the previous year.<sup>49</sup> Between 1926 and 1928 the Wentz Foundation made 222 loans to 181 different students. The balance of \$11,096.53 in the loan fund by October 1928 included the receipt of 30 loan repayments totaling \$8,918.42 and interest earnings of \$3,144.90.<sup>50</sup>

The board of trustees was reorganized in October 1928, for Knapp resigned as president of the college and James J. McGraw, the president of the Exchange National Bank of Tulsa, had died. The reconstituted board of trustees included the new Oklahoma A&M College president, Henry G. Bennett, presiding officer of the foundation, Harry H. Rogers as treasurer, Joe N. Hamilton as first vice-president, and F.G. Drummond as second vice-president. Earle Albright remained the secretary of the foundation and Veta Peck became assistant secretary.<sup>51</sup>

In the fall of 1928, while reviewing applications from former borrowers, the trustees noted that the grades of Wentz loan recipients had improved decidedly. The board members attributed this to the fact that Wentz loan recipients had more time to study than students who had to work excessively to earn all of their college expenses. The trustees also stated that "more and more really worthy students are coming to depend on the foundation to help them continue in school, and not have to drop out with a possibility of not being able to return."<sup>52</sup> Unquestionably the Wentz Foundation was very valuable to students attending the college.

During November Wentz sent Albright a check for \$5,000. Wentz asked to be notified when the foundation needed additional funds so he could provide the remainder of the \$25,000 accordingly.<sup>53</sup> Wentz sent another \$5,000 the next month and promised the balance any time it was needed.<sup>54</sup> In December 1928 President Bennett told Wentz that several



members of the livestock judging team had won honors at livestock shows in Kansas City and Chicago. The letter stated that two members of the team were "finding it possible to be in A&M College by reason of loans made through the Lew Wentz Foundation."<sup>55</sup>

In February 1929 college officials submitted to the trustees an audit of the first two years and two months of operation of the Lew Wentz Foundation.<sup>56</sup> On November 30, 1928, the balance of the loan fund had been \$12,783.90. The college had approved loans totaling \$19,927 for 79 students during the fall semester of 1928. There were 41 seniors, 31 juniors, and 7 sophomores included in the list of borrowers. Therefore, 301 loans had been approved for 229 different students since the beginning of the fund. Thirty-six students had repaid their loans completely. The total of loan notes outstanding as of November 30, 1928 was \$45,382.40, and past due notes totaled \$398.03. The net worth of the foundation had increased from the \$55,000 deposited to \$58,166.30.<sup>57</sup>

Although past loan transactions had been recorded carefully, the auditors, R.P. Marple and O.J. Merrell, suggested several improvements in the accounting procedures of the foundation. They also expressed their views concerning the value of the Lew Wentz Foundation. They stated that

Often students find it necessary to withdraw because of the need for a small additional sum which would be sufficient, with their part-time earnings, to keep them in college. This is the need which the foundation is filling. Records show that many students are being assisted in completing their college work who would not be able to remain in college if this fund were not available.<sup>58</sup>

The accountants also believed that it was not desirable for students to earn all of their college expenses as they would have to "sacrifice many

of the cultural advantages of attending college."<sup>59</sup>

By September 1929 the cash balance in the Wentz fund was \$14,102.-10.<sup>60</sup> This did not include the remaining \$15,000 of the addition to the fund that Wentz would deposit upon request. The trustees approved a total of \$21,922.12 in Wentz loans for 86 students during the fall semester of 1929, and quickly advanced \$11,651.62.<sup>61</sup>

The application process for Wentz loans had become fairly routine for former borrowers by late 1929. Requests from prior loan recipients were approved if their grades were good.<sup>62</sup> Also, the trustees considered establishing an emergency loan fund for freshmen. However, they finally rejected the idea because the articles of the foundation prohibited first year students from receiving Wentz loans. The trustees then reviewed the results of a questionnaire which had been sent to students who had received honorary certificates for repaying their loans promptly. The students had been asked to comment on the administration of the foundation and to make suggestions for improving the loan fund. Those returning the questionnaire were very positive about the foundation.<sup>63</sup>

Thus, during its first three and a half years of operation the Lew Wentz Foundation had become firmly established at Oklahoma A&M College. The trustees had approved a set of policies and procedures for the administration of the loan fund that would endure for many years. In addition, with the growing number of needy students attending the college in the 1920s, it was not surprising that many students borrowed from the Lew Wentz Foundation.

Table I demonstrates the growth of the Lew Wentz Foundation between 1926 and 1929. Not shown is the fact that 59 borrowers had repaid

\$22,188.23 to the foundation and that a total of \$6,117.71 in interest had been collected by that time.<sup>64</sup>

TABLE I  
WENTZ REGULAR LOAN ADVANCEMENTS, 1926-1930\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1926-1927	136	\$29,985.00	\$220.48
1927-1928	86	20,757.46	241.36
1928-1929	108	25,754.52	238.46
Fall-1930	86	21,922.12	254.79
Total	416	\$98,419.10	

\*Sources: Summary of Wentz Loan Advancements by Years as of July 31, 1963; Wentz audit, December 17, 1928; Minutes, February 1, 1930.

Table II shows the growth of the Wentz Foundation from the original endowment of \$50,000 to \$68,106 by the end of 1929. During that time an additional \$10,000 had been added to the fund. Therefore, the accrued increase in the net worth of the foundation was \$8,106. The table also indicates that the total of all notes outstanding increased by approximately \$9,000 between November 1928 and December 1929. By the end of 1929, only \$550 was past due.

Table III is provided as an indication that the college had absorbed most of the costs of operating the foundation between 1926 and 1929. For instance, while the Wentz Foundation paid no operating

expenses in 1926-1927, the college paid \$740 for salaries and supplies. By the end of 1929, the college had paid \$2,329.00 in operating expenses while the foundation had spent only \$318.30. This trend continued until the early 1930s.

TABLE II

## GROWTH OF THE WENTZ FOUNDATION, 1926-1930\*

Date	Net Worth	Notes Receivable	Amount Past Due
July 2, 1926	\$50,000.00	\$ -0-	\$ -0-
Nov. 30, 1928	58,166.30 (\$55,000)**	45,382.40	398.03
Dec. 31, 1929	68,106.00 (\$60,000)**	54,354.64	550.00

\*Source: Audits of the Lew Wentz Foundation 1926-1930.

\*\*Amount Wentz had deposited into the loan fund by that date.

TABLE III

## OPERATING EXPENSES, 1926-1929\*

Fiscal Year	Wentz Foundation	College
1926-1927	\$ -0-	\$ 740.00
1927-1928	225.33	718.00
1928-1929	92.97	871.00
Total	\$318.30	\$2,329.00

\*Source: Minutes of the Lew Wentz Foundation, February 25, 1931.

A map presented to the Wentz Board members in October 1930 showed the geographical distribution of Wentz loan recipients and indicated that "students residing in sixty-four of the seventy-seven counties of the state, and ten other states and two countries, Japan and Canada, had borrowed from the fund."<sup>65</sup>

Despite the increased amount of financial assistance available to students attending the college in the 1920s, school officials still were concerned that many students could not attend college because of inadequate financial resources. One source indicated that "scores of students drop out every year, giving as their reason inability to meet their expenses."<sup>66</sup> The indication was that soon only the more economically fortunate would be able to attend college. Thus, financial condition remained the most important factor in determining whether or not some students could attend college. It would become even more critical during the years of the "Great Depression."

## FOOTNOTES

<sup>1</sup>The following information about Lew Wentz came from the Special Collections file on Lew Wentz at the OSU Library, which consists mostly of newspaper articles written about Wentz at the time of his death.

Although some of these newspaper articles indicated that Wentz was born in Mt. Vernon, Iowa, others stated that he was born in Tamen City or Tama, Iowa. The exact date of Wentz' birth is also unknown. However, some of his close friends believed he was born in the 1870s or early 1880s. While still a small boy, the Wentz family moved to Pittsburgh, Pennsylvania. After graduating from high school, Wentz worked in various occupations in Pittsburgh, including coaching high-school baseball teams. During that time he became acquainted with John J. McCaskey, the sauerkraut king of Pittsburgh. In 1911, Wentz traveled to Oklahoma at the request of McCaskey, who had been investing in oil leases in the state. Wentz planned to stay only a few months. Upon arriving in Oklahoma, he moved into Annie Rhodes' boarding house in the Arcade Hotel in Ponca City, Oklahoma. (Wentz resided there until his death in 1949.) Having faith in Oklahoma oil, Wentz bought several leases for himself. Between 1911 and 1927 Wentz amassed a great fortune in oil development and related business enterprises. By 1927 the Wentz Oil Corporation consisted of 110,000 acres of valuable oil leases scattered throughout the major oil-producing areas of the Mid-West. The corporation was estimated to be worth between twenty-five and thirty million dollars that year. Wentz also was a "free-handed" philanthropist. He organized and financed the Oklahoma Society for Crippled Children and spent hundreds of thousands of dollars building hospitals, orphanages, public camps, gymnasiums, and recreation areas. The full extent of his charities is unknown as he insisted that most of the recipients of his gifts never learn the identity of their benefactor.

<sup>2</sup>Wentz also provided a \$50,000 endowment for the University of Oklahoma in 1926. He increased the endowment for Oklahoma A&M College to \$75,000 in 1928, and later increased the Lew Wentz Foundation at the University of Oklahoma to \$125,000. By 1935 Wentz had also established loan funds at the University of Tulsa (\$10,000), the agricultural and mechanical college at Cameron (\$3,750), and Southwestern State Teachers College (\$10,000).

<sup>3</sup>The Daily O'Collegian, Friday, July 2, 1926, p. 1.

<sup>4</sup>Ibid.

<sup>5</sup>Minutes of the State Board of Agriculture, July 7, 1926, p. 1; Presidential Papers, Special Collections, Oklahoma State University Library, Stillwater, Oklahoma.

<sup>6</sup> Ibid.

<sup>7</sup> O'Collegian, September 17, 1926, p. 1.

<sup>8</sup> President Bradford A. Knapp to State Board of Agriculture, October 4, 1926, Presidential Papers, OSU Special Collections.

<sup>9</sup> O'Collegian, September 17, 1926, p. 1.

<sup>10</sup> Ibid.

<sup>11</sup> Bradford A. Knapp to Lew H. Wentz, October 19, 1926, Correspondence Collection, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>12</sup> Ibid.

<sup>13</sup> Wentz to Knapp, October 25, 1926, Correspondence, OSU Financial Aids.

<sup>14</sup> Knapp to Wentz, November 15, 1926, Correspondence, OSU Financial Aids.

<sup>15</sup> Wentz to Knapp, December 2, 1926, Correspondence, OSU Financial Aids.

<sup>16</sup> Ibid.

<sup>17</sup> Wentz to Knapp and W.B. Bizzell, December 8, 1926, Correspondence, OSU Financial Aids.

<sup>18</sup> A copy of the trust agreement is included in the appendix.

<sup>19</sup> Instrument Creating the "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College," p. 1.

<sup>20</sup> Ibid., pp. 1-7.

<sup>21</sup> Wentz to Knapp, December 31, 1926, Correspondence, OSU Financial Aids.

<sup>22</sup> Knapp to Wentz, January 17, 1927, Correspondence, OSU Financial Aids.

<sup>23</sup> Ibid., February 2, 1927.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid., February 15, 1927.

<sup>26</sup> Wentz to Knapp, February 22, 1927, Correspondence, OSU Financial Aids.

<sup>27</sup> H.P. Luce, secretary for Lew Wentz, to Bradford A. Knapp, April 18, 1927, Correspondence, OSU Financial Aids.

<sup>28</sup> Minutes of the Lew Wentz Foundation Board of Trustees, April 25, 1927, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid., May 24, 1927, p. 1.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> Audit of the Lew Wentz Foundation, December 17, 1928, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>35</sup> Ibid.

<sup>36</sup> Oklahoma A&M College General Catalog 1926-1927, p. 25.

<sup>37</sup> O'Collegian, October 12, 1926, p. 1.

<sup>38</sup> Minutes, April 25, 1927, to September 15, 1929, p. 1.

<sup>39</sup> Ibid.

<sup>40</sup> Monthly disbursements allowed the school officials to ensure that the funds were being used for educational purposes. In addition, the remainder of the loan funds could be withheld if a student was making less than average grades.

<sup>41</sup> Students that completed their repayment promptly and in a satisfactory manner received a certificate making them an honorary member of the Lew Wentz Foundation.

<sup>42</sup> Minutes, October 6, 1929, p. 1.

<sup>43</sup> Ibid., p. 2; the trustees approved a \$400 loan for Charles William Strack at the October board meeting to enable him to participate in the Olympic games in the summer of 1928. Strack could not accept a coaching position and still be eligible for the games. Other students requests for loan increases were approved to allow them to participate on livestock judging teams, debate teams, and to enter similar contests.

<sup>44</sup> Ibid., February 7, 1928, p. 2.

<sup>45</sup> Ibid.

<sup>46</sup> This was the only time Lew Wentz ever attended a Wentz Board



meeting.

<sup>47</sup>Wentz to Knapp, February 9, 1928, Correspondence, OSU Financial Aids.

<sup>48</sup>Audit, December 17, 1928, p. 1.

<sup>49</sup>Ibid., p. 2.

<sup>50</sup>Ibid.

<sup>51</sup>Minutes, October 6, 1928, p. 1.

<sup>52</sup>Ibid., pp. 16-18.

<sup>53</sup>Wentz to Albright, November 17, 1928, Correspondence, OSU Financial Aids.

<sup>54</sup>Ibid., December 31, 1928.

<sup>55</sup>President Bennett to Wentz, December 13, 1928, Correspondence, OSU Financial Aids.

<sup>56</sup>Audit, December 17, 1928; this audit had been performed by R.P. Marple and O.J. Merrell, two faculty members in the School of Commerce. They had completed the audit with the help of their advanced students.

<sup>57</sup>Ibid., p. 2.

<sup>58</sup>Ibid.

<sup>59</sup>Ibid.

<sup>60</sup>Minutes, October 5, 1929, p. 1.

<sup>61</sup>Ibid., February 1, 1930, p. 1.

<sup>62</sup>Ibid., October 5, 1929, p. 2.

<sup>63</sup>Ibid.

<sup>64</sup>Audit, May 17, 1930, p. 1.

<sup>65</sup>Minutes, October 9, 1930, p. 2.

<sup>66</sup>"Educational Opportunity for Boys and Girls of Need and Promise: A Plan to Keep Open the Channels of Educational Opportunity so That Whosoever Will May Achieve a College Education in His or Her Own Chosen Field," 1929, p. 1, Presidential Papers, OSU Special Collections.

## CHAPTER IV

### THE LEW WENTZ FOUNDATION DURING THE DECADE OF THE "GREAT DEPRESSION"

The Lew Wentz Foundation had proved to be a valuable addition to Oklahoma A&M College in the 1920s. Yet, the foundation would serve an even more important role in the 1930s by assisting hundreds of students complete their college education during the years of the "Great Depression."

Although the stock market crash in October 1929 had signaled the beginning of the nation's worst economic crisis, its full impact did not affect the operations of the Wentz Foundation until late in 1930. In fact, by February 1930 the trustees had not even discussed the economic situation. Instead, the major concern at that time was what to do with the surplus in the Wentz account. Some board members suggested that they create a scholarship program or approve loans for graduate students or faculty members to pursue advanced degrees. One trustee stated that other student loan foundations had not experienced any problems in making loans for advanced study. However, the board deferred action until they could discuss the matter with Wentz.<sup>1</sup>

The trustees also discussed several procedural matters relating to the operations of the fund early in 1930. Bennett suggested that the foundation adopt a low-cost group insurance plan that would be less expensive for students to pay for while attending college. The board

members asked the Dean of the School of Commerce to study the matter. They also agreed to purchase a supply of budget books in which students could record expenditures throughout the year. These books were turned in to the foundation upon request to verify that the students were using their Wentz loan money for educational expenses. In addition, the board members discussed whether to take legal action to collect delinquent Wentz loan accounts. This discussion was precipitated by an offer from the Educational Institutions Protective Association of America to collect delinquent Wentz accounts for 50 percent of the amount collected. The board members recognized the importance of securing timely repayments so that the trust could operate effectively as a revolving loan fund, but none the less, they did not initiate legal action to collect the few delinquent accounts. Instead, the board members decided to make an extra effort to collect those loans by writing the borrower's references. In addition, the trustees suggested changes to obtain more accurate address information on promissory notes.<sup>2</sup>

The effects of the depression were evident in Oklahoma by October 1930, for the trustees reported that the number of loan applications received for the fall semester was "greatly in excess" of those approved for the previous year. A total of 131 students had submitted loan requests totaling \$35,669 for the academic year of 1930-1931. At that time the balance in the loan fund was only \$8,394.32. Although the trustees evaluated loan requests very carefully and approved only the minimum amounts necessary to keep students in college, loan requests for more than \$30,000 were approved during the fall term.<sup>3</sup>

To offset the cash balance deficit, Wentz deposited another \$5,000 in the foundation account in October 1930.<sup>4</sup> In January 1931 H.P. Luce,

secretary for Lew Wentz, sent Bennett a check for the remaining \$10,000 of the addition to the fund.<sup>5</sup> This increased the cash balance in the Wentz account at the Exchange National Bank of Tulsa to \$16,065.16.<sup>6</sup> With the deposit, the entire \$75,000 given by Wentz had been deposited in the loan fund account. Since 1926 the trustees had approved 565 loans for students. In addition, nearly all of the 353 borrowers who were no longer in college had started repaying their loans promptly.<sup>7</sup>

Despite the recent additions to the foundation account, the members of the board still believed that they would have to borrow additional funds to meet prior loan commitments and the \$9,185 of loans approved in January 1931.<sup>8</sup> They again discussed the necessity of borrowing funds in February. However, no decision was made at that time. Until it was known whether or not additional funds could be borrowed, the trustees approved loans only for graduating seniors and former borrowers. Other applications were approved subject to available funds.<sup>9</sup>

In August 1931 Bennett informed Wentz that the trustees had approved 696 loans for 522 students during the five years the fund had been in operation. These loans totaled more than \$150,000, of which \$65,000 of that amount already had been repaid. While the amount loaned to students averaged \$26,500 annually between 1926 and 1930, the foundation loaned approximately \$45,000 during the academic year of 1930-1931.<sup>10</sup> In addition, the number of students receiving Wentz loans increased to 236 in that year. Thus, as the enrollment of the college was 4,040 at that time, approximately 5.8 percent of all students received Wentz loans to pay educational expenses.<sup>11</sup> In order to meet this increased loan demand the trustees had borrowed \$4,000 from the Exchange National Bank of Tulsa that year. Thus, they had exercised their

option to borrow money against the value of the trust to meet loan commitments. The loan was repaid in October 1931.<sup>12</sup>

Increased reliance by students on Wentz loans during the years of the depression indicated that the foundation was becoming an important factor in the continued growth of the college. Former borrowers of the fund have indicated that the loans provided by the Wentz Foundation were an important factor in recruiting and retaining students during the depression.<sup>13</sup>

The economic effects of the depression presented additional financial problems for the foundation during the academic year of 1931-1932. Loan requests totaled \$38,545.98 that year, despite the fact that the total cost of attending the institution for nine months had decreased from approximately \$330 to \$450 in 1930-1931 to an estimate of from \$250 to \$300 in 1931-1932.<sup>14</sup> Yet, the board estimated that it could loan only about \$12,000 for the year. Therefore, the trustees continued the policy of approving loans in descending class order for prior loan recipients first. New applicants were considered only if funds remained after approving loans for the former borrowers.<sup>15</sup>

In October 1932, the nadir of the depression, the board approved several requests from students to postpone the repayment of loans for one year. These deferments were made only for borrowers who were continuing in school or were in severe financial difficulties as a result of the depression. Another effect of the economic situation was that the foundation accepted state school warrants from teachers as payments on their Wentz loans. The secretary of the foundation indicated that the borrowers' accounts would be credited properly when they determined the actual cash value of the warrants.<sup>16</sup>

Ninety-seven students submitted loan requests of \$19,986 for the school year of 1932-1933. However, the cash balance of the fund was only \$2,984.85. Yet, the trustees estimated that they could loan about \$10,000 that year provided that loan repayments were good. Therefore, they approved a total of \$10,015 in student loans for 75 students during the fall semester.<sup>17</sup> But, due to the depression, the foundation collected only about half the interest which came due on loans during 1932-1933. In addition, many students were unable to pay the life insurance premiums on their Wentz loans. Some borrowers already owed a considerable amount for premiums the foundation had paid on their loans by that time.<sup>18</sup>

The most severe economic effects of the depression were evident on college campuses by 1933. Yet, according to one source, "College students probably . . . developed more ingenious ways of beating the depression than any other group in America."<sup>19</sup> Many students at Oklahoma A&M College arrived in Stillwater in old dented cars filled to the top with people, live poultry, cured hams, and cases of canned fruits and vegetables. Thus equipped, the students were ready for college. They would not be deterred from their goals by high unemployment, bank moratoriums, impoverished agriculture, or a lack of cash. College students took part-time jobs in a wide variety of occupations during the depression to help defray educational expenses. In fact, national statistics indicated that "half the men and one fourth of the women attending the nation's 48 land-grant colleges are working for at least part of their funds."<sup>20</sup> Despite this work effort, the demand for student loans remained high.

In the fall of 1933, college officials announced that for the

school year of 1933-1934, Wentz loans would be limited to students within a year of graduation.<sup>21</sup> This was necessary because the cash balance of the loan fund was limited and repayments were slow. Albright stated that many borrowers had been unable to repay their loans as a result of the high unemployment rate. Many of the accounts had been converted to notes that were payable upon demand. The board discontinued this practice in 1933. Albright informed the trustees in 1933 that the state school warrants which the foundation held could be cashed in at a 10 to 20 percent discount. This was a possible means of increasing the amount which could be loaned to students. However, as the board members wanted to protect the interests of the borrowers, they decided to wait until the warrants could be cashed in at par value.<sup>22</sup>

The trustees approved 25 of the 32 loan applications submitted by students in October 1933. However, the total amount approved was only \$3,050. This happened because the trustees evaluated each application carefully and, in many cases, reduced the loan requests. The board members approved only 16 loan applications in February 1934, most for less than \$100. Therefore, the average loan amount for 1933-1934 was only \$102.66.<sup>23</sup>

By 1934 the number of past due Wentz loan notes had increased sufficiently to cause the trustees to select an attorney to take legal action on the long overdue accounts. Albright was required to submit a list of these borrowers to the board before assigning them to a collector. However, this practice was seldom followed as many of the borrowers would have been unable to pay anyway, due to the effects of the drought and the depression in Oklahoma.<sup>24</sup>

In February 1934 the trustees established procedures designed to

improve collections. They decided that only residents of Oklahoma should be allowed to cosign any notes being renewed. Employees of the college were prohibited from endorsing renewed notes unless the employee was related to the borrower. The original cosigners were asked to endorse renewal notes whenever possible. The board members also agreed that Albright could decide whether or not to pay insurance premiums for students whose loans were overdue. Board members quickly indicated that it was important to keep the insurance policies in force on the largest loans.<sup>25</sup> Other changes for borrowers occurred during that year, for the board approved the use of a new promissory note which carried the provision of 10 percent interest after maturity.<sup>26</sup>

In June 1934 school officials announced that Wentz loans for the academic year of 1934-1935 would be "limited to students within two years of graduation."<sup>27</sup> This was the policy from 1934 to 1940, and was an indication that because of the depression and slow repayment of the notes, funds available for Wentz loans were limited. Nevertheless, during the academic year of 1934-1935, the trustees approved 90 loans totaling \$9,781.30.<sup>28</sup>

Despite efforts to improve collections, loan repayments remained slow. By July 1935 the foundation held 52 inactive notes totaling \$13,301.43, upon which no payments had been made for at least one year. In addition, 11 borrowers had no insurance policies at all and 42 other policies had lapsed. Although the total of the outstanding notes was \$80,434.52, only 74 percent of the notes were paying interest.<sup>29</sup>

Although the Wentz Foundation had assisted more than 600 students in obtaining an education between January 1930 and July 1935, the economic situation had caused many more students to become dependent on



part-time jobs to pay for all or at least part of their educational expenses. Many people who could not find jobs in the private sector also decided to return to college during those years, despite the fact that school officials estimated the expenses for attending Oklahoma A&M College in 1934-1935 to be from \$300 to \$400.<sup>30</sup> Thus, as the enrollment of the college remained at approximately 4,000 between 1930 and 1935, many students were unable to find part-time jobs to pay for their educational expenses.<sup>31</sup> Those who were fortunate enough to find employment at the college earned between \$15 and \$20 per month to pay for their room and board. Hundreds of students sought part-time employment by writing directly to President Bennett each year. Accompanying these requests were letters of introduction and character references from many prominent business and professional people around the state. Graduate students seeking positions as teaching assistants also wrote directly to Bennett. A. Frank Martin, the Director of Student Employment, was given the task of selecting the most worthy students for the available jobs.<sup>32</sup>

Efforts to improve collection of the delinquent Wentz accounts in the early 1930s had not been successful. The economic depression had caused the number of past due loans to increase measurably between 1930 and 1935. Accounting Professor Ben F. Harrison, the auditor of the foundation, had suggested in 1933 that the trustees appoint a person to visit with the delinquent borrowers to determine their actual financial circumstances. Harrison indicated that these visits should be used to collect past due interest and, if necessary, to renew loan notes.<sup>33</sup>

In October 1935 the trustees appointed Dale Fenton, an employee of the college, to visit personally with the delinquent borrowers. The college paid his salary and the foundation paid his traveling expenses.

In addition, the trustees decided that they would not approve any further requests to defer loan repayments unless the borrower was pursuing a graduate degree. Thus, board members refused to extend the repayment of loans which had been past due since the early 1930s. The trustees also voted to approve requests for the reduction of loan payments only in extenuating circumstances.<sup>34</sup>

By October 1936 Fenton reported that he had experienced some success in collecting the delinquent accounts of the foundation. Much remained to be done. As a result of Fenton's report, the board members reconsidered the possibility of using a collection agency to bring the delinquent accounts current. Drawing upon the experiences of other colleges that had used collection agencies, the board members stated that such agencies had proved to be "unsatisfactory" and that in many instances their procedures "practically amounted to fraud."<sup>35</sup> Thus, the trustees agreed to follow their current collections methods with the exception that Albright and Bennett had to approve any legal action to collect the delinquent accounts. Despite this, the trustees hoped that the other policy changes they had approved would facilitate the efforts of school officials to increase collections.<sup>36</sup>

The reluctance of the trustees to initiate legal action against delinquent borrowers severely hampered efforts to increase collections between 1936 and 1939.<sup>37</sup> The amount of notes considered to be inactive or doubtful remained at about \$20,000 between 1936 and 1939. Yet, due to increased loan volume in the late 1930s, the amount of notes receivable increased from approximately \$71,500 in 1936 to more than \$87,000 in 1939.<sup>38</sup>

In October 1939 the trustees finally informed Albright and Fenton

that they should use whatever means necessary to collect the old accounts. In addition, the board members decided that to increase collections they would make the foundation a member of the Retail Merchants Association, a credit investigating organization. President Bennett suggested that school officials secure additional hometown references on each applicant before approving a loan. The effects of these policy changes were not evident until the next decade.<sup>39</sup>

Although the number of students who borrowed money to attend college during the 1930s had increased rapidly, most students still earned a major portion of their college expenses. Employment for many students during the years of the "Great Depression" was provided by the federally funded National Youth Administration (N.Y.A.) which President Franklin D. Roosevelt created in 1935. This was the beginning of direct federal assistance for post-secondary education. The N.Y.A. provided part-time jobs for students attending colleges and universities. The stated objective of the program was "to increase the number of young men and women going to college."<sup>40</sup> Students were allowed to earn a large portion of the money they needed to remain in college. Many students worked from 20 to 30 hours per week earning approximately \$20 a month. In most cases this was enough to pay for room and board. The program was designed to create jobs in addition to those already offered by the institution. The Director of Student Employment selected the students for these jobs based on character, financial need, scholastic achievement, and enrollment status.<sup>41</sup>

In April 1936 Houston A. Wright, State Director of the National Youth Administration, informed Bennett that the total allocation of N.Y.A. funds for the college in 1935-1936 was \$59,282. Of this amount

\$45,098.72 had been spent by March 1936, leaving a balance of \$14,183.28 for the remainder of the academic year.<sup>42</sup> Funding for the N.Y.A. remained at approximately the same level during the next few years, providing part-time jobs for hundreds of students at Oklahoma A&M College during the late 1930s. Therefore, the N.Y.A. was a very valuable program for students at Oklahoma A&M College in the late 1930s. In addition, the program was even more effective because it was administered by the college, making it sensitive to local needs and conditions.

Although the demand for part-time jobs increased in the late 1930s, loans also became an important and acceptable means by which many students at Oklahoma A&M College obtained an education. Yet, by the late 1930s, there still were many administrative problems with the student loan funds which the college operated. These problems were outlined in Dale Fenton's masters thesis, Administration and Accounting for Student Loan Funds, which was completed in 1938. Fenton emphasized the need for improved accounting and collections procedures in order that the revolving loan funds, such as the Wentz Foundation, would continue to operate perpetually. He also indicated that a major problem in the 1930s was that Oklahoma A&M College, as most other institutions, viewed the administration of student loan funds as a part-time job which could be handled in addition to other job responsibilities. This resulted in an inconsistent and decentralized administration of the loan funds. Fenton suggested that full-time loan officers administer the funds using established banking principles. He also indicated that the Wentz Foundation still was a very valuable and substantial source from which students could borrow money to pay for their educational expenses.<sup>43</sup>

Table IV demonstrates the true value of the Wentz Foundation during

the 1930s. The trustees approved a total of 1,560 loans for students between January 1930 and the end of the academic year of 1930-1940. These loans provided more than \$200,000 for students to pay for their educational expenses during a decade when cash was scarce. Yet, it is also significant that loan volume decreased measurably between 1931 and 1935. This resulted because there were few loan repayments during the years of the economic depression.

TABLE IV

## WENTZ REGULAR LOAN ADVANCEMENTS, 1930-1940\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
Spring 1930	45	\$ 7,732.40	\$171.83
1930-1931	236	44,750.90	189.62
1931-1932	95	14,703.94	154.16
1932-1933	81	9,562.47	118.25
1933-1934	60	6,180.37	102.66
1934-1935	90	9,871.30	120.57
1935-1936	102	10,124.48	123.31
1936-1937	139	14,122.95	144.19
1937-1938	202	25,124.17	165.63
1938-1939	265	35,885.62	163.07
1939-1940	245	29,847.03	138.38
Total	1,560	\$207,905.63	

\*Source: Summary of Wentz Loan Advancements by Years as of July 31, 1963.

Significantly, as there were no further additions by the donor to the Wentz Foundation between 1928 and 1949, the amount which could be loaned

to students in any year depended on the number of borrowers who had repaid their loans. Table IV also indicates that the average loan amount fluctuated some and then decreased from a high of \$189.62 in 1930-1931 to \$138.38 in 1940. Moreover, while 5.8 percent of all students enrolled at the college received Wentz loans in 1930-1931, only 2.3 percent received Wentz loans in 1934-1935. By the late 1930s approximately 4.8 percent of the students received Wentz loans.

Table V indicates that the net worth of the Wentz Foundation had increased from approximately \$76,000 in 1930 to more than \$103,000 in 1940. The only decrease in net worth occurred in 1939, when the trustees set up a reserve account to cover bad notes. In 1931 the last \$10,000 of the additional \$25,000 donated by Wentz had been deposited into the loan fund. The actual growth of the foundation in the 1930s was more than \$17,000. During that time the amount of notes receivable increased from \$68,524.51 to \$103,696.11. In addition, the table demonstrates that the economic depression had caused a substantial increase in the amount of past due loan notes. Despite efforts to increase collections during the 1930s, the foundation held more than \$20,000 in past due notes by July 31, 1938. Most of the bad notes had been made prior to 1931. Also, the foundation had collected only \$3,966.67 in interest during the fiscal year of 1937-1938. Although the total of all past due notes was listed at \$10,769.99 in 1939, this was due to the fact that the board members had used the surplus earnings of the foundation to establish a reserve of \$9,059.69 for the older Wentz notes that were considered to be worthless. Therefore, the decrease did not reflect an increase in collections. Yet, between July 31, 1939, and July 31, 1940, the total amount of all notes considered doubtful of collection de-

creased by approximately 50 percent. This decrease was attributed to increased collections efforts and the fact that the economy of the state of Oklahoma was improving. As a result, many of the borrowers seemed to have a renewed determination to pay off their Wentz loans. Therefore, many of the notes which had been considered to be worthless were being repaid as soon as the borrowers found jobs.

TABLE V  
GROWTH OF THE WENTZ FOUNDATION, 1930-1940\*

Date	Net Worth	Notes Receivable	Amount Past Due
Dec. 31, 1930	\$ 76,364.74 (65,000)**	\$68,524.51	\$ .....
Dec. 31, 1931	87,366.75 (75,000)**	84,818.84	8,764.24
July 31, 1933	88,174.81	87,491.62	8,749.16 est.
July 31, 1935	93,791.41	80,434.52	13,301.43
July 31, 1936	99,107.44	.....	.....
July 31, 1937	103,077.91	71,556.42	.....
July 31, 1938	106,759.58	79,661.88	20,930.02
July 31, 1939	100,472.68	96,594.48	10,769.99
July 31, 1940	103,496.63	103,696.11	5,724.74

\*Source: Audits of the Lew Wentz Foundation 1930-1940.

\*\*Amount Wentz had deposited into the fund by that date.

... data unavailable.

Table VI indicates that the president's office still was paying a majority of the expenses for operating the foundation by December 1930. However, after comparing the amounts paid by the college for operating expenses with Wentz expenditures between 1926 and 1931, the trustees

established an expense account and began to pay a fair share of salaries and other expenses of the foundation from that time forward.<sup>44</sup> Therefore, during the 1930s the Wentz Foundation paid almost \$10,700 for salaries, postage, printing, supplies, travel, and other miscellaneous expenses. More than \$8,600 of that amount was spent for salaries.

TABLE VI  
OPERATING EXPENSES 1930-1940\*

Fiscal Year Ending	Wentz Foundation	Expenditures For Salaries**	College
Dec. 31, 1930	\$ 283.83	-0-	\$1,901.00
Dec. 31, 1931	2,529.35	\$2,415.00	1,931.00
July 31, 1933	1,783.32	1,458.30	.....
July 31, 1935	1,369.99	1,350.00	.....
July 31, 1936	583.10	225.00	.....
July 31, 1937	476.66	313.66	.....
July 31, 1938	485.13	350.00	.....
July 31, 1939	740.34	350.00	.....
July 31, 1940	<u>2,447.78</u>	<u>2,169.20</u>	.....
Total	\$10,699.50	\$8,631.16	

\*Source: Audits of the Lew Wentz Foundation 1930-1940; Minutes, February 25, 1931.

\*\*Indicates what part of the total Lew Wentz Foundation operating expenses was paid for salaries.

... data unavailable.

It is significant that the Lew Wentz Foundation at Oklahoma A&M College had survived a severe test in the 1930s, continuing to make loans to many needy students without any additional funds beyond the original endowments of \$75,000. Moreover, not only had the net worth of



the foundation increased in value during those years, but also the Wentz loans had become an integral part of the financial assistance offered by the college. Although the value of the foundation to the institution in recruiting and retaining students during the 1930s cannot be known fully, it is important to remember that the enrollment of the college had remained at approximately 4,000 between 1930 and 1935, the most severe years of the economic depression. Also enrollment had increased steadily to 5,918 by the fall of 1939. Thus, Oklahoma A&M College may have benefited greatly in increased enrollment due to loans provided by the Lew Wentz Foundation, which allowed many needy students to attend college in the 1930s. The foundation would continue to grow and prosper during the 1940s.

FOOTNOTES

<sup>1</sup> Minutes of the Lew Wentz Foundation Board of Trustees, February 1, 1930, pp. 1-13, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid., October 9, 1930, pp. 2-6.

<sup>4</sup> Lew H. Wentz to Henry G. Bennett, October 22, 1930, Correspondence Collection, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>5</sup> H.P. Luce, secretary for Lew Wentz, to Henry Bennett, January 28, 1931, Correspondence, OSU Financial Aids.

<sup>6</sup> Minutes, February 25, 1931, p. 1.

<sup>7</sup> Bennett to Wentz, January 31, 1931, Correspondence, OSU Financial Aids.

<sup>8</sup> Ibid., January 30, 1931, p. 25.

<sup>9</sup> Ibid., February 25, 1931, p. 1.

<sup>10</sup> Ibid., August 26, 1931.

<sup>11</sup> The enrollment data was provided by Glen K. Jones, Assistant Registrar for Oklahoma State University.

<sup>12</sup> Minutes, October 8, 1931, p. 2.

<sup>13</sup> Information supporting this statement was obtained from several former Wentz loan recipients who borrowed during the 1930s. These included: Ralph M. Ball, Armon H. Bost, Dr. Garland Godfrey, William W. Caudill, Wayne C. Liles, Joe J. Synar, Allie Reynolds, and Sidney E. Scisson.

<sup>14</sup> Oklahoma A&M College General Catalog 1930-1931, p. 25; Oklahoma A&M College General Catalog 1931-1932, p. 23.

<sup>15</sup> Minutes, October 8, 1931, pp. 3-5.

<sup>16</sup> Ibid., October 6, 1932, p. 2.

<sup>17</sup> Ibid., p. 3.

<sup>18</sup> Audit of the Lew Wentz Foundation, January 1, 1934, p. 3. OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>19</sup> Gilbert Love, "College Students Are Beating The Depression," School and Society, XXXVIII (June 10, 1933), p. 749.

<sup>20</sup> Ibid., pp. 749-751.

<sup>21</sup> General Catalog 1932-1933, June 1933, p. 25.

<sup>22</sup> Minutes, October 6, 1933, pp. 1 & 4.

<sup>23</sup> Ibid., p. 1.

<sup>24</sup> For a good account of the economic effects of the dust bowl on southern plains farmers see James Wesley Ware's dissertation "Black Blizzard: The Dust Bowl of the 1930s" (Unpub. Ph.D. Dissertation, Oklahoma State University, 1977).

<sup>25</sup> Minutes, February 21, 1934, p. 1.

<sup>26</sup> Ibid., October 8, 1934, p. 3.

<sup>27</sup> General Catalog 1933-1934, June 1934, p. 26.

<sup>28</sup> Summary of Wentz Loan Advancements by Years as of July 31, 1963, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>29</sup> Audit, June 6, 1936, pp. 3-4.

<sup>30</sup> It is interesting to note that the enrollment of the college remained constant during the most severe years of the depression. However, during the early 1970s we witnessed the same phenomenon as inflation and unemployment increased.

<sup>31</sup> The enrollment data was provided by Glen K. Jones, Assistant Registrar for Oklahoma State University.

<sup>32</sup> Student Employment File, 1934-1935, Presidential Papers, Special Collections, Oklahoma State University Library, Stillwater, Oklahoma.

<sup>33</sup> Audit, January 1, 1934, p. 1.

<sup>34</sup> Minutes, October 9, 1935, p. 1; In many cases the trustees attempted to find employment for the delinquent borrowers rather than deferring their loans or reducing their monthly payments.

<sup>35</sup> Ibid., October 7, 1936, p. 5.

<sup>36</sup> Ibid.

<sup>37</sup>In a personal interview with Dale Fenton on October 13, 1978, he indicated that the trustees refused to initiate legal action against delinquent borrowers because they believed it might damage the image of the foundation. This severely hampered Fenton's efforts to collect the old notes between 1935 and 1939.

<sup>38</sup>See Table V.

<sup>39</sup>Minutes, October 7, 1939, p. 1.

<sup>40</sup>Aubrey Williams, Executive Director of the National Youth Administration to State Youth Directors, August 15, 1935, Presidential Papers, OSU Special Collections.

<sup>41</sup>Ibid.

<sup>42</sup>Houston A. Wright, Director of State NYA Program, to President Bennett, April 21, 1936, Presidential Papers, OSU Special Collections.

<sup>43</sup>Dale Fenton, "Administration and Accounting for Student Loan Funds" (Unpub. M.S. Thesis, Oklahoma A&M College, 1939), p. 1.

<sup>44</sup>Minutes, February 25, 1931, p. 1.

## CHAPTER V

### THE LEW WENTZ FOUNDATION DURING WORLD

#### WAR II AND THE POST-WAR ERA

The 1940s were challenging years for the Lew Wentz Foundation. The enrollment of Oklahoma A&M College decreased rapidly after the United States entered World War II, for many students entered the armed forces.<sup>1</sup> Others found employment in the wartime industries.<sup>2</sup> However, the war had a positive effect on the Wentz Foundation. The more prosperous wartime economy increased the amount of money in circulation, allowing many who previously had borrowed from the foundation to repay loans. And, as there was less need for student loan funds during those years, the number of Wentz loans outstanding decreased rapidly; the trustees approved only one or two new loans annually between 1943 and 1946. The primary contribution of the foundation during the war was that the board members deferred the repayment of loans for those students who had entered the military service.

At war's end the enrollment of Oklahoma A&M College increased rapidly, yet the demand for Wentz loans increased only slightly between 1945 and 1950.<sup>3</sup> This occurred because the Serviceman's Readjustment Act provided educational funds for thousands of returning servicemen to enter college after the war. Consequently, the Wentz trustees approved only 66 loans for students between 1946 and 1950. Unlike the 1930s, when loan demand continually exceeded available funds, the trustees had

to devise new procedures to utilize the cash surplus of the 1940s.

Between 1940 and 1942 the Wentz trustees routinely administered the fund. However, during that time the board members discussed the benefits of adopting a group insurance plan to protect all Wentz borrowers. A group insurance policy would be less expensive for students than the present requirement forcing each borrower to purchase a \$1,000 life insurance policy as collateral. The requirement had proved to be a needless financial burden as many students had been unable to pay their insurance premiums. In October 1942 the trustees resolved the problem by purchasing a group insurance plan from the Aetna Life Insurance Company. The board members also agreed that they would pay the group insurance premium out of the interest earnings of the loan fund.<sup>4</sup> This amounted to \$578.72 for the fiscal year of 1942-1943.<sup>5</sup>

The demand for Wentz loans decreased during the war years for less than 40 students submitted loan applications for the academic year of 1942-1943. In October 1942 the trustees discussed whether they should invest surplus foundation funds in stocks and bonds to earn interest until the money was needed for student loans.<sup>6</sup> Although the board members had approved a temporary purchase of \$10,000 in certificates of deposit in October 1935, this was their first attempt to establish a formal investment policy for the Lew Wentz Foundation.<sup>7</sup> However, after much discussion the trustees determined that the trust agreement did not specifically give them the authority to make such investments. Joe Hamilton said he would discuss the matter with Wentz to see if the group could invest surplus foundation funds. If that were not possible, Hamilton indicated that he would ask Wentz to amend the trust instrument to allow such investments to be made.<sup>8</sup> Wentz apparently concurred that

investing surplus foundation funds was not only possible, but that it also was a sound move which would increase the amount of money available for student loans. Although the trust document was not amended formally, the trustees invested \$40,000 of foundation funds in United States securities during the fiscal year of 1942-1943.<sup>9</sup> With the investment policy of the foundation established, the trustees continued to increase the amount of money invested in government securities throughout the remainder of the decade.

The trustees did not meet as a board between October 1942 and November 1949 because the demand for Wentz loans was almost nonexistent. The board members did correspond with each other individually during those years to make decisions on Wentz matters whenever necessary. The trustees approved loan requests by mail during that time.

In May 1945 Earle Albright informed Wentz that the net worth of the foundation had increased steadily between 1926 and 1944, and presently was valued at \$110,603.15. Also a separate reserve of \$9,436.26 had been set aside for uncollectible notes and operating expenses. Thus, the net increase in the value of the foundation was more than \$38,000. During the eighteen years of the fund's operation 2,147 loans had been approved for 1,499 students. The amount loaned to students between 1926 and 1944 was \$361,532.22. By July 31, 1943, the borrowers had repaid \$295,971.45 of that amount. Thus, the foundation had loaned approximately five times the original endowment of \$75,000 and also had collected almost four times that amount. The total of all loan notes outstanding was \$65,360.77. Moreover, the foundation also had \$82,000 of which part was in cash and the rest was invested in 2.5 percent United States treasury bonds.<sup>10</sup>

Meeting for the first time in seven years in November 1949, the Wentz Board still consisted of President Bennett, Joe Hamilton, P.D. Hayes, and Fred Drummond. The trustees reviewed the operations of the foundation since 1942 and then discussed matters pertaining to the present and future operations of the loan fund. They expressed a desire to increase collections efforts on the past due accounts and gave school officials the power to initiate legal actions whenever necessary without board approval. They approved 32 loan requests for the academic year of 1949-1950; the largest number approved since 1942.<sup>11</sup>

Table VII indicates that the number of Wentz loans approved for students annually declined rapidly during World War II and increased only slightly during the remainder of the decade. The table also shows that the trustees approved 512 loans for students during the 1940s totaling \$71,156.89, or only about one-third the amount approved during the 1930s. The primary factors which contributed to the decrease demand for Wentz loans were the more prosperous wartime economy of the 1940s and the fact that many returning veterans attended college on the G.I. Bill. Also, the average loan amount increased by approximately \$100 during the 1940s as college expenses increased.

Table VIII demonstrates that the net worth of the Wentz Foundation increased steadily from \$106,471.76 in the fiscal year of 1940-1941 to \$126,311.69 in the fiscal year of 1949-1950. This was a net increase of almost \$20,000 during that decade and an increase of more than \$56,000 since the beginning of the fund. Yet, due to increased payments on principal and the small number of new loans approved during the 1940s, the total of all notes receivable decreased from \$106,271.37 in the fiscal year of 1940-1941 to only \$27,733.67 by July 31, 1950. For example,



in 1941-1942 the foundation held \$21,165.34 in notes which had been approved during the first decade the loan fund was in operation. This meant that 23.6 percent of all Wentz notes were from 7 to 16 years old at that time. Thus, due to their age, a large percentage of those notes were considered doubtful of collection. However, by 1942-1943 approximately 27 percent of those older notes had been paid. Moreover, payments on the outstanding loan principal that year totaled \$33,854.66, while the foundation had approved only 37 new loans for \$5,167.26.<sup>12</sup> This was an indication that the more prosperous economic situation of the 1940s allowed borrowers to repay their loans more promptly. This trend continued throughout the remainder of the decade. Therefore, the total amount of notes considered past due also declined during the 1940s decreasing from \$8,790.76 in 1941 to \$5,106.66 in 1950.

TABLE VII

## WENTZ REGULAR LOAN ADVANCEMENTS, 1940-1950\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1940-1941	230	\$29,200.60	\$145.42
1941-1942	175	20,639.63	139.88
1942-1943	37	5,167.26	135.98
1943-1944	1	200.00	200.00
1944-1945	2	450.00	225.00
1945-1946	1	150.00	150.00
1946-1947	9	1,605.00	178.33
1947-1948	11	2,398.00	218.00
1948-1949	14	3,283.00	234.50
1949-1950	32	8,063.40	251.98
Total	512	\$71,156.89	

\*Source: Summary of Wentz Loan Advancements by Years as of July 31, 1963.

TABLE VIII

## GROWTH OF THE WENTZ FOUNDATION, 1940-1950\*

Fiscal Year Ending	Total Notes Receivable	Inactive Notes	Cash	Investments	Net Worth
July 31, 1941	\$.....	\$8,790.76	\$ 6,491.15	\$ 2,500.00**	\$106,471.76
July 31, 1942	97,077.68	.....	18,254.76	2,500.00**	110,420.74
July 31, 1943	65,360.77	6,946.65	13,532.41	40,000.00	111,946.53
July 31, 1944	43,847.95	6,482.30	26,191.46	50,000.00	113,557.11
July 31, 1945	35,474.54	6,436.26	15,175.49	70,000.00	114,213.77
July 31, 1946	28,272.92	5,741.61	24,876.54	70,000.00	117,407.85
July 31, 1947	26,547.15	5,741.61	28,386.51	70,000.00	119,192.05
July 31, 1948	26,804.73	5,741.61	9,771.02	90,000.00	120,834.14
July 31, 1949	26,493.21	5,450.66	12,417.81	90,000.00	123,460.36
July 31, 1950	27,733.67	5,106.66	13,684.18	90,000.00	126,311.69

\*Sources: Audits and annual reports of the Lew Wentz Foundation, 1940-1950.

\*\*Certificates of Deposit.

Table IX demonstrates that the Wentz Foundation paid a total of \$17,272.90 for operating expenses between 1940 and 1950. Of that amount \$13,129.75 was spent for salaries. Thus, approximately 76 percent of the total amount paid by the foundation for operating expenses went to pay the salaries of employees who were administering the loan fund. Although similar data was not available on the expenditures of the college for operating the loan fund in the 1940s, it is assumed that the institution continued to pay an equal share of such costs. However, none of the available records indicate upon what basis the amount the foundation paid was calculated.

On June 9, 1949, Lew Wentz died as a result of coronary thrombosis. By that time, approximately 2,500 students had received financial assistance from the Lew Wentz Foundation. Also, the trustees had approved more than \$375,000 in loans during the 23 years the fund had been operating. Therefore, the Wentz Foundation at the Oklahoma Agricultural and Mechanical College in Stillwater became a living memorial to its founder, Lew H. Wentz. It has remained a perpetual program of financial aid for students to the present day.

The trustees took time out from their busy schedules in 1949 to prepare a memorial resolution for Wentz' niece in Ponca City. The board members summarized the history of the foundation and expressed their appreciation for the loan fund. Moreover, they pledged their efforts to manage the fund wisely so that it would serve many more worthy students in the future.<sup>13</sup>

When the provisions of his will were made known, it was revealed that Wentz had provided a generous bequest for Oklahoma A&M College. The will stipulated that 20 percent of the residue of the estate be

TABLE IX

## WENTZ FOUNDATION OPERATING EXPENSES, 1940-1950\*

Fiscal Year Ending	Expenditures for Salaries	Group Insurance	Office Expenses	Cost of Audit	Miscellaneous	Total Expenses
July 31, 1941	\$2,250.00	\$.....	\$137.91	\$75.00	\$ 23.75	\$ 2,486.66
July 31, 1942	2,395.00**	.....	125.95	75.00	21.35	2,617.30
July 31, 1943	2,813.95	578.72	58.99	75.00	171.88	3,698.54
July 31, 1944	2,315.00	487.23	52.00	75.00	8.75	2,937.98
July 31, 1945	1,568.30	358.22	5.10	75.00	11.25	2,017.87
July 31, 1946	380.00	286.54	1.08	75.00	11.25	753.87
July 31, 1947	382.20	248.01	2.43	75.00	11.25	718.89
July 31, 1948	425.30	240.09	10.12	75.00	16.25	766.76
July 31, 1949	300.00	241.96	5.53	75.00	11.25	633.74
July 31, 1950	300.00	238.45	16.59	75.00	11.25	641.29
					Grand Total	\$17,272.90

\*Source: Audits of the Lew Wentz Foundation 1940-1950.

\*\*This amount was paid to six employees as follows: T.G. Sexton, cashier (\$600); Veta Ware, assistant secretary (\$150); Winona Thacker, assistant cashier (\$1,500); Robert E. Palmer, bookkeeper (\$65); Ruby Kluck, bookkeeper (\$30); and Jane Murphy, bookkeeper (\$50).

given to the Wentz Foundation in Stillwater. Although very few people realized the magnitude of this provision at that time, it would provide more than two million dollars to the Wentz Foundation in the 1950s.<sup>14</sup>

Thus, as the 1940s ended, loan volume was slowly increasing, the first investment policy of the foundation was firmly in place, and the monetary value of the foundation had increased tremendously due to a provision in Wentz' will. The major goal of the board members in the 1950s would be to use foundation funds to develop new programs to provide additional financial services for students.

#### FOOTNOTES

<sup>1</sup>The enrollment of the college was 5,539 in 1940, 5,296 in 1941, 3,888 in 1942, 1,381 in 1943, and 1,616 in 1944. This information was provided by Glen Jones, Assistant Registrar for Oklahoma State University.

<sup>2</sup>A good account of the Oklahoma War effort can be found on pages 361-368 of Oklahoma: The Story of Its Past and Present by Edwin C. McReynolds.

<sup>3</sup>The enrollment of the college was 3,000 in 1945, 8,711 in 1946, 10,291 in 1947, 10,265 in 1948, 9,993 in 1949, and 8,517 in 1950. This information was provided by Glen Jones, Assistant Registrar for Oklahoma State University.

<sup>4</sup>Minutes of the Lew Wentz Foundation Board of Trustees, October 8, 1942, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>5</sup>Audit of the Lew Wentz Foundation, August 10, 1943, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>6</sup>Minutes, October 8, 1942, p. 4.

<sup>7</sup>Ibid., October 9, 1935, p. 1.

<sup>8</sup>Ibid., October 8, 1942, p. 4.

<sup>9</sup>Audit, August 10, 1943, p. 1.

<sup>10</sup>Earle C. Albright to L.H. Wentz, May 15, 1945, p. 1, Correspondence Collection, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>11</sup>Minutes, November 5, 1949, pp. 1-2.

<sup>12</sup>Audit, August 10, 1943, p. 2.

<sup>13</sup>Minutes, November 5, 1949, pp. 1-2.

<sup>14</sup>Daily Oklahoman, June 16, 1949, p. 1; a copy of Wentz' will is included in the appendix.

## CHAPTER VI

### THE EXPANSION OF THE LEW WENTZ FOUNDATION, 1950-1960

The 1950s were years of expansion for the Lew Wentz Foundation. The net worth of the foundation increased from approximately \$130,000 in 1950 to more than 2.5 million dollars in 1960, due to several sizable distributions from the Wentz estate. Although student loan volume increased slowly from 1950 to 1955, it increased rapidly through the remaining years of the decade. By the academic year 1959-1960, the foundation approved more than 250 loans, an annual level not attained since the late 1930s. The average Wentz Regular loan amount increased steadily from approximately \$245 in 1950-1951 to a high of \$710 in 1955-1956, and then decreased to less than \$490 in 1959-1960.

The national economic trends of the 1950s directly affected the operations of the Lew Wentz Foundation. During Dwight D. Eisenhower's first administration, the president secured legislative approval to abolish wage and price controls and to lower income taxes. He also worked to reduce world tensions by bringing an end to the Korean War. The years between 1952 and 1956 also were marked by increased federal spending for the construction of highways, schools, and public housing. As a result of the improving economy during those years, organized labor negotiated several wage increases. In 1955 the president secured legislative approval to increase the minimum wage to one dollar per hour.

These and other actions by the president and the Congress between 1952 and 1956 helped the nation embark on a period of peace and prosperity.

Due to the economic growth of the nation in the early 1960s, and to the fact that some students were attending college during those years on the educational benefits provided by the Korean G.I. Bill, the need for student loans increased only slightly between 1950 and 1955. However, this need increased rapidly during the last half of the decade primarily because of the economic recession which began in 1957.

The continuance of the Cold War in the 1950s increased the armaments race between the United States and the Union of Soviet Socialist Republics. Internal security became a major concern in 1957 when the Soviet Union launched "Sputnik," the first satellite to orbit the earth. Partly in response to this Russian success, the defense budget of the United States was increased dramatically in the next few years. National concern about the Russian technological threat also prompted Congress to pass the National Defense Education Act (NDEA) in August 1958. This act was designed to provide loans and graduate fellowships for the purpose of increasing the number of students majoring in science, mathematics, and foreign languages. This marked the large scale participation of the federal government in promoting higher education.<sup>1</sup>

The generous additions to the Wentz Foundation during the 1950s increased the value of the loan fund and had significant impact on its investment policy. Moreover, the trustees of the Wentz Foundation at Oklahoma A&M College and the University of Oklahoma held joint meetings in the 1950s to discuss legal revisions of the trust agreements so that foundation earnings could be used to create additional financial aid programs for needy students.



The 1950s also brought change in the administration of the loan fund at Stillwater. In 1955 university officials appointed a coordinator for student loans, who subsequently was given the responsibility for the application approval process. The trustees also approved the use of foundation funds for emergency loans. Near the end of the decade the trustees became concerned that the increased use of funds for student loans had placed additional stress on the already outdated and cumbersome accounting system of the foundation. Modern equipment was needed to administer the loan fund efficiently.

Although the net worth of the fund and the amount of notes receivable increased steadily in the early 1950s, the collection of old notes continued to be a major concern expressed by the auditor. Yet, the foundation had collected many of the older notes which had been initiated as early as 1926, because it was the policy of the foundation to attempt to secure collection on a note regardless of its age.<sup>2</sup>

In September 1952 Felix Duvall, attorney for the Wentz estate, informed Oliver S. Willham, the new president of Oklahoma A&M College, that the executors of the Wentz estate had received several suggestions from the trustees of the Lew Wentz Foundations at both Oklahoma A&M College and the University of Oklahoma for changing the trust agreements to allow more liberal use of the earnings of the foundation. Duvall requested detailed information from both colleges on the operations and present condition of the loan funds. He also indicated that the executors of the Wentz estate were considering the legality of the proposed changes. This information provided the impetus for a joint meeting of the Wentz Board members.<sup>3</sup>

Representatives of the Wentz estate met jointly with the board

members of both Wentz Foundations in the fall of 1952 to discuss the necessity of and the procedures for revising the trust agreements. At a meeting held in Oklahoma City in October, all parties agreed that they should adhere to the terms and provisions which Wentz specifically designated in the trust instruments. However, the trustees believed that they should be able to utilize or invest the income and accruals of the Wentz Foundation.<sup>4</sup> At a December meeting of the trustees of both foundations proposed changes were approved and later sent to the officials of the Wentz estate. These changes would allow the trustees to set the interest rate on loans, and use the earnings of the respective foundations to establish any or all of the following programs: scholarships for graduate students or faculty members to conduct advanced study or research, scholarships for physically handicapped students or for students preparing to work with handicapped children, scholarships for first year students, grants or self-liquidating loans for student cooperative projects, the endowment of chairs at the Medical, Dental or Nursing Schools of the University of Oklahoma for service to children, or grants to support departments at either institution in fields which would contribute to the improvement of or the care and welfare of handicapped children. The proposals were sent to Ned Looney and Felix Duvall, attorneys for the Lew Wentz estate, on December 12, 1952.<sup>5</sup> The first step of what would be a rather lengthy process of seeking legal revisions in the trust agreements had begun.<sup>6</sup>

In September 1953 the executors of the Wentz estate informed Earle Albright, the secretary of the foundation, that a partial distribution of the residue of the Wentz estate had been made. They enclosed a check for \$300,000 payable to the Lew Wentz Foundation at Oklahoma A&M

College.<sup>7</sup> That check alone more than tripled the value of the loan fund and increased the endowment of the foundation to \$375,000. The executors made another partial distribution of \$450,000 to the Wentz Foundation at Oklahoma A&M College in December 1954. This transaction brought the total endowment of the fund to \$825,000.<sup>8</sup> President Willham was appreciative of this additional help, and he indicated that hundreds of students would benefit from the generous bequest.<sup>9</sup>

As loan volume increased only slightly in the early 1950s, the trustees invested a large portion of the recent additions to the fund. They sought the advice of bank and trust officials at the Federal Reserve Bank in Oklahoma City and the National Bank of Tulsa concerning the best way to invest the money. These bank officials suggested that the board members purchase Series K Bonds, which paid 2.76 percent interest the first year and 5.52 percent annually thereafter.<sup>10</sup> Therefore, the trustees invested a major portion of the funds in Series K Bonds and the remainder in ninety-day treasury notes.<sup>11</sup> By July 31, 1955, the investment portfolio of the Wentz Foundation totaled \$818,-829.22.<sup>12</sup>

The dramatic growth of the Wentz Foundation in the 1950s was quite timely, for the volume of student loans approved annually increased after 1955. The foundation approved \$41,028.75 in loans for 100 students during the school year of 1954-1955, and that was the first time the foundation had approved that many loans in a single school year since 1941-1942.<sup>13</sup> Loan volume increased even more dramatically between 1955 and 1960.

Despite the increased demand for Wentz loans in the late 1950s, many students still worked part-time at the college to earn money to pay

for their college expenses. They worked in the cafeterias, residence halls, student union, or as building custodians. Their part-time job earnings averaged approximately \$45 per month. During the academic year of 1954-1955, school officials indicated that nearly 4,000 students were working on the college campus or in the city of Stillwater.<sup>14</sup> Approximately 48 percent of the 8,403 students enrolled at Oklahoma A&M College that year earned money to pay at least part of their educational expenses.<sup>15</sup>

The board members discussed the need for an emergency loan fund to begin in the fall of 1955. They stated that "the need arises particularly among veteran students who come back to college out of service with little savings and who get their first full check about two and one-half months after they enter school."<sup>16</sup> The trustees established the Wentz Emergency loan fund in September 1955 to provide short-term loans of \$100 or less for students. School officials could loan a maximum of \$150 in unusual cases.<sup>17</sup> The long-term loans which the Wentz Foundation made were thereafter called Wentz Regular loans. The Wentz Emergency loan program was an instant success. School officials approved 967 short-term loans for students during the academic year of 1955-1956 amounting to \$94,149.55, while the trustees approved only 98 Wentz Regular loans for \$69,602.35 that year.<sup>18</sup>

Raymond E. Bivert, the newly appointed Director of Student Loans at Oklahoma A&M College, met with the board of trustees in September 1955 to discuss several procedural matters. With the approval of the board members, Bivert modified the application approval procedures. Thereafter, students filed applications at the office of the Dean of Student Affairs. Bivert would then review the loan requests and interview the

applicants. After the secretary of the foundation and the loan committee reviewed the applications, the loan requests were presented to the board with recommendations for approval or denial. The trustees also increased the maximum amount any one individual could borrow from the Wentz Foundation to \$1,500 for undergraduates and \$2,000 for graduate students. The trustees discussed the offers made by various agencies to collect the inactive accounts of the foundation and determined to collect the delinquent accounts themselves. They also discussed a proposal that the executors of the Wentz estate had made to Joe Hamilton about distributing some of the remaining assets. The executors proposed to transfer some of the oil leases and other assets of the estate directly to the foundation whenever the market value of those assets was less than their cost. This would be more beneficial to the foundation than forcing the sale of assets at a loss. The board members agreed to investigate the matter. Although there were no further formal discussions of this matter, records indicated that the foundation began to receive small oil royalty payments soon thereafter.<sup>19</sup>

In October 1956 the trustees met with Raymond Bivert and John C. Monk, the college legal advisor, to discuss the investment policy of the foundation. The primary concern was how to invest \$1,100,000 which recently had been added to the fund as a result of the third partial distribution of the Wentz estate. The group discussed the possibility of investing in Oklahoma A&M College bonds, building and loan association notes, or increasing the amount invested in government securities. The trustees suggested that Albright meet with the trust officers of the National Bank of Tulsa to purchase the best current distribution of investments in United States securities. For several years thereafter,

the trustees invested the majority of all surplus foundation funds in United States securities.<sup>20</sup>

Between 1956 and 1959 the total net worth of the foundation increased from \$923,199.22 to \$2,537,111.28 primarily due to subsequent partial distributions of the Wentz estate.<sup>21</sup> In addition, rising college costs and the economic recession which began in 1957 caused an increase in the demand for Wentz Regular loans. In fact, the number of long-term loans made to students almost doubled between 1956 and 1959 while the amount of dollars approved for such loans increased 54 percent. The foundation also loaned between \$78,000 and \$102,000 annually in Wentz Emergency loans between 1956 and 1959. Moreover, while school officials had estimated that the average cost of attending the college for the academic year of 1955-1956 was approximately \$900, they later estimated that the total cost would be approximately \$1,000 for 1958-1959.<sup>22</sup> As the average Wentz Regular loan was approximately \$480 that year, the amount provided 48 percent of the total amount required to attend college.

During its meeting of September 1959, the board selected Scott A. Orbison of Enid, an alumnus of Oklahoma State University, as the new trustee to replace the late Fred G. Drummond. With the board reconstituted, the members discussed several other items of business. They modified the investment policy of the foundation by agreeing that whenever surplus funds were available, they would invest \$10,000 in each of several savings and loan associations across the state to gain a higher rate of return than they were receiving on the United States securities. Also, the trustees authorized school officials to spend \$12,000 of foundation earnings to modernize the accounting system of the student

loan office. This was necessary to deal with the increased loan volume of the late 1950s. The existing system had been prepared and updated entirely by hand, which was cumbersome and required excessive time when compared to a modern machine accounting system. A discussion ensued over the loan application approval process. Previously, all Wentz Regular loan applications had been mailed to the board members for approval. However, loan volume had increased so much that it was almost impossible for the trustees to approve each loan. Also, the trustees decided that the process of checking the applications on campus was so thorough that they seldom had to disapprove or adjust a loan request. Thus, they voted to discontinue their immediate involvement in the procedure. The approval of loan applications thereafter was to be conducted by the Director of Student Loans, the faculty committee and the president of the college. However, at the end of each month the trustees would receive a list of the loans that had been approved. This change indicated that the board members were pleased with the college administration of the loan fund. Probably the most significant action of the trustees in September 1959 was the decision to begin legal proceedings in Payne County as soon as possible to secure revisions in the trust agreement of the Wentz Foundation. The primary goal of the board members was to obtain liberalizing amendments which would allow greater utilization of foundation funds to serve more students.<sup>23</sup>

Table X indicates that Wentz Regular loan volume remained static between 1950 and 1954 and increased rapidly near the end of the decade. However, despite the low volume of loans in the early 1950s, the trustees approved 1,132 Wentz Regular loans amounting to more than one-half million dollars for students during that decade. The average loan

amount fluctuated in the 1950s, increasing from approximately \$245 in 1950 to more than \$710 in 1955, and then decreased to less than \$490 in 1960.

TABLE X

## WENTZ REGULAR LOAN ADVANCEMENTS, 1950-1960\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1950-1951	33	\$ 8,066.90	\$244.45
1951-1952	20	5,598.00	279.90
1952-1953	35	10,139.23	289.60
1953-1954	30	10,448.83	348.30
1954-1955	100	41,028.75	410.29
1955-1956	98	69,602.35	710.23
1956-1957	125	63,920.50	511.36
1957-1958	182	79,602.00	437.38
1958-1959	246	117,956.75	479.46
1959-1960	263	128,419.00	488.28
Total	1,132	\$534,782.31	

\*Source: Summary of Loan Advancements by Years as of July 31, 1963.

Table XI indicates that the Wentz Emergency loan program was a valuable addition to the student aid programs at the college. Apparently many students who needed interim funding for educational expenses borrowed from this program. Between 1955 and 1960 school officials approved 4,312 Wentz Emergency loans for more than \$460,000. The average loan amount increased from approximately \$100 in 1955 to more than \$122 in 1960. Moreover, in addition to the \$998,572.36 advanced between



1960 and 1970 on the Wentz Regular and Wentz Emergency loan programs, the student loan office also approved 702 NDSL loans for students between 1958 and 1960 which amounted to \$331,443.<sup>24</sup> Thus, the Wentz Foundation had provided approximately 75 percent of the \$1,330,015.36 in loans which had been advanced to students attending Oklahoma State University between 1950 and 1960. Thus, this data reflects the increase in college expenses during that period.

TABLE XI

## WENTZ EMERGENCY LOAN ADVANCEMENTS, 1955-1960\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loans
1955-1956	967	\$ 94,149.55	\$ 97.36
1956-1957	839	85,750.10	102.20
1957-1958	759	78,835.40	103.87
1958-1959	910	102,614.00	112.76
1959-1960	837	102,441.00	122.39
Total	4,312	\$463,790.05	

\*Source: Summary of Loan Advancements by Years as of July 31, 1963.

Table XII shows the dramatic growth of the Wentz Foundation during the 1950s. The outstanding loan notes increased rapidly during that time, except for a small decrease in 1952, which primarily was due to low loan volume and increased collections that year. Wentz Emergency loan notes amounted to \$41,542.61 of all outstanding notes by 1960. Inactive notes decreased gradually during that decade, amounting to

TABLE XII

## GROWTH OF THE WENTZ FOUNDATION, 1950-1960\*

Fiscal Year Ending	Total Notes Receivable**	Inactive Notes	Cash	Investments	Net Worth
July 31, 1951	\$ 28,732.64	\$5,106.66	\$ 14,586.89	\$ 90,000.00	\$ 128,212.87
July 31, 1952	27,247.12	5,106.66	11,877.46	96,000.00	130,017.92
July 31, 1953	29,027.70	4,974.07	12,192.94	96,000.00	132,246.57
July 31, 1954	32,472.53	4,974.07	10,632.58	397,360.00	435,491.04
July 31, 1955	63,372.26	4,916.60	21,617.58	818,829.22	898,902.46
July 31, 1956	122,937.33	4,898.60	39,556.89	760,705.00	923,199.22
July 31, 1957	146,840.51	4,772.52	67,664.22	2,085,595.46	2,295,942.20
July 31, 1958	187,029.16	4,660.12	83,010.60	2,094,689.07	2,360,683.20
July 31, 1959	262,447.52	4,660.16	121,496.25	2,157,213.14	2,537,111.28
July 31, 1960	332,751.59	4,222.16	132,506.76	2,137,213.14	2,599,692.46

\*Source: Audits of the Lew Wentz Foundation, 1950-1960.

\*\*Includes Wentz Emergency notes from 1955 to 1960.

\$4,222.16 in 1960. This indicated that collections had increased and that many of the old inactive loan notes which had been made in the 1930s and 1940s were being paid in full. The investments and available cash of the foundation increased tremendously during the 1950s due to several sizable distributions from the Wentz estate. Whereas the foundation had \$14,586.89 in cash at the beginning of the decade, the available cash was \$132,506.76 in 1960. Similarly, the amount invested increased from \$90,000 in 1950 to more than \$2,100,000 in 1960. Yet, the investments did decrease somewhat in 1955-1956 because of the increased demand for both long-term and short-term loans. The majority of the investments which the foundation held were in United States securities, United States treasury bonds, and 2.5 percent interest savings accounts. As a result of the aforementioned distributions from the Wentz estate, the net worth of the loan fund also had increased during the 1950s and was valued at \$2,599,692.46 in 1960. Prior to those large increases was a period in the late 1940s and early 1950s when the primary earnings of the foundation were derived from interest on investments, rather than student loans. This was indeed a peculiar situation for a student loan foundation. However, this pattern was reversed with the increased student loan volume of the late 1950s.

Table XIII reveals that the amount the foundation spent for salaries fluctuated between 1950 and 1957. The increased loan volume of the late 1950s caused a rapid increase in that expense item. The group insurance premium increased gradually in the first half of the decade because the total of all notes receivable increased only slightly. However, the amount paid for group insurance increased rapidly after 1955 as the amount of outstanding loan notes increased approximately 5.25

TABLE XIII

## WENTZ FOUNDATION OPERATING EXPENSES, 1950-1960\*

Fiscal Year Ending	Expenditures For Salaries	Group Insurance	Office Expenses	Cost of Audit	Miscellaneous	Total Expenses
July 31, 1951	\$ 773.73	\$ 230.37	\$ 3.72	\$ 75.00	\$11.25	\$ 1,094.07
July 31, 1952	604.07	267.59	164.03	75.00	32.91	1,143.60
July 31, 1953	682.15	250.78	-12.32**	75.00	11.25	1,006.86
July 31, 1954	592.57	287.38	21.40	75.00	-0-	976.35
July 31, 1955	611.60	422.54	343.98	75.00	-0-	1,453.12
July 31, 1956	406.60	813.18	339.41	75.00	-0-	1,634.09
July 31, 1957	443.99	806.96	542.15	100.00	-0-	1,893.10
July 31, 1958	984.17	873.00	390.05	150.00	-0-	2,397.22
July 31, 1959	691.52	1,201.25	480.76	165.00	-0-	2,538.53
July 31, 1960	<u>2,138.99</u>	<u>1,413.49</u>	<u>1,311.23</u>	<u>150.00</u>	<u>-0-</u>	<u>5,013.71</u>
Total	\$7,929.29	\$6,566.54	\$3,584.41	\$1,015.00	\$55.41	\$19,150.65

\*Source: Audits of the Lew Wentz Foundation, 1950-1960.

\*\*This minus was due to a bookkeeping adjustment.

times. Thus, the foundation paid a total of \$6,566.54 for group insurance in the 1950s. The amount paid for office expenses fluctuated greatly during the 1950s also, increasing more rapidly between 1957 and 1960. The expense of the audit remained unchanged between 1950 and 1956, but had reached \$165 in 1959. This primarily was due to the fact that more extensive and detailed audits were required as the value of the foundation increased. The table also indicates that the Wentz Foundation paid only \$19,150.65 in operating expenses during the 1950s. However, annual expenditures increased measurably in the last three years of the decade. In 1956 B.F. Harrison, the auditor, suggested that as the overhead expenses for the foundation were "unusually low," the board members might have the loan fund "pay its own salaries as well as other miscellaneous costs of operation."<sup>25</sup> This suggestion went unheeded until the fall of 1959, when the trustees voted to set aside \$10,000 annually to finance salaries and administrative costs.<sup>26</sup>

Significantly, the total net worth of the foundation and Wentz loan volume had increased greatly during the 1950s. This occurred because the endowment of the Wentz Foundation had increased from \$75,000 to more than 2.25 million dollars during that decade. The creation of the Wentz Emergency loan program in 1955 also had proven to be a valuable addition for students. In addition, the economic recession of the late 1950s increased educational costs causing a significant increase in the number of loans and amount of dollars disbursed to students. This increased loan volume also caused a large increase in the operating costs of the foundation during the last half of the decade. Investments still exceeded \$2,100,000 by 1960, and the trustees would work diligently during the 1960s to secure several liberalizing amendments allowing greater

use of foundation funds and thereby serving more students. This would pave the way for more liberal use of Wentz Foundation funds during the next decade.

#### FOOTNOTES

<sup>1</sup>The creation of the National Defense Student Loan Program and its growth at OSU will be discussed in greater detail in chapter nine.

<sup>2</sup>Audit of the Lew Wentz Foundation, October 26, 1951, p. 2, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>3</sup>Felix Duvall, attorney for the Lew Wentz estate, to President Oliver S. Willham, September 3, 1952, Correspondence, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>4</sup>Minutes of the Lew Wentz Foundation, October 17, 1952, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>5</sup>Trustees of the University of Oklahoma and Oklahoma A&M College to M.A. Ned Looney and Felix Duvall, December 12, 1952, Correspondence, OSU Financial Aids.

<sup>6</sup>As the board of trustees did not meet between December 12, 1952 and September 21, 1955, much of the information about the operations of student loan fund from 1952 to 1955 came from the Wentz audits for those years.

<sup>7</sup>M.P. Long and T.W. Prentice, executors of the Lew Wentz estate, to Earle C. Albright, secretary of the Lew Wentz Foundation, September 21, 1953, Correspondence, OSU Financial Aids.

<sup>8</sup>Ibid., December 22, 1954.

<sup>9</sup>Willham to Long, December 29, 1954, Correspondence, OSU Financial Aids.

<sup>10</sup>Albright to Willham, January 13, 1955, Correspondence, OSU Financial Aids.

<sup>11</sup>Albright to Clyde Muchmore, editor, Ponca City News, January 12, 1955, Correspondence, OSU Financial Aids.

<sup>12</sup>Audit, November 14, 1955, p. 2.

<sup>13</sup>Summary of Loan Advancements by Years as of July 31, 1963, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>14</sup>Official Student Handbook of Oklahoma A&M College, May 10, 1956, p. 9.

<sup>15</sup>The enrollment data was provided by Glen K. Jones, Assistant Registrar for Oklahoma State University.

<sup>16</sup>Minutes, September 21, 1955, p. 1.

<sup>17</sup>Ibid., pp. 1-2.

<sup>18</sup>Loan Advancements by Years as of July 31, 1963.

<sup>19</sup>Minutes, September 21, 1955, pp. 1-2.

<sup>20</sup>Ibid., October 24, 1956, p. 2.

<sup>21</sup>Although the board did not meet between 1956 and 1958, the audits for those years contained valuable information on the operations of the foundation.

<sup>22</sup>Oklahoma A&M College General Catalog 1955-1956, December 1, 1955, p. 37; Oklahoma State University Catalog 1958-1959, February 10, 1958, p. 7; Oklahoma A&M College was renamed Oklahoma State University on July 10, 1957.

<sup>23</sup>Minutes, September 8, 1959, pp. 1-2.

<sup>24</sup>The story of the creation of the National Defense Student Loan Program and its growth at Oklahoma State University will be discussed in greater detail in chapter nine.

<sup>25</sup>Audit, October 23, 1956, pp. 1-2.

<sup>26</sup>Minutes, September 8, 1959, p. 2.



## CHAPTER VII

### THE LEW WENTZ FOUNDATION IN THE 1960S

The 1960s were years of change and growth in the administration of the Lew Wentz Foundation. It was a decade in which the trustees converted the foundation from a conservatively operated fund to one of a more liberal philosophy of financial aid administration. In 1960 the board members secured court approval to amend the provisions of the trust agreement. One significant change was that the trustees were given the right to use the earnings of the foundation to provide service scholarships for students. This allowed the trustees to create the Wentz Service Scholarship program in 1960, which has since provided assistance to hundreds of students. As the number of students requesting financial aid to attend college increased in the early 1960s, the trustees took other measures to provide additional sources of financial aid for students. During that decade the Wentz Foundation provided the required matching funds to allow the university to participate in the National Defense Student Loan Program. This federal program greatly increased the available student loan funds. The increased Wentz loan volume of the 1960s also prompted a rapid increase in the amount of notes which were inactive or considered to be doubtful of collection. Being aware of this problem, the trustees encouraged school officials to increase collection efforts in the 1960s. Other matters also were resolved, for the investment portfolio of the foundation was restruc-

tured to take advantage of the higher interest rates of the 1960s. Moreover, in 1969 the trustees voted to participate in the Federally Insured Student Loan Program. The insured loan program returned a higher rate of interest and guaranteed repayment if the borrower died or defaulted.

The recession of the early 1960s increased unemployment and caused an increase in the demand for Wentz loans. President John F. Kennedy proposed several measures between 1960 and 1963 which were designed to reduce unemployment, raise the minimum wage, reduce taxes, and increase federal aid to education. However, these policies did not effectively improve the state of the economy or measurably increase federal aid to higher education. Thus, when Lyndon B. Johnson became president in 1963, he vowed to increase federal aid to higher education. Federal support for post-secondary education increased dramatically between 1963 and 1965 with the creation of the Health Professions Student Loan Program, the College Work-Study Program, the Educational Opportunity Grant Program and the Federally Insured Student Loan Program. The Vietnam War caused prices to increase, raised interest rates, and began a rapid inflationary spiral. Consequently, the cost of a college education also increased. The educational benefits of the G.I. Bill were extended to Vietnam War Veterans, but this generally assisted only a small percentage of the students. Student protests and street riots increased in the late 1960s as anti-Vietnam War sentiments grew. In 1968, to combat this growing lawlessness, Congress created the Law Enforcement Educational Program (LEEP). This program provided loans and grants to prepare students for employment in law enforcement.<sup>1</sup> To meet the increasing demand for financial assistance at Oklahoma State University, the college

participated in all of these federally funded programs during the 1960s. However, there continued to be more needy students than available funds.

Sensitive to these problems, the trustees began legal proceedings in Payne County in January 1960 to amend the trust agreement.<sup>2</sup> District Judge R.L. Hert listened to President Willham, Joe Hamilton, and Raymond Bivert present the case. John C. Monk and B.E. Morrison also appeared on behalf of the trustees, and Attorney General Mac Q. Williamson appeared for the State of Oklahoma. The trustees petitioned the court for the authority to use the earnings of the foundation to provide service scholarships for students, to determine a reasonable rate of interest on Wentz loans that would allow the maximum number of students to borrow from the fund, and to allow first year students and graduate students to borrow from the fund.<sup>3</sup>

On March 23, 1960 the court ruled in favor of the amendments which the trustees had proposed. The court order indicated that the ruling had been made because only about 15 percent of the fund was currently being used for student loans, the original purpose of the foundation. In addition, Judge Hert stated that "under the present circumstances of the economy and the current status of study in the area of higher education, strict administration of the terms of the trust instrument is impossible."<sup>4</sup> The ruling confirmed the power of the trustees to invest the funds of the foundation, but made it clear that an annual audit of the records of the foundation also was required. The amendments to the trust instrument expanded the parameters for the use of foundation funds, and thus the Lew Wentz Foundation served more students in the 1960s than it had in previous decades.<sup>5</sup>

In September 1960 the board approved an increase in the maximum

cumulative amount which the students could borrow to \$1,600 for undergraduates and \$2,400 for graduate or professional students. The board authorized Willham to exceed the loan maximums in exceptional cases, and allocated \$25,000 from the investment earnings of the foundation to establish a service scholarship program for students. The Wentz Working Service Scholarship Program was designed to provide valuable work experience which would encourage excellence in the areas of music, debate, and the liberal arts. Fifty-eight students received \$7,600 in service scholarships for the academic year of 1960-1961.<sup>6</sup>

In October 1961 the trustees reviewed the investment policy of the foundation. The discussion was precipitated by the need to reinvest foundation funds at a higher rate of interest to offset the effects of the recession. The foundation held approximately \$125,000 in 2.5 percent United States Treasury Bonds that would soon mature. The trustees had become concerned that the foundation's investment portfolio had returned only approximately 3 to 4 percent interest annually while other investments, such as dormitory bonds and trust bonds, were returning between 5 and 6 percent interest. Despite this low return, the board members did not significantly change the investment policy of the foundation. They did agree to invest foundation funds in the following priority: (1) government securities, (2) federally insured building and loan association notes, or (3) deposits of \$10,000 each in various national banks. Willham and Bivert were to reinvest foundation funds as necessary following those guidelines.

Aware of the increasing need for student loans, the trustees also approved the expenditure of \$105,000 of Wentz funds to provide the 10 percent institutional matching funds for the National Defense Student

Loan program between 1961 and 1964. They believed that this action served the original intent of the Wentz fund because the matching funds provided ten times that amount in National Defense Student Loans.

As the economic recession of the 1960s increased the amount of inactive notes and notes which were considered doubtful of collection, the trustees authorized Bivert to hire a collection agency. In October 1961, because of the collections problems, the board members adopted a policy concerning bankruptcy. Borrowers who filed bankruptcy and included their Wentz loan were viewed as having a "moral obligation to repay following the bankruptcy process."<sup>7</sup> Thus, the trustees refused to file for a partial settlement on behalf of the foundation.<sup>8</sup>

Despite these changes, collections problems increased, for in 1962 Burl Austin, the Wentz auditor, suggested that a commercial collection agency should be used to decrease the delinquency rate. He also commented that the foundation should secure court judgment against the delinquent borrowers, and that better collection might be affected if the office staff was expanded to administer the increasing volume of loans. He indicated that 47 percent of all Wentz Regular loans which had been made in the 36 year history of the foundation had been approved between 1958 and 1962. In addition, 64 percent of all Wentz Emergency loans had been approved in the same four year period. During the academic year of 1961-1962, the student loan office also processed NDSL loans of \$327,233 for 664 students. Therefore, 2,583 loans for \$683,584 were approved that year.<sup>9</sup> Between 1962 and 1964 the total net worth of the foundation increased steadily, reaching more than 2.9 million dollars in July 1964. Meanwhile, all Wentz Regular notes rose approximately \$125,000 and Wentz Emergency notes remained at approximately \$70,000 annually. The assets

of the foundation remained unchanged except that the amount advanced as matching funds for the NDSL program had grown to \$91,666.67 by July 31, 1964.<sup>10</sup>

The trustees met for the first time in almost three years in May 1964. Attending his first board meeting was Marvin Millard, who recently had become a trustee by virtue of being the president of the National Bank of Tulsa. After considerable discussion, the board members agreed to invest \$100,000 of foundation funds in ninety-day United States Treasury Bills to provide a convenient means for liquidating investments when needed for student loans. They also authorized school officials to use no more than \$55,000 of foundation earnings as matching funds for the NDSL program during the academic year of 1964-1965.<sup>11</sup>

Meeting again in November 1964, the trustees reviewed the results of a survey which school officials had conducted comparing how Oklahoma State University and other regional universities in the Big-Eight Athletic Conference had provided the 10 percent institutional matching funds for the NDSL program. The survey indicated that most of the other regional universities had obtained the NDSL matching funds through unrestricted income such as fees, sales, gifts, or through other loan funds or loan foundations. One institution had received its matching funds from the state legislature, and another university was considering this as all other sources for matching funds at the school had been exhausted. Although there was much discussion on this matter, the board members provided additional matching funds for the NDSL program. The trustees also passed a motion that the Wentz Working Service Scholarship program be renamed the Wentz Service Scholarship program. They allocated \$25,000 annually for these scholarships. As the amount of doubt-

ful and inactive loan notes had increased almost five times between 1961 and 1964, the board members instructed the Director of Student Loans to place the Wentz Emergency loans under the group insurance plan, evaluate the probability of risk sufficiently before making short-term loans, require cosigners on loans in excess of \$100 (especially if the borrower was under twenty-one years of age), review the repayment record of all former borrowers, and after due diligence turn the delinquent loan accounts over to a collection agency.<sup>12</sup>

Between 1964 and 1966 the net worth of the foundation increased more than \$100,000. Thus, the foundation was valued at approximately three million dollars by July 31, 1966. The notes receivable also increased approximately \$165,000 during that period. Due to the increased demand for student loans and the fact that the trustees had failed to reinvest a large amount of matured investments by the time the audit for that year was conducted, the investment portfolio of the foundation decreased by more than a half million dollars in 1966. This was resolved during the next fiscal year, when the majority of the large cash balance was reinvested in government securities.<sup>13</sup>

In February 1966 the board members chose Allan Muchmore, the editor of the Ponca City News, as the new trustee to replace Joe N. Hamilton who had died that year. The board members also approved the investment of some foundation funds in United States Treasury Bills, which would mature in six months and would pay between 4.6 and 5.0 percent interest. In an effort to offset the collections problems which had continued to plague the foundation during the 1960s, the trustees established a reserve for uncollectible notes which amounted to 2 percent of all outstanding notes.<sup>14</sup>

During 1966 Robert B. Kamm became president of Oklahoma State University. His experience as Dean of Students at other universities had made him acutely aware of students' problems and the value of good student financial aid programs. As president of the university Kamm also became presiding officer of the Wentz Foundation. He actively encouraged increases in the Wentz Service Scholarship program and other changes that would benefit worthy students. In December of his first year he suggested that the trustees consider increasing the annual allocation for Wentz Service Scholarships to provide incentives for students who demonstrated high scholastic abilities as well as good leadership qualities.<sup>15</sup> Meeting again the following February, the board members increased the annual allocation of funds for service scholarships to \$50,000.<sup>16</sup>

As interest rates increased in the late 1960s, the trustees restructured the investment portfolio of the foundation to gain a higher rate of return. In February 1967 the board members reinvested \$400,000 in United States Treasury Bills which returned 5.61 percent interest and matured in six months. Another \$550,000 was reinvested in Certificates of Deposit with the National Bank of Tulsa. More significantly, the trustees decided to sell \$300,000 of 3 7/8 percent United States Treasury Bonds and reinvest funds in Federal National Mortgage Association Participation Certificates which returned 5.2 percent interest. It was believed that these changes would provide the liquidity needed for making student loans while increasing the earnings of the foundation.<sup>17</sup> Between 1965 and 1967 school officials estimated that the expenses for attending Oklahoma State University for an academic year were approximately \$1,100. By 1967-1968 the expenses had risen to \$1,200. This was



a 9 percent increase in the costs, and it reflected the rising cost of living during the late 1960s.<sup>18</sup>

The increased loan volume during the period revealed several administrative problems that needed correction. The amount of Wentz loan notes considered to be inactive or doubtful of collection had increased rapidly between 1964 and 1966, despite efforts to decrease the delinquency rate. The federally funded student aid programs were experiencing similar collections problems, because there had been almost no increase in the size of the small staff administering the financial aid programs at Oklahoma State University. The workload had increased because of the rapid growth of federally funded financial aid programs available to students. Moreover, student aid personnel administered the financial aid programs in conjunction with other job responsibilities. For example, the Dean of Student Affairs administered all loan and grant programs with only the assistance of two full-time and one half-time classified staff members. The Assistant Dean of Student Affairs and one classified staff member administered the scholarship programs. Another professional staff member administered the College Work-Study Program with only one classified staff member. Thus, although there had been some attempts during the prior decade to centralize the administration of the student loan programs, there still was a separate office for each type of aid.

In 1966 the Department of Health, Education, and Welfare conducted an audit of the federally funded student aid programs at the university. The audit confirmed that current administrative practices of the student loan office were unacceptable and provided the impetus for reorganizing that office. Consequently, the Oklahoma State University Department of

Financial Aids was created in March 1968 with Dr. Robert B. Clark as its director. After assessing the organization and administrative procedures of the student loan office, Clark informed Frank E. McFarland, Dean of Student Affairs, that the major needs were adequate space to consolidate all elements of financial aids, additional personnel to reduce the heavy work load in the student loan area, an increased collections effort, and adequate internal controls and accounting procedures. Consolidation of the student aid programs began almost immediately. New staff members then were added to the department. Thus, as the 1960s ended, although the administration of all the student aid programs was improving, it still would be some time before the department could organize a collections effort that significantly would decrease the delinquency rate on the loan programs.

In January 1969 Clark proposed that the Wentz Board members make several changes in the administrative procedures of the Wentz loan fund, including the use of standardized budgets in preparing financial aid awards, and the revision of the application form which the foundation used. Clark suggested that the trustees consider issuing one-half of a student's financial aid each semester, rather than the current system of monthly disbursements, that the loan contract form be discontinued as the standard promissory note was legally sufficient, and that because of the effects of spiraling inflation, the board increase the maximum cumulative total which a student could borrow to \$4,000. The trustees tentatively approved all of these changes. The board members also discussed a formula for determining the maximum level of lending each year for student loans. This amount would be regulated "by the sum of the (1) interest earned on investments and loans, (2) loans collected, and

(3) a portion of the investments in excess of \$1,000."<sup>19</sup> The initiation of this policy was an indication that for the first time since the depression of the 1930s, the foundation had reached the point where the demand for student loans exceeded the amount of funds set aside for that purpose.<sup>20</sup>

In addition to their continuing concerns about the rapid increase in the amount of inactive and doubtful loan notes which the foundation held, the trustees also were concerned about the estimated operating expenses of the foundation for the fiscal year of 1968-1969. They wanted data explaining how the amount of expenses the foundation paid compared with the overall costs for operating the Department of Financial Aids, and information concerning when the foundation could expect repayment of the \$140,404.44 they had advanced as matching funds for the NDSL program. Although President Kamm stated that the university would prepare a schedule for the repayment of this money, these concerns were not totally resolved.<sup>21</sup>

In August 1969 the trustees discussed whether to use foundation funds to participate in the Federally Insured/Guaranteed Student Loan Program. The insured loan program paid a higher rate of interest than the Lew Wentz Regular loans and guaranteed repayment in case of death or default.<sup>22</sup> These provisions were very appealing because of the collection problems with delinquent Wentz accounts. This use of the funds might also help offset the effects of inflation. Yet, there were several concerns about participating in the guaranteed loan program. In fact, officials of the foundation feared that funds might be tied up due to the ten-year repayment period which the program allowed. A similar concern was that the repayment of insured loans would be deferred for as

much as three years while borrowers were in the military. Despite the fact that the government would pay the interest on the loan during that time period, the trustees believed that the government might be slow in making the interest payments. Other concerns which members expressed were that the Wentz Foundation might lose its identity and that the foundation might lose its tax-free status. The current interest rate of 5 percent on Wentz Regular loans and 6 percent on Wentz Emergency loans actually was too low, allowing the foundation to dissipate when balanced with inflation. The only course of action was to increase the interest rate on Wentz Regular loans to 6 percent and the interest rate on Wentz Emergency loans to 7 percent.

There were less National Direct Student Loan funds available during 1969-1970, and therefore Clark recommended that the foundation participate in the Federally Insured/Guaranteed Student Loan Program. Clark further projected that the costs of operating the Wentz Foundation would remain approximately the same, other than adding one clerical employee to handle the guaranteed student loan applications. The board members decided to establish a reserve fund of one million dollars for investments. Any other funds, not to exceed \$450,000 would be loaned to students on the Federally Insured/Guaranteed Student Loan Program. This action immediately released \$200,000 to be used for insured loans. Moreover, \$170,000 of investments were to be sold at a loss so the funds could be reinvested in the insured loan program at 7 percent interest. All told, these actions made \$430,000 available to be used for Lew Wentz Guaranteed loans during the academic year of 1969-1970.<sup>23</sup> During that year the Department of Financial Aids approved \$302,244 in guaranteed loans for 360 students.<sup>24</sup>

By November 1969 board members were deeply involved in budgetary discussions and the extent to which each fund would support its administration. This discussion foreshadowed future questions about the operating budget of the Wentz Foundation.<sup>25</sup>

The following tables show clearly the development of the fund during the 1960s. Table XIV shows that Wentz Regular loan volume and the amount of each loan increased steadily during the period, and the amount advanced annually nearly doubled between 1960 and 1970. School officials approved an estimated 3,890 Wentz loans for \$2,415,598 during that decade.

TABLE XIV  
WENTZ REGULAR LOAN ADVANCEMENTS, 1960-1970\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1960-1961	298	\$ 153,571.00	\$515.33
1961-1962	346	178,582.00	516.13
1962-1963	371	191,985.00	517.47
1963-1964	360**	186,871.00	519.08**
1964-1965	375**	205,824.00	548.86**
1965-1966	428**	256,667.00	599.68**
1966-1967	428**	278,210.00	650.02**
1967-1968	428**	299,753.00	700.35**
1968-1969	428**	321,296.00	750.69**
1969-1970	428**	342,839.00	801.02**
Total	3,890	\$2,415,598.00	

\*Sources: Summary of Loan Advancements by Years as of July 31, 1963; Audits of the Lew Wentz Foundation, 1960-1970; and Annual Reports of the Lew Wentz Foundation.

\*\*Estimated data.

Table XV indicates that school officials approved more than 1,000 Wentz Emergency loans annually between 1960 and 1969. This number increased to 2,003 loans in 1969-1970. The average loan increased from approximately \$114 to \$129 during those years. The amount rose between 1960 and 1970 to \$1,590,033.73. All Wentz Regular and Wentz Emergency loans made during the 1960s amounted to \$4,005,631.73. In addition, approximately 360 students had received Lew Wentz Guaranteed loans for \$302,244 in the fiscal year of 1969-1970. Thus, \$4,307,875.73 Wentz loans were made to students during the 1960s.

TABLE XV

## WENTZ EMERGENCY LOAN ADVANCEMENTS, 1960-1970\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1960-1961	1,063	\$ 121,761.00	\$114.54
1961-1962	1,212	137,669.73	113.58
1962-1963	1,033	118,594.00	114.80
1963-1964	1,049**	122,802.00	117.06**
1964-1965	1,283**	152,776.00	119.07**
1965-1966	1,256**	152,075.00	121.07**
1966-1967	1,330**	163,693.00	123.07**
1967-1968	1,402**	175,311.00	125.04**
1968-1969	1,471**	186,929.00	127.07**
1969-1970	2,003**	258,423.00	129.01**
Total	13,102	\$1,590,033.73	

\*Sources: Summary of Loan Advancements by Years as of July 31, 1963; Audits of the Lew Wentz Foundation, 1960-1970; and Annual Reports of the Lew Wentz Foundation.

\*\*Estimated data.

Table XVI indicates that in addition to the three loan programs the foundation was participating in, an estimated 1,578 students received \$285,621.55 in Wentz Service Scholarships between 1960 and 1970. The total of all Wentz loans and scholarships during that decade amounted to \$4,593,497.28. Through the National Defense Student Loan, College Work-Study, Educational Opportunity Grant, and the Health Professions Student Loan programs, school officials had disbursed another \$6,861,643 to students between 1960 and 1970. Despite the rapid growth of the federal programs during the 1960s, the Lew Wentz Foundation still provided approximately 40 percent of the \$11,455,140.28 of financial assistance disbursed to Oklahoma State University students.

TABLE XVI

## WENTZ SERVICE SCHOLARSHIP ADVANCEMENTS, 1960-1970\*

Fiscal Year	Estimated Number of Recipients	Average Award	Service Scholarships Advanced	Total Allocation
1960-1961	58	131.03	\$ 7,600.00	\$25,000
1961-1962	134**	140.93**	18,885.17	25,000
1962-1963	146**	149.90**	21,886.60	25,000
1963-1964	132**	159.90**	21,107.50	25,000
1964-1965	136**	170.62**	23,205.29	25,000
1965-1966	135**	179.83**	24,277.22	25,000
1966-1967	123**	190.30**	23,407.83	25,000
1967-1968	249**	200.16**	49,840.07	50,000
1968-1969	229	205.07	46,962.87	50,000
1969-1970	236	205.29	48,449.00	50,000
Total	1,578		\$285,621.55	

\*Sources: Audits of the Lew Wentz Foundation, 1960-1970; Minutes of the Lew Wentz Foundation.

\*\*Estimated data.

Table XVII indicates that, although there were no additional distributions from the Wentz estate, the foundation grew during the 1960s. In addition, due to the economic recession of the early 1960s, the total of all Wentz Regular and Wentz Emergency notes increased to \$1,860,999 by 1970, but the past due notes also increased rapidly. The Wentz Board members expressed concern in the late 1960s about the increasing delinquency rate. In 1969 Clark stated that the increase in the bad debts had occurred because many of the old Wentz Regular loans had not been written off. One problem which limited collection attempts was the tremendous increase in loan volume. Some board members believed the university was not doing enough to collect the loans, but Clark told them the department had dropped students from class, prohibited their subsequent enrollment, and withheld their transcripts.<sup>26</sup> Increased demand for Wentz loans in the 1960s brought a decrease in the investments of the foundation from \$2,067,213.14 in 1960-1961 to \$1,135,120 in 1970. Most investments still were in United States Treasury Bonds. Despite collections and other problems, earnings on investments and student loans increased the net worth of the foundation to \$3,165,599 by the end of the 1960s.

Table XVIII reveals that the total operating expenses of the Wentz Foundation during the 1960s exceeded \$300,000. This was a significant increase beyond the \$19,150.65 cost during the previous decade. Part of the increase was related to increased loan volume in the 1960s, for more than half of the operating budget during that decade was allocated for salaries. The annual group insurance premium also increased steadily between 1960 and 1969 in relation to the notes receivable. The trustees approved a policy in 1969 requiring students to pay their loan



TABLE XVII

## GROWTH OF THE WENTZ FOUNDATION, 1960-1970\*

Fiscal Year Ending	Notes Receivable**	Reserve For Doubtful and Inactive Notes**	Cash	Investments	Net Worth
July 31, 1961	\$ 442,996.60	\$ 4,222.16	\$161,700.83	\$2,067,213.14	\$2,651,102.80
July 31, 1962	493,866.65	14,916.55	162,321.64	2,060,309.04	2,719,935.33
July 31, 1963	564,305.39	18,512.04	113,799.84	2,157,444.73	2,840,205.04
July 31, 1964	619,774.22	19,816.35	146,941.14	2,133,577.45	2,904,911.12
July 31, 1965	690,107.94	23,417.94	80,082.44	2,186,344.94	2,962,215.98
July 31, 1966	784,742.71	28,150.12	649,374.74	1,565,920.72	3,008,624.89
July 31, 1967	896,330.87	34,771.51	69,795.88	2,067,226.41	3,040,906.57
July 31, 1968	1,096,071.37	35,037.30	35,799.85	1,932,961.42	3,071,157.11
June 30, 1969	1,489,920.65	58,217.25	93,214.38	1,512,129.78	3,122,439.82
June 30, 1970	1,860,999.00	65,111.00	24,327.00	1,135,120.00	3,165,599.00

\*Source: Audits of the Lew Wentz Foundation, 1960-1970.

\*\*Includes Wentz Emergency loan notes 1960-1970, and Lew Wentz Guaranteed loans of \$306,787 for 1969-1970.

TABLE XVIII

## WENTZ FOUNDATION OPERATING EXPENSES, 1960-1970\*

Fiscal Year Ending	Expenditures For Salaries	Group Insurance	Office Supplies	Audit Expenses	Miscellaneous***	Total Expenses
July 31, 1961	\$ 8,997.40	\$ 1,498.02	\$ 1,631.08	\$ .....	\$ 7,600.00**	\$ 19,726.50
July 31, 1962	10,039.10	2,105.40	941.43	.....	1,092.43	14,178.36
July 31, 1963	9,657.00	2,148.66	850.05	.....	5,102.68	17,758.39
July 31, 1964	10,629.43	2,137.37	657.69	800.00	3,057.30	17,281.79
July 31, 1965	13,780.46	2,296.59	601.48	.....	7,028.43	23,706.96
July 31, 1966	10,712.12	2,805.59	1,400.00	1,600.00	8,630.48	25,148.19
July 31, 1967	18,324.99	3,360.86	1,569.50	1,960.00	10,545.65	35,761.00
July 31, 1968	17,753.41	3,082.83	1,615.73	800.00	15,630.15	38,882.12
June 30, 1969	21,223.01	2,956.39	2,505.90	800.00	29,905.21	57,390.51
June 30, 1970	36,612.00	-0-	.....	1,015.00	16,594.00	54,221.00
Total	\$157,728.92	\$22,391.71	\$11,772.86	\$6,975.00	\$105,186.33	\$304,054.82

\*Source: Audits of the Lew Wentz Foundation, 1960-1970.

\*\*Wentz Service Scholarships.

... Data unavailable.

\*\*\*The items included in this column include expenditures such as: miscellaneous office expenses, payroll taxes, equipment repairs and maintenance, provision for bad debts, collection fees, depreciation expense, data processing costs, travel expense, and director's expense.

insurance; consequently, there was no charge for group insurance in 1969-1970. All costs increased during the 1960s. Even auditing costs fluctuated between 1960 and 1970.

Thus, as the 1960s ended it was evident that the foundation had made several positive administrative changes. The amendment of the trust agreement in 1960 had set the stage for more effective future use of foundation funds. The creation and expansion of the Lew Wentz Service Scholarship program was a step in that direction, and Wentz Regular and Wentz Emergency loan volume increased rapidly. The creation of the Department of Financial Aids in 1968 helped centralize and improve the use of all available student aid funds. Significantly, the decision to advance Wentz money as matching funds for the NDSL program provided thousands of dollars for student loans. During the fiscal year of 1960-1961 the student aid office loaned \$314,362 in NDSL funds while the combined total of all Wentz loans for that year was \$275,332. Thus, beginning in the academic year of 1961-1962 and continuing throughout the decade the NDSL loans annually exceeded all Wentz Regular and Wentz Emergency loans. The board members' decision to participate in the Federally Insured Student Loan Program allowed even greater use of foundation funds for student loans, the investment policy was modified to offset the effects of inflation. Thus, the actions of the board of trustees in the 1960s encouraged reforms in the administration of financial aid which would make progress in such matters easier during the next decade.

#### FOOTNOTES

<sup>1</sup>The story of the creation of the federal programs and their dramatic growth during the 1960s will be discussed in chapter nine.

<sup>2</sup>Court Order, Payne County, January 14, 1960, No. 18:799, Book 141, Misc., p. 19; This decision confirmed that, as the original trust agreement could not be found, a duplicate copy of the trust instrument had the same legal force as the original document.

<sup>3</sup>Court Order, District Court of Payne County, No. 18:799, March 23, 1960, filed March 20, 1960; a copy of this court order is included in the appendix.

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

<sup>6</sup>Minutes of the Lew Wentz Foundation Board of Trustees, September 13, 1960, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma; Audit of the Lew Wentz Foundation, December 6, 1961, p. 2, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>7</sup>Minutes, October 25, 1961, pp. 1-2, OSU Financial Aids.

<sup>8</sup>Ibid.

<sup>9</sup>As the Wentz Board did not meet between October 25, 1961 and May 14, 1964, the information about the growth and operations of the foundation during those years came from the audits from 1961 to 1964.

<sup>10</sup>Audits of the Lew Wentz Foundation 1962-1964.

<sup>11</sup>Minutes, May 14, 1964, p. 1, OSU Financial Aids.

<sup>12</sup>Ibid., November 21, 1964, p. 1.

<sup>13</sup>Audits of the Lew Wentz Foundation 1964-1966; As the trustees did not meet between November 21, 1964 and February 14, 1966, much of this information came from the audits for that period.

<sup>14</sup>Minutes, February 14, 1966, pp. 1-2, OSU Financial Aids.

<sup>15</sup>Ibid., December 16, 1966, p. 1.

<sup>16</sup>Ibid., February 15, 1967, p. 1.

<sup>17</sup> Ibid.

<sup>18</sup> Oklahoma State University Catalog 1965-1967, May 10, 1964, p. 7; OSU Catalog 1967-1968, p. 7.

<sup>19</sup> Minutes, January 9, 1969, p. 1, OSU Financial Aids.

<sup>20</sup> Ibid., p. 3.

<sup>21</sup> Ibid., p. 4.

<sup>22</sup> Due to the provisions guaranteeing the repayment of the loans in cases of death or default, this program is also known as the Guaranteed Student Loan Program.

<sup>23</sup> Minutes, August 4, 1969, p. 1, OSU Financial Aids.

<sup>24</sup> Summary Report 1969-1970, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>25</sup> Minutes, November 25, 1969, pp. 1-2, OSU Financial Aids.

<sup>26</sup> Ibid., p. 2.

## CHAPTER VIII

### THE LEW WENTZ FOUNDATION, 1970-1978

The years between 1970 and 1978 were years of continuing growth and development for the Lew Wentz Foundation. The period was marked by attempts to improve collections, to offset the effects of inflation, and to deal with the increasing role of the federal government in student financial assistance.

The cost of obtaining a college education increased substantially between 1970 and 1978. While school officials had estimated that it would cost approximately \$1,900 to attend Oklahoma State University during the academic year of 1970-1971, costs increased to \$2,700 by 1977-1978.<sup>1</sup> Yet, enrollments increased by more than 3,450 during that period.<sup>2</sup> The high unemployment rate of the early 1970s also increased the need for student financial assistance. Many students who never had borrowed money to attend college applied for financial assistance during the last year or two of their program. The government responded by increasing appropriations for the federally funded student aid programs, and by extending the G.I. Bill to Vietnam War veterans. To assist students additionally, the members of the Wentz Board increased both the maximum amount students could borrow from the loan fund, and the annual allocation for all Wentz Service Scholarships. These adjustments and rising needs of many students caused Wentz Guaranteed loan volume to increase rapidly during the period. Even by the beginning of the period

in 1970 the Wentz Foundation had become the largest lender of insured loans in the state. However, the amount loaned annually on the Lew Wentz Regular program had decreased rapidly. Considerable effort by loan officials also increased collections efforts between 1972 and 1976, and this reduced the delinquency rate on all Wentz accounts. In 1974 the trustees hired the investment firm of the National Bank of Tulsa to manage the investments of the foundation. This firm recommended that the investment portfolio be restructured to increase the earnings of the loan fund, and to help offset inflation.

In April 1970, anticipating a greater demand for student loans, the trustees increased lending for the Lew Wentz Guaranteed program to \$660,000 while retaining one million dollars in investments. It also became known that the Wentz Foundation had paid approximately 47.4 percent of the operating costs of the Department of Financial Aids in 1968-1969, as compared to 43.9 percent of the expenses in 1969-1970 and 45.0 percent in 1970-1971.<sup>3</sup> A study of the total loan volume of the department disclosed that Wentz loans amounted to 58.1 percent of all loans made during 1969. These amounted to 62.1 percent of all loans in 1970 and 58.1 percent in 1971. Based on this comparison one can see easily that the Wentz Foundation had paid an appropriate amount for operating expenses between 1969 and 1971. As these figures were favorable, the board approved the operating budget for the fiscal year of 1970-1971.<sup>4</sup>

By October 1970 some board members expressed concern about the delinquency rate on Wentz loans and asked what was being done to extend the statute of limitations on past due loans. Clark explained that the annual audits confirmed all loan accounts, which extended the statute of limitations five years from the date the borrower acknowledged the

indebtedness. Despite the actions and changes, members remained concerned that not enough was being done to collect the delinquent accounts. To keep closer check on progress, they asked that a report of delinquent accounts be prepared for each board member.<sup>5</sup>

In June 1971 Clark sent the trustees a report which showed that the ratio of operating expenses to loans receivable of the foundation was 3.4 percent between 1965 and 1970. This compared favorably with the 3 percent administrative allowance which the federal government provided for operating the NDSL program. This information temporarily satisfied the concerns of the trustees that operating expenses were too high.<sup>6</sup>

In December 1971 Clark expressed concern that the loan volume for 1971-1972 would be only half that of the previous year because of increased funding for the NDSL program. Consequently, the board members increased the annual allocation for the Wentz Service Scholarship program from \$50,000 to \$70,000. President Robert B. Kamm also supported this request, for he believed the increase could be used to attract junior college transfer students. Clark was optimistic about collections at this time, predicting they would increase during the fiscal year of 1971-1972. In fact, the delinquency rate on Wentz Regular and Wentz Emergency loans already had decreased considerably during the previous year. Such improvement made it possible for the repayment of part of the money the foundation had loaned to the NDSL program. This program had provided ten times the amount of the investment in financial assistance for students.<sup>7</sup>

In April 1972, anticipating a decrease in lending on the Lew Wentz Guaranteed program for the academic year of 1972-1973 brought on by increased funding for the NDSL program, the trustees decided to make loans



to students at the OSU Technical Institute in Oklahoma City and the OSU Technical School in Okmulgee. The loans for students at the branch campuses were approved at the main campus and awarded on the basis of need. Many things had improved in the operation of the fund, for the delinquency rate on Lew Wentz Regular loans had decreased from 52.5 percent to 29.8 percent during the fiscal year of 1970-1971. Collections also were improving on Wentz Emergency loans because the Department of Financial Aids was taking delinquent borrowers to small-claims court, and employing a collection agency to collect the older loans. The more recent loan notes specified that the borrower would pay the collection costs if the loan became delinquent. Kamm suggested a positive collections approach of reminding borrowers that the repayment of their loan would help other needy students.<sup>8</sup>

Scott Orbison suggested in November 1972 that the foundation explore the possibility of using a commercial firm to handle its investment portfolio. This was considered necessary as experts could manage the financial resources of the foundation more effectively to offset the effects of continued inflation.<sup>9</sup> It was not until April 1973 that Bill Beckett and Ron Trout, investment officers of the National Bank of Tulsa, presented an investment proposal to the trustees. Beckett indicated that the bank handled approximately \$500,000,000 in trust assets which primarily were invested in equities stock and corporate bonds. The average yield for those investments was approximately 6 percent. The investments of the foundation totaled approximately \$1,375,000 of which \$664,950 was invested in stocks. The investment portfolio of the foundation had earned \$33,245 that year which was a return of only approximately 2.4 percent. Beckett indicated that the cost of the invest-

ment management services was only 1/2 percent up to \$250,000 and 3/8 percent up to one million dollars.<sup>10</sup> No further discussion on the matter was held until October 1973, when Leonard Eaton, who had replaced Marvin Millard as president of the National Bank of Tulsa, presented his ideas on the matter. He stated that the investments were secure but should be placed where they could earn the most interest. He suggested that the foundation retain half of the million dollars in government bonds, and invest the other half in higher yield investments. Kamm was more conservative and believed that the foundation should try to get the best return but without undue risk.<sup>11</sup> In May 1974 the investment officers of the National Bank of Tulsa finally presented a more detailed investment proposal for the Wentz Foundation. The bank officials indicated that long-term corporate bonds were a good investment which returned from 8.5 to 9.0 percent interest. The investment officers projected that by converting to corporate bonds, the income of the foundation would increase to \$80,000 a year. The board was impressed and on July 1, 1974, the foundation transferred \$1,000,000 to the National Bank of Tulsa to be invested in "A" rated or better long-term corporate bonds.<sup>12</sup>

Between 1974 and 1978 the investment management agency of the National Bank of Tulsa and its successor, the Bank of Oklahoma, increased the earnings of the foundation.<sup>13</sup> By May 1975 the new plan had been so successful that the market value of the investments had increased by \$59,877.<sup>14</sup> The investment agency continued to trade in corporate bonds during this period as stocks were less attractive with an on-going inflationary spiral.<sup>15</sup> In October 1978 the investment officers of the Bank of Oklahoma reported that the market value of the

Wentz Foundation investments had increased \$119,863 since 1974. The annual income of the foundation had increased from \$52,596 to \$87,560. Therefore, although the investments had suffered a book loss during 1977-1978, the actual net gain during the four-year period was \$35,256.90.<sup>16</sup> This information indicated that the investment branch of the Bank of Oklahoma had done an excellent job with the investments of the foundation during a period of rapidly increasing inflation.

Another significant action by the board members during this period was to approve a request by the Department of Financial Aids in May 1975 for a half-time research assistant who could perform research for the department to provide valuable information concerning the value of scholarships in recruiting and retaining students, the value of a College Work-Study job on retention and academic success, the actual costs of attending Oklahoma State University for an academic year, the average amount of summer savings students should contribute toward their educational costs, and a variety of other research topics.<sup>17</sup>

The cost of attending college and student loan volume increased rapidly after 1970. The Wentz Foundation became the largest lender of insured loans in the state between 1970 and 1973.<sup>18</sup> The Lew Wentz Guaranteed loans approved annually fluctuated but increased steadily during this period. All Lew Wentz Guaranteed loans outstanding by June 30, 1978, amounted to \$2,027,440. Yet, the combined total of loans receivable on the Lew Wentz Regular and Wentz Emergency loan programs was only \$271,246.<sup>19</sup> The decreasing loan volume on the Lew Wentz Regular program occurred because, unlike the insured loans, it paid less interest and did not provide a guarantee of repayment in cases of death or default. Consequently, those loans were made only to non-resident students who

could not obtain an insured loan through a lending institution in their home state. The decreasing loan volume on the Lew Wentz Regular loan program during this period also was a direct result of the dramatic growth of the federally funded Basic Educational Opportunity Grant Program, which provided millions of dollars of grant money to students attending Oklahoma State University after 1973.<sup>20</sup> The Oklahoma Student Loan Program, the state insured loan program, loaned thousands of dollars to students after 1975.<sup>21</sup>

Despite the fact that the federal and state funded programs had somewhat decreased the reliance on the conventional Wentz loan programs, most of the students borrowing from the Wentz fund requested the maximum amount allowable each year in order to meet the continually increasing costs of obtaining a college education. Many graduate students who had to borrow from a second loan program in order to finish school were faced with two loan payments each month after graduation. Thus, in October 1977 the trustees increased the maximum cumulative amount a student could borrow from the Wentz Foundation to \$5,000.<sup>22</sup>

Between 1975 and 1978 the trustees discussed the feasibility of participating in the Student Loan Marketing Association (SLMA). This agency had been created by the federal government in 1972 to provide a secondary market for liquidating outstanding insured loan notes. This program allowed insured loan lenders who had reached a point of saturation to sell their receivables at a discount rate so that they would have the liquidity to make more student loans. The board members were interested in the program because they feared that Congress would discontinue the Federally Insured Student Loan Program if the national default rate continued to increase.<sup>23</sup> In October 1976 Betty Hazelbaker,

Assistant Director of Financial Aids, informed the trustees that Oklahoma law prohibited the Wentz Foundation from entering into an agreement with the Student Loan Marketing Association because the State Board of Regents refused to relieve the original lender of the responsibility for collecting the loans.<sup>24</sup> Although no changes have been made between 1976 and 1978 to allow the foundation to sell insured loan notes to that association, E.T. Dunlap, Chancellor, has recently become the chairman of the board of directors for the Student Loan Marketing Association.<sup>25</sup>

The operating expenses of the foundation increased rapidly between 1970 and 1978 due to increases in salaries, office supplies, and equipment. The trustees were concerned on several occasions during that period that operating expenses were increasing as rapidly as the income of the foundation. This prompted the preparation of a report in October 1977 on the ratio of foundation expenditures to the total cost of operating the department.<sup>26</sup> Board member Muchmore stated that the actual value of the foundation had been falling because of inflation. Additional revenue would be needed in the future to keep the foundation at its present level of operations.<sup>27</sup> Thus, the operating expenses of the foundation continue to be a matter of great concern.

Table XIX demonstrates the rapid decline in Lew Wentz Regular loan volume between 1970 and 1978. Whereas 155 students received Lew Wentz Regular loans of \$131,923 during the academic year of 1970-1971, only three students received the loans during 1977-1978. Despite this, the Department of Financial Aids approved 410 loans for \$368,079 between 1970 and 1978. The average loan amount fluctuated but had increased from approximately \$850 in 1970 to \$1,300 in 1978. This data reveals that the Lew Wentz Regular program was effectively superseded by the

Lew Wentz Guaranteed loan program between 1970 and 1978. Currently, these loans are made only to non-resident students who cannot obtain an insured loan from a lender in their home state.

TABLE XIX

## WENTZ REGULAR LOAN ADVANCEMENTS, 1970-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1970-1971	155	\$131,923.00	\$ 851.11
1971-1972	56	48,163.00	860.05
1972-1973	56	48,887.00	872.98
1973-1974	60	55,725.00	928.75
1974-1975	45	46,461.00	1,032.46
1975-1976	27	25,610.00	948.51
1976-1977	8	7,410.00	926.25
1977-1978	3	3,900.00	1,300.00
Total	410	\$368,079.00	

\*Sources: Audits of the Lew Wentz Foundation, 1970-1978; Summary Reports of the Department of Financial Aids, 1970-1978.

Table XX shows the growth of the Wentz Emergency loan program from 1970 to 1978. During that period the Department of Financial Aids approved 10,266 short-term loans for a total of \$1,779,119.00, and the amount advanced annually increased from \$113,776 in 1970-1971 to more than \$325,000 in 1974-1975. However, loan volume decreased to approximately \$220,000 by 1978. Yet, the Department of Financial Aids still approves more than 1,000 emergency loans annually. Due to the rising

costs of education, the average loan increased by almost \$90.

TABLE XX

## WENTZ EMERGENCY LOAN ADVANCEMENTS, 1970-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1970-1971	900	\$ 113,776.00	\$126.41
1971-1972	1,300	181,685.00	139.76
1972-1973	1,350	202,662.00	150.12
1973-1974	1,382	237,052.00	171.52
1974-1975	1,609	325,468.00	202.27
1975-1976	1,454	253,682.00	174.47
1976-1977	1,197	242,137.00	202.28
1977-1978	1,034	222,657.00	215.33
Total	10,226	\$1,779,119.00	

Sources: Audits of the Lew Wentz Foundation, 1970-1978; Summary Reports of the Department of Financial Aids, 1970-1978.

Table XXI demonstrates the rapid growth of the Lew Wentz Guaranteed loan program between 1970 and 1978. During those years the Department of Financial Aids approved 3,945 loans for \$3,366,246. The fluctuations in the number of recipients and the total advancements between 1970 and 1978 primarily were caused by increases or decreases in the amount of financial assistance available for the federally funded programs of student financial assistance. Despite these problems, the Lew Wentz Guaranteed program became the largest of all the Wentz programs. This program currently loans approximately \$500,000 to students annually.

TABLE XXI

## WENTZ GUARANTEED LOAN ADVANCEMENTS, 1970-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1970-1971	446	\$ 375,909.00	\$ 842.84
1971-1972	260	222,982.00	857.62
1972-1973	465	406,010.00	873.13
1973-1974	674	601,939.00	893.08
1974-1975	469	504,883.00	1,076.50
1975-1976	582	302,888.00	520.42
1976-1977	589	500,345.00	849.48
1977-1978	460	451,290.00	981.06
Total	3,945	\$3,366,246.00	

\*Sources: Audits of the Lew Wentz Foundation, 1970-1978; Summary Reports of the Department of Financial Aids, 1970-1978.

Table XXII indicates that the Lew Wentz Service Scholarship program provided approximately one-half million dollars to an estimated 2,327 students attending Oklahoma State University between 1970 and 1978. Therefore, the total of all Wentz advancements for loans and scholarships during that period was \$6,010,507. This was approximately 1.5 million dollars greater than the previous decade. Thus, this was an increase of 25 percent in the financial aid provided by the Wentz Foundation. However, due to the increased funding for the federal student aid programs, and the advent of four other insured loan foundations at Oklahoma State University between 1970 and 1978, the Lew Wentz Foundation played a less substantial role during those years in terms of the total dollars of financial assistance.



TABLE XXII

## WENTZ SERVICE SCHOLARSHIP ADVANCEMENTS, 1970-1978\*

Fiscal Year Ending	Estimated Number of Recipients	Average Award	Service Scholarships Advanced	Total Allocation
June 30, 1971	244**	\$210.34**	\$51,322	\$50,000
June 30, 1972	222**	220.70**	48,996	70,000
June 30, 1973	270**	230.10**	62,127	70,000
June 30, 1974	258**	238.06**	61,420	70,000
June 30, 1975	284	238.09	67,619	70,000
June 30, 1976	363	192.84	70,003	70,000
June 30, 1977	317	211.02	66,894	70,000
June 30, 1978	396	186.13	68,682	70,000
Total	2,327		\$497,063	

\*Sources: Audits of the Lew Wentz Foundation, 1970-1978; Summary Report of the Department of Financial Aids, 1970-1978.

\*\*Estimated data.

Between 1970 and 1978 the Department of Financial Aids disbursed more than 20 million dollars to students from the seven federal programs. The amount advanced from each program for the period were: National Direct Student Loan \$7,534,578, College Work-Study \$3,077,386, Supplemental Educational Opportunity Grant \$2,322,177, Health Professions Student Loan \$550,638, Health Professions Scholarships \$126,565, Basic Educational Opportunity Grant \$6,364,282, and the Law Enforcement Education Program \$44,794. Oklahoma State University students received an additional \$1,414,575 during those years from four insured loan programs other than Lew Wentz Guaranteed. These were the Shepherd, Gibson, Benham, and Oklahoma Student Loan Program. The first three of these programs were privately endowed foundations created during the 1970s.

Although somewhat smaller than the Wentz Foundation, they were patterned after it. The Oklahoma Student Loan Program was the official insured loan program for the state of Oklahoma. The financial assistance awarded during the eight year period from all of the aforementioned programs was approximately \$27,500,000. Of that amount the programs of the Wentz Foundation provided \$6,010,507, or approximately 21 percent of all financial aid disbursed to students at Oklahoma State University between 1970 and 1978.

Table XXIII indicates that the value of the Wentz Foundation continued to increase. The notes receivable increased by more than \$400,000. The Wentz Guaranteed Loan program increased rapidly as the Wentz Regular program declined. By June 30, 1978, the Wentz Guaranteed loan notes outstanding were \$2,027,440, while the total of all Wentz Regular and Wentz Emergency notes receivable was only \$271,246.<sup>28</sup> Increased collections efforts during that era reduced the amount of doubtful and inactive notes between 1970 and 1978. Although the amount of uncollectible notes increased after 1976, the total by 1978 was still only half of what it had been in 1970-1971. The investments of the foundation generally increased, but in the last two years decreased slightly because of the increased demand for student aid. The net worth of the foundation increased throughout this entire period and rose to \$3,737,271 by 1978.

Table XXIV shows that the total operating expenses of the Wentz Foundation between 1970 and 1978 were approximately \$1,400,000. This was an increase over the \$300,000 spent for operating expenses during the 1960s. The increase is not as dramatic as it appears initially because the total operating expenses for those years include approximately

TABLE XXIII

## GROWTH OF THE WENTZ FOUNDATION, 1970-1978\*

Fiscal Year Ending	Total Notes Receivable	Reserved for Doubtful and Inactive Notes	Cash	Investments	Net Worth
June 30, 1971	\$1,881,126	\$61,236	\$241,179	\$1,016,388	\$3,259,052
June 30, 1972	1,746,572	36,617	249,650	1,224,455	3,339,938
June 30, 1973	1,808,233	23,835	59,609	1,374,688	3,399,756
June 30, 1974	2,005,290	25,241	169,641	1,262,858	3,523,523
June 30, 1975	2,142,994	19,199	90,909	1,153,430	3,603,018
June 30, 1976	2,147,219	8,499	105,141	1,234,912	3,631,511
June 30, 1977	2,261,292	26,846	111,918	1,217,463	3,728,139
June 30, 1978	2,298,686	35,222	190,243	1,116,296	3,737,271

\*Source: Audits of the Lew Wentz Foundation, 1970-1978.

TABLE XXIV

## WENTZ FOUNDATION OPERATING EXPENSES, 1970-1978\*

Fiscal Year Ending	Expenditures For Salaries	Service Scholarships	Audit Expenses	Office Supplies And Miscellaneous**	Total Expenses
June 30, 1971	\$ 47,532	\$ .....	\$ 500	\$ 12,960	\$ 60,992
June 30, 1972	57,048	.....	500	21,070	78,618
June 30, 1973	57,826	62,127	500	17,228	137,681
June 30, 1974	60,832	61,420	600	37,041	159,893
June 30, 1975	74,734	67,619	2,000	45,163	189,516
June 30, 1976	96,570	70,003	900	57,053	224,526
June 30, 1977	110,093	66,894	750	81,173	258,910
June 30, 1978	127,125	68,682	791	87,642	284,240
Total	\$631,760	\$396,745	\$6,541	\$359,330	\$1,394,376

\*Source: Audits of the Lew Wentz Foundation, 1970-1978.

... Data unavailable.

\*\*The items included in this column are: provisions for uncollectible notes, Wentz Regular and Wentz Guaranteed loan insurance expenses, payroll taxes and employees' insurance, court costs, bad debt expenses, travel expenses, repairs and maintenance, office supplies, data processing costs, depreciation expenses, coupon book expense, collection expenses, investment management agency fees, and other expenses.

\$400,000 in Wentz Service Scholarships. Also included in the operating expenditures are expenses for guaranteed loan insurance and coupon books. These expenses are recovered by charging the costs to the student. These items were approximately \$16,000 in 1977 alone. Bad debt expenses, depreciation expenses, fees for the investment management agency, and many other costs totaling almost \$39,000 also were included in the operating expenses of 1977. When those items are deducted from the total operating expenses of the foundation, most of the increases in the operating budgets between 1970 and 1978 can be attributed to increased expenditures for salaries, supplies, and equipment. The increased budgets also resulted from increased loan volume which caused expenditures to rise. In 1970-1971 the foundation was paying salaries equivalent to 7.5 employees, or one third of the employees of the department. This figure increased to 10 employees out of a total of 26 employed in 1974-1975. During those years the trustees also had approved other expenditures by the Department of Financial Aids, including equipment for a correspondence and records center and funds for renovating the third floor of Hanner Hall.

Thus, the Wentz Foundation had experienced several difficult problems between 1970 and 1978. Significantly, the delinquency rate on Wentz loans had declined, the Lew Wentz Guaranteed loan program had increased dramatically, and the annual allocation for Wentz Scholarship was increased to \$70,000. The hiring of an investment agency also had increased the earnings of the foundation. These were significant achievements during a period of rising costs and unrestrained inflation.

FOOTNOTES

<sup>1</sup> Oklahoma State University Catalog 1970-1971; OSU Catalog 1977-1978.

<sup>2</sup> Information provided by Glen Jones, Assistant Registrar for Oklahoma State University.

<sup>3</sup> This amounted to \$57,391 in 1968-1969, \$54,221 in 1969-1970, and \$60,992 in 1970-1971.

<sup>4</sup> Minutes of the Lew Wentz Foundation Board of Trustees, April 28, 1970, pp. 1-2, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>5</sup> Ibid., October 22, 1970, pp. 1-3.

<sup>6</sup> Dr. Robert B. Clark, Director of Financial Aids, to the Lew Wentz Foundation Board of Trustees, June 2, 1971, Correspondence, OSU Department of Financial Aids, Stillwater, Oklahoma.

<sup>7</sup> Minutes, December 15, 1971, p. 2, OSU Financial Aids.

<sup>8</sup> Ibid., April 25, 1972, pp. 1-2.

<sup>9</sup> Ibid., November 9, 1972, p. 2.

<sup>10</sup> Ibid., April 17, 1973, p. 1.

<sup>11</sup> Ibid., October 23, 1973, pp. 1-2.

<sup>12</sup> Ibid., May 1, 1974, p. 1.

<sup>13</sup> The National Bank of Tulsa changed its name to the Bank of Oklahoma in June 1975.

<sup>14</sup> Minutes, May 28, 1975, p. 1, OSU Financial Aids.

<sup>15</sup> Ibid., November 21, 1975, p. 1.

<sup>16</sup> Ibid., October 26, 1978, p. 5.

<sup>17</sup> Ibid., May 28, 1975, p. 1.

<sup>18</sup> Ibid., April 17, 1973, p. 1.

<sup>19</sup> Audit of the Lew Wentz Foundation, October 10, 1978, p. 2, OSU

Department of Financial Aids, Stillwater, Oklahoma.

<sup>20</sup>The story of the creation and growth of the Basic Educational Opportunity Grant Program will be discussed in greater detail in chapter nine.

<sup>21</sup>The story of the growth of the Federally Insured Loan Programs, such as the Oklahoma Student Loan Program, will be discussed in chapter nine.

<sup>22</sup>Minutes, October 27, 1977, p. 1, OSU Financial Aids.

<sup>23</sup>Ibid., November 21, 1975, p. 1.

<sup>24</sup>Ibid., October 28, 1976, p. 1.

<sup>25</sup>Ibid., October 26, 1978, p. 7.

<sup>26</sup>Ibid., October 27, 1977, p. 1.

<sup>27</sup>Ibid., October 27, 1977; Minutes, October 26, 1978, p. 4; These concerns prompted Lawrence L. Boger, the new president of Oklahoma State University, to suggest that a special board meeting be held early in 1979 to determine the level of support to be provided to the Department of Financial Aids for operating the Wentz Foundation.

<sup>28</sup>Audit, October 10, 1978, p. 2, OSU Financial Aids.

## CHAPTER IX

### A BRIEF OUTLINE OF THE MAJOR FEDERAL PROGRAMS OF STUDENT FINANCIAL AID, 1935-1978

Modern financial aid is a relatively recent addition to higher education. During the past four decades the government has decided that the benefits of post-secondary education should be extended to all those who desire to attend college, regardless of financial capabilities. This attitude encouraged a change from the government policy of supporting educational institutions to that of providing direct financial assistance to students. Between 1935 and 1978 the federal government created several student financial assistance programs designed to extend the benefits of higher education to thousands of economically disadvantaged students. Federal support for post-secondary education increased from approximately 96 million dollars in 1955 to more than 6.1 billion dollars in 1975. The number and variety of federal student aid programs has increased during the past two decades to where more than one-third of the students at most colleges apply for some type of financial assistance.

The first major federal program of financial assistance for students was the National Youth Administration (NYA). President Franklin D. Roosevelt supported the creation of the program in 1935 to provide part-time employment for students attending colleges and universities.<sup>1</sup> Between 1935 and 1943 this organization assisted more than one-half



million students to attend colleges. Although the NYA had been successful in providing employment for college students during the depression, the national economy improved in the early 1940s causing the program to be discontinued.

Federal support also was provided by the passage of the Serviceman's Readjustment Act in June 1944. This act was popularly known as the G.I. Bill. Title II of the act provided educational assistance for returning servicemen. The law stated that the program was designed to assist anyone,

whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education...shall be eligible for and entitled to receive education or training under this part.<sup>2</sup>

Veterans desiring to receive educational benefits had to begin their program within two years after discharge or the end of World War II, whichever came first. The benefits initially provided one year of full-time training or its equivalent in part-time study. If the veterans successfully completed their chosen course of instruction, they were then entitled to a subsequent period of educational benefits not to exceed the number of months they were on active duty during the war. The monthly stipend paid the cost of tuition and fees, books and supplies, plus \$65 per month for single students or \$90 per month for married students.<sup>3</sup>

Between 1946 and 1948 approximately one half of all students attending college were receiving funds through the G.I. Bill. By means of this program, approximately 7.8 million World War II veterans attended college at a cost to the government of approximately 14.5 billion

dollars. This greatly reduced the need for other student financial assistance programs during the late 1940s. The provisions of this bill later were extended to the veterans of the Korean and Vietnam Wars. In addition to the G.I. Bill, other federal agencies disbursed millions of dollars to college students in the form of disabled veterans payments, war orphans benefits, and social security benefits. The major impact of the G.I. Bill for World War II veterans decreased after 1948, and except for the veterans receiving funds through the Korean G.I. Bill, most students attending college in the early 1950s had to rely on limited loans and scholarships from private sources to pay educational costs. Yet, the success of these programs had paved the way for further federal assistance for higher education.

The modern era of federal student financial aid began with the passage of the National Defense Education Act on September 2, 1958. This act resulted in part from the success of the Soviet Union in launching the "Sputnik," the first satellite to orbit the earth successfully. This increased the nation's uneasiness about internal security and the adequacy of our educational system. Title I of the NDEA act (Public Law 85-864) required that programs be established to "give assurance that no student of ability will be denied an opportunity for higher education because of financial need."<sup>4</sup> Title II provided that long-term, low-interest National Defense Student Loans (NDSL) be made to students in need of financial assistance. Funds were provided by a 90 percent federal contribution to be combined with a 10 percent institutional match. Title III, Section 204 (4) of the act provided that students of high academic ability who were enrolled in science, mathematics, and modern foreign languages be given preference in the awarding

of NDSL loans. This act also provided for the cancellation of a percentage of the NDSL loan for each year the borrower taught full-time at an approved elementary school, secondary school, junior college, or university. Title IV of the act established a program of National Defense Fellowships for graduate study in science, mathematics, and modern languages. The fellowship stipends provided approximately \$2,000 per academic year for up to three years.<sup>5</sup>

Oklahoma State University immediately submitted an application to participate in the National Defense Student Loan Program. The Department of Health, Education, and Welfare soon authorized \$174,505 to be used for NDSL loans at Oklahoma State University. These federal dollars were matched by an institutional contribution of \$19,389.44. Therefore, the total amount of NDSL funds available for the academic year of 1958-1959 was \$193,894.44.<sup>6</sup> This program experienced phenomenal growth during the next two decades, despite the fact that many Congressmen and college professors alike had mistakenly believed that students would not borrow money to attend college.<sup>7</sup>

Table XXV indicates that 331 students attending Oklahoma State University borrowed \$162,741 from the NDSL program in the fiscal year of 1958-1959. Of these loan recipients, 138 were freshmen, 48 were sophomores, 80 were juniors, 43 were seniors, and 22 were graduate or professional students.<sup>8</sup> The average NDSL loan was approximately \$500 that year. Funding for the NDSL program continued to increase, for in 1961-1962 school officials approved 664 loans for \$327,233. Approximately 52 percent of that was loaned to 332 students under section 204 (4) of the National Defense Education Act. Of those students, 162 were pursuing degrees in elementary or secondary teaching, 71 were majoring in

science, 32 were obtaining degrees in mathematics, and 67 were training to be engineers.<sup>9</sup> Table XXV also demonstrates that by 1970 school officials at Oklahoma State University had approved more than 10,500 NDSL loans for \$5,164,989. The NDSL program currently loans more than one million dollars annually to approximately 1,400 needy students.

TABLE XXV

NATIONAL DIRECT STUDENT LOAN  
ADVANCEMENTS, 1958-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1958-1959	331	\$ 162,741.00	\$419.66
1959-1960	371	168,702.00	454.72
1960-1961	666	314,362.00	472.02
1961-1962	664	327,233.00	492.82
1962-1963	661	302,729.00	495.46
1963-1964	679	346,598.00	510.45
1964-1965	1,066	580,644.00	535.31
1965-1966	1,152	609,150.00	599.09
1966-1967	1,221	601,729.00	492.82
1967-1968	1,339	665,719.00	497.18
1968-1969	1,384	561,267.00	405.54
1969-1970	1,004	524,115.00	522.02
1970-1971	1,652	623,525.00	377.43
1971-1972	1,490	888,799.00	596.51
1972-1973	1,519	1,004,175.00	661.08
1973-1974	1,061	900,217.00	848.46
1974-1975	1,268	1,103,538.00	870.30
1975-1976	1,091	838,656.00	768.70
1976-1977	1,376	1,018,969.00	740.53
1977-1978	1,411	1,156,699.00	819.77
Total	21,406	\$12,699,567.00	

\*Source: Institutional Fiscal Operation Reports (Department of Health, Education, and Welfare), 1958-1978.

This was almost 6.4 percent of the 21,904 students enrolled at Oklahoma State University during 1977-1978.<sup>10</sup> The table shows that school officials approved more than 21,000 loans for students attending the university between 1958 and 1978. The NDSL loans during that period amounted to \$12,699,567. The average loan amount increased approximately 60 percent by 1978.

Despite the rapid growth of the NDSL program, the need for additional programs of financial assistance increased. In his State of the Union address on January 11, 1962, President John F. Kennedy recognized this need and proposed to increase funding for education. He said:

I shall also recommend bills to improve educational quality, to stimulate the arts, and, at the college level, to provide Federal loans for the construction of academic facilities and federally financed scholarships.

If this Nation is to grow in wisdom and strength, then every able high school graduate should have the opportunity to develop his talents. Yet nearly half lack either the funds or the facilities to attend college. Enrollments are going to double in our colleges in the short space of 10 years. The annual cost per student is skyrocketing to astronomical levels -now averaging \$1,650 a year, although almost half of our families earn less than \$5,000. They cannot afford such costs- but this Nation cannot afford to maintain its military power and neglect its brainpower.<sup>11</sup>

Although Kennedy was assassinated before he could implement his plans to increase federal funding for higher education, Lyndon B. Johnson vowed to support his predecessor's programs for better schools, health, homes, and job opportunities.<sup>12</sup>

On September 24, 1963, Congress passed the Health Professions Educational Assistance Act, which provided funds to increase opportunities for the training of physicians, dentists, and professional public health personnel. Part C of this act (Public Law 88-129) authorized the creation of the Health Professions Student Loan Program (HPSL). The funds

for this program were provided by federal loans to institutions involved in training students in the health professions. These loans were to be repaid to the federal government as the students repaid their HPSL loans to the institution.<sup>13</sup> In 1967 Oklahoma State University borrowed \$100,000 from the federal government to participate in the Health Professions Student Loan Program. The university borrowed an additional \$230,509 for the HPSL program between 1967 and 1970. Beginning in the fiscal year of 1970-1971 and continuing until the present, funds for Health Professions Student Loans have been provided through a 90 percent federal and a 10 percent institutional contribution.<sup>14</sup>

Table XXVI indicates that the Department of Financial Aids disbursed \$230,509 to students in the College of Veterinary Medicine between 1967 and 1970. Despite the fluctuating federal funding for the HPSL program, school officials still loaned \$781,147 to 881 veterinary medicine students between 1967 and 1978. Increased costs for attending veterinary medicine school in recent years caused the average loan amount to increase approximately five times that of the late 1960s and early 1970s.

In an effort to increase further the number of trained personnel in the health professions, the Public Health Service Act was amended in the late 1960s to authorize the creation of the Health Professions Scholarship program. Table XXVII indicates that Oklahoma State University disbursed \$126,565 in Health Professions Scholarships to 209 veterinary medicine students between 1970 and 1976. However, as the number of professional public health service personnel had increased measurably during those years, funds for Health Professions Scholarships decreased and ended altogether in 1976.

TABLE XXVI

## HEALTH PROFESSIONS STUDENT LOAN ADVANCEMENTS, 1967-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1967-1968	190**	\$ 98,908.00	\$ 525.83**
1968-1969	160**	85,462.00	534.13**
1969-1970	86**	46,139.00	536.50**
1970-1971	61	32,940.00	540.00
1971-1972	76	47,557.00	625.75
1972-1973	74	80,250.00	1,084.00
1973-1974	86	76,684.00	892.83
1974-1975	51	96,650.00	1,900.98
1975-1976	34	72,791.00	2,140.91
1976-1977	30	50,216.00	1,675.86
1977-1978	33	93,450.00	2,831.80
Total	881	\$781,147.00	

\*Sources: Institutional Fiscal Operations Reports, 1967-1978; Summary Reports of the Department of Financial Aids, 1970-1978.

\*\*Estimated data.

TABLE XXVII

## HEALTH PROFESSIONS SCHOLARSHIP ADVANCEMENTS, 1970-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Award
1970-1971	34	\$ 32,797.00	\$ 964.61
1971-1972	52	31,343.00	602.75
1972-1973	50	26,750.00	535.00
1973-1974	50	17,834.00	356.68
1974-1975	17	7,020.00	412.94
1975-1976	6	10,821.00	1,803.50
1976-1977	0	-0-	-0-
1977-1978	0	-0-	-0-
Total	209	\$126,565.00	

\*Sources: Institutional Fiscal Operations Reports, 1970-1978; Summary Reports of the Department of Financial Aids, 1970-1978.

Congress passed the Economic Opportunity Act on August 20, 1964, authorizing the creation of the College Work-Study Program (CWS). This program was designed to expand part-time employment opportunities for students in need of financial assistance to complete a college education. Funds for the College Work-Study Program were provided by an 80 percent federal contribution with a 20 percent match of institutional funds.<sup>15</sup>

Table XXVIII demonstrates the rapid growth of the College Work-Study Program. Between 1964 and 1970 approximately 2,188 students earned more than \$800,000 from the program. The amount of all College

TABLE XXVIII

## COLLEGE WORK-STUDY ADVANCEMENTS, 1964-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Award
1964-1965	16	\$ 2,450.00	\$153.12
1965-1966	78	25,038.00	321.00
1966-1967	406	169,144.00	416.61
1967-1968	574	165,662.00	288.61
1968-1969	498	195,253.00	392.07
1969-1970	616	256,698.00	416.71
1970-1971	801	393,947.00	491.81
1971-1972	725	404,557.00	558.00
1972-1973	822	410,647.00	499.57
1973-1974	712	294,574.00	413.72
1974-1975	621	334,450.00	538.56
1975-1976	867	408,709.00	471.40
1976-1977	789	370,323.00	469.35
1977-1978	853	460,179.00	539.48
Total	8,378	\$3,891,063.00	

\*Sources: Institutional Fiscal Operations Reports (Department of Health, Education, and Welfare), 1964-1978.



Work-Study earnings from the inception of the program until 1978 was \$3,891,631. As estimated 8,378 students attending Oklahoma State University have earned at least part of their educational expenses by working in this program. The university presently employs approximately 800 College Work-Study students annually and has a payroll of more than \$450,000.

On November 8, 1965, Congress created a federal grant program for college students who had exceptional financial need. Title IV, Part A of the Higher Education Act of 1965 (Public Law 89-329), established the Educational Opportunity Grant Program. Section 401 (a) of Part A of this act stated that,

It is the purpose of this part to provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high-school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.<sup>16</sup>

The federal government appropriated 70 million dollars to fund this program fully.<sup>17</sup>

Table XXIX reveals that the Supplemental Educational Opportunity Grant program was an instant success. During the academic year of 1966-1967, 588 Oklahoma State University students received more than \$160,000 on the SEOG program. Funding for this program continued to increase during the late 1960s, to more than \$300,000 annually by 1973. The creation of the Basic Educational Opportunity Grant program in 1973 brought a decrease in the funds available for the SEOG program in more recent years. However, the Department of Financial Aids still awards more than \$250,000 annually on this program to approximately 500 students. The average SEOG award increased from approximately \$280 in 1966 to more

than \$530 in 1978. This 53 percent increase was a reflection of increasing college costs during the 1960s and 1970s.

TABLE XXIX  
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT  
 ADVANCEMENTS, 1966-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Award
1966-1967	588	\$ 164,758.00	\$280.20
1967-1968	754	246,875.00	327.42
1968-1969	666	259,100.00	389.03
1969-1970	561	312,610.00	557.23
1970-1971	690	375,556.00	544.28
1971-1972	676	359,020.00	531.09
1972-1973	477	328,175.00	687.99
1973-1974	484	201,137.00	415.57
1974-1975	428	244,885.00	572.16
1975-1976	562	284,750.00	506.67
1976-1977	540	256,954.00	475.84
1977-1978	510	271,700.00	532.74
Total	6,936	\$3,305,520.00	

\*Source: Institutional Fiscal Operations Reports, 1966-1978.

The Higher Education Act of 1965 and the National Vocational Student Loan Insurance Act created a program of federal student loan insurance to encourage federal, state, and private institutions and organizations to establish low-interest student loan programs. The Federally Insured Loan Program provided a "guarantee" that the lender would be repaid in cases where students died or defaulted. Unlike the

previous federal programs of student financial assistance, these loans were not based on financial need. Therefore, it appears that this legislation was designed to assist students from middle income families who might not qualify for a National Direct Student Loan.<sup>18</sup>

Between 1969 and 1978 Oklahoma State University participated in several insured/guaranteed loan programs including the Wentz, Shepherd, Gibson, and Benham Foundations, and the Oklahoma Student Loan Program. These five programs provided more than five million dollars of financial assistance for Oklahoma State University students by 1978. The Wentz Foundation was by far the largest of these programs.

The Lew Wentz Foundation began to participate as a lender in the Federally Insured Student Loan program during 1969. Table XXX indicates that the Department of Financial Aids loaned more than \$300,000 to 360 students on the Lew Wentz Guaranteed Loan program during the academic year of 1969-1970. Between 1970 and 1973 the Wentz Foundation made more insured loans to students than any other lender in the state. Wentz Guaranteed loan volume increased steadily during the early 1970s, reaching a high of \$601,939 in 1973-1974. Despite the fact loan volume leveled off some after 1974 due to the dramatic increase of the federally funded Basic Educational Opportunity Grant Program, the Department of Financial Aids still loans approximately \$450,000 annually on the Lew Wentz Guaranteed loan program. Table XXX also shows that the Department of Financial Aids loaned \$3,668,490 to an estimated 4,305 students on the Lew Wentz Guaranteed program between 1969 and 1978. The average loan amount increased from approximately \$840 in 1969-1970 to more than \$893 in 1973-1974. The average loan fluctuated erratically between 1974 and 1976, and then reached \$981.06 by 1978.

TABLE XXX

## WENTZ GUARANTEED LOAN ADVANCEMENTS, 1969-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1969-1970	360	\$ 302,244.00	\$ 839.56
1970-1971	446	375,909.00	842.84
1971-1972	260	222,982.00	857.62
1972-1973	465	406,010.00	873.13
1973-1974	674	601,939.00	893.08
1974-1975	469	504,883.00	1,076.50
1975-1976	582	302,888.00	520.42
1976-1977	589	500,345.00	849.48
1977-1978	460	451,290.00	981.06
Total	4,305	\$3,668,490.00	

\*Source: Summary Reports of the Department of Financial Aids, 1970-1978.

In December 1971 Lottie and Edith Shepherd donated \$200,000 to Oklahoma State University to be used for student loans. Subsequent additions were made to this fund during the next seven years. Between 1972 and 1978 the Oklahoma State University Development Foundation transferred these funds to the Department of Financial Aids as needed to be used for insured loans. Through June 30, 1978, the department received \$263,500 from this foundation. In addition to student loans, this foundation also has provided thousands of dollars of matching funds for the NDSL program.

Table XXXI indicates that 590 students received more than \$450,000 in insured loans from the Shepherd Foundation between 1972 and 1978.

The fluctuations in the number of recipients and the average loan amount from year to year are an indication that this program has been used more in years when funding for the federal programs has decreased. Conversely, the low loan volume is a reflection of more adequate funding for the other financial aid programs administered by the Department of Financial Aids.

TABLE XXXI

## SHEPHERD LOAN ADVANCEMENTS, 1972-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1972-1973	116	\$ 79,680	\$687
1973-1974	41	37,585	916
1974-1975	141	99,765	708
1975-1976	20	18,825	941
1976-1977	99	76,355	771
1977-1978	<u>173</u>	<u>142,960</u>	826
Total	590	<u>\$455,170</u>	

\*Source: Department of Financial Aids Summary Reports, 1972-1978.

In February 1972 Janice and J.I. Gibson donated approximately \$90,000 to the university. Of that amount \$70,000 was to be used for student loans and the remainder was to be used as matching funds for the National Direct Student Loan and Health Professions Student Loan programs. These funds were made available to the Department of

Financial Aids between 1972 and 1974. There were no further additions to this loan fund after 1974. Table XXXII indicates that 303 students received more than \$240,000 in insured loans from the Gibson Foundation between 1972 and 1978.

TABLE XXXII  
GIBSON LOAN ADVANCEMENTS, 1972-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1972-1973	48	\$ 31,435	\$ 655
1973-1974	37	23,350	631
1974-1975	54	56,490	1,046
1975-1976	91	77,202	848
1976-1977	7	6,750	964
1977-1978	66	47,300	717
Total	303	\$242,527	

\*Source: Department of Financial Aids Summary Reports, 1972-1978.

In September 1974 the Department of Civil Engineering transferred the Benham Foundation to the Department of Financial Aids. This loan fund of \$4,222.27 was given to assist students majoring in Civil Engineering. Table XXXIII indicates that by 1978 four students had received Benham insured loans totaling \$2,100. Although there has been an increase in the size of the Benham program from interest earned on the insured loans, this is the only growth of the fund.

TABLE XXXIII  
BENHAM LOAN ADVANCEMENTS, 1974-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1974-1975	1	\$1,000	\$1,000
1975-1976	1	600	600
1976-1977	2	500	250
1977-1978	<u>0</u>	<u>-0-</u>	<u>-0-</u>
Total	4	\$2,100	

\*Source: Department of Financial Aids Summary Reports, 1974-1978.

Sensing a need for additional dollars of financial assistance for students attending college in the state of Oklahoma, the legislature created the Oklahoma Student Loan Program in 1972. This program was formally established in January 1973 and funded by the sale of state bonds. All Oklahoma residents who are enrolled full time in post-secondary educational institutions within the state are eligible to borrow from this fund. The program grew and by June 30, 1978, the total of all notes receivable on the OSLP fund was \$4,004,361.

Table XXXIV shows that between 1975 and 1978 the Oklahoma State Regents for Higher Education had approved 724 loans totaling \$714,778 for students attending Oklahoma State University. The average loan increased from \$906 to \$1,162 during those years. The decreased use of the Oklahoma Student Loan Program by Oklahoma State University during the past three years reflects the increased federal funds available on the Basic Educational Opportunity Grant Program. Yet, statewide the

Oklahoma Student Loan Program still continues to advance between two and three million dollars annually to thousands of students attending colleges and universities throughout Oklahoma.

TABLE XXXIV

OKLAHOMA STUDENT LOAN PROGRAM  
ADVANCEMENTS, 1975-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Loan
1975-1976	446	\$404,250	\$ 906
1976-1977	194	212,910	1,097
1977-1978	84	97,618	1,162
Total	724	\$714,778	

\*Source: Department of Financial Aids Summary Reports, 1975-1978.

The Omnibus Crime Control and Safe Streets Act of 1968 (Public Law 90-351) authorized grant and loan programs for law enforcement purposes. Title I, Part C of this act authorized grants for "public education relating to crime prevention and encouraging respect for law and order, including education programs in schools."<sup>19</sup> Title I, Part D provided loans for undergraduate or graduate training "leading to degrees or certificates in areas directly related to law enforcement or preparing for employment in law enforcement."<sup>20</sup> Recipients of these Law Enforcement Educational Program (LEEP) loans could cancel 25 percent of their loans for each year of continuous service as a full-time officer or



employee of a law enforcement agency. Section 406 (c) Part D provided for payment of tuition and fees for officers of any publicly funded law enforcement agency enrolled in courses leading to a degree in any area of law enforcement. Applicants for these funds had to agree to remain in law enforcement for two years after the completion of coursework. These funds had to be repaid in the form of a loan if this stipulation was not followed.<sup>21</sup>

Table XXXV indicates that Oklahoma State University received funds to participate in the LEEP program for the first time during the academic year of 1974-1975. One reason for the delay was that the university first had to design and implement a program of coursework to train students in the area of law enforcement before they could receive funds from the Law Enforcement Assistance Administration of the United States

TABLE XXXV

LAW ENFORCEMENT EDUCATION PROGRAM  
ADVANCEMENTS, 1974-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Award
1974-1975	127**	\$22,211.00	\$174.89**
1975-1976	97**	14,561.00	150.11**
1976-1977	88**	17,734.00	201.52**
1977-1978	68**	19,512.00	286.94**
Total	380**	\$74,018.00	

\*Source: Department of Financial Aids Summary Reports, 1974-1978.

\*\*Estimated data.

Department of Justice. Between 1974 and 1978 the Department of Financial Aids awarded \$74,018 in LEEP funds to 380 recipients. Thus, although not one of the larger federal programs, the LEEP program remains very helpful for those students who desire training in the area of law enforcement.

The Educational Amendments of 1972 (Public Law 92-318) authorized the creation of the Basic Educational Opportunity Grant Program on April 1, 1973. Title IV, Part A, Section 401 (a) of the Higher Education Act of 1965 was revised to read as follows:

It is the purpose of this part to assist in making available the benefits of post-secondary education to qualified students in institutions of higher education by - (1) providing basic educational opportunity grants (herein-after referred to as 'basic grants') to all eligible students.<sup>22</sup>

The eligibility requirements for this program are that a student must be an undergraduate who has never received a bachelor's degree. The maximum Basic Grant award currently is \$1,600, based on financial need. Initially the program was restricted to those students who had begun their college education after the creation of the program in April 1973. Thus, only first year students were eligible to receive BEOG awards during the fiscal year of 1973-1974. Yet, with each successive year, another class of students became eligible. This stipulation was removed altogether during the fiscal year of 1976-1977, the fourth year of the program. All undergraduates are now eligible to apply for a BEOG award.<sup>23</sup>

Table XXXVI demonstrates the dramatic growth of the BEOG program at Oklahoma State University between 1973 and 1978. During those five years the number of Basic Grant recipients increased approximately 12 times while the amount of dollars advanced 38 times. The average award

increased steadily during that period from \$250 in 1973 to \$799 in 1978. The Department of Financial Aids made 8,486 Basic Grant awards amounting to \$6,364,282 between 1973 and 1978. In just five years the BEOG program had become the most significant student grant fund ever created by the federal government. Oklahoma State University presently awards approximately 2.5 million dollars annually on the BEOG program to more than 3,000 students.

TABLE XXXVI

BASIC EDUCATIONAL OPPORTUNITY GRANT  
ADVANCEMENTS, 1973-1978\*

Fiscal Year	Estimated Number of Recipients	Total Advancements	Average Award
1973-1974	261	\$ 65,252	\$250
1974-1975	632	382,654	605
1975-1976	1,554	1,167,883	752
1976-1977	2,911	2,249,647	773
1977-1978	<u>3,128</u>	<u>2,498,846</u>	799
Total	8,486	<u>\$6,364,282</u>	

\*Source: BEOG Progress Reports, 1973-1978.

Federal financial support for students attending post-secondary educational institutions has increased greatly during the past four decades. The majority of this has occurred during the past 20 years. The tables in this chapter show that students at Oklahoma State University received \$331,443 in NDSL loans between 1958 and 1960. Yet, between

1960 and 1970 school officials disbursed approximately 6.8 million dollars to students on the National Defense Student Loan, College Work-Study, Supplemental Educational Opportunity Grant, and Health Professions Student Loan programs. Increased federal funding for those four programs between 1970 and 1978, and the addition of the Health Professions Scholarship, Federally Insured Student Loans, Basic Educational Opportunity Grant, and the Law Enforcement Education Program, more than tripled the financial assistance awarded to Oklahoma State University students by 1978. The magnitude of this financial assistance is further demonstrated by the fact that the Department of Financial Aids advanced more than 5.2 million dollars on these programs during the fiscal year of 1977-1978 alone. The rapid increase in the number and size of the federally funded programs of student financial assistance clearly indicates that financial aid will play an important role in the future of higher education.

FOOTNOTES

- <sup>1</sup>U.S. Presidents: Executive Order 7086, June 26, 1935.
- <sup>2</sup>United States Statutes at Large, 78th Cong., 2nd Sess., LVIII, Pt. 1, (1944), p. 288.
- <sup>3</sup>Ibid., pp. 248-301.
- <sup>4</sup>Statutes, 85th Cong., 2nd Sess., LXXII, Pt. 1 (1958), p. 1581.
- <sup>5</sup>Ibid., pp. 1580-1604.
- <sup>6</sup>Institutional Fiscal Operations Report for the National Defense Student Loan Program 1958-1959, p. 1, OSU Department of Financial Aids, Stillwater, Oklahoma.
- <sup>7</sup>The National Defense Student Loan program was revised and re-titled the National Direct Student Loan program in June 1972.
- <sup>8</sup>Fiscal Operations Report NDSL 1961-1962, p. 1.
- <sup>9</sup>Ibid.
- <sup>10</sup>The enrollment data was provided by Glen Jones, Assistant Registrar for Oklahoma State University.
- <sup>11</sup>Public Papers of the Presidents of the United States: John F. Kennedy, January 1 to December 31, 1962, State of the Union Address, January 11, 1962 (Washington, D.C.: U.S. Government Printing Office, 1963), p. 9.
- <sup>12</sup>Public Papers of the Presidents of the United States: Lyndon B. Johnson, Book 1, November 22, 1963 to June 30, 1967, State of the Union Address, January 8, 1964 (Washington, D.C.: U.S. Government Printing Office, 1965), p. 112.
- <sup>13</sup>Statutes, 88th Cong., 1st Sess., LXXVII, Public Law 88-129 (1963), p. 164.
- <sup>14</sup>Institutional Fiscal Operations Reports, 1967-1970.
- <sup>15</sup>Statutes, 88th Cong., 2nd Sess., LXXVIII, Public Law 88-452 (1964), pp. 505-513.
- <sup>16</sup>Statutes, 89th Cong., 1st Sess., LXXIX, Public Law 88-329 (1965),

p. 1232.

<sup>17</sup> Ibid., p. 1219; In 1974 this program was retitled the Supplemental Educational Opportunity Grant Program (SEOG).

<sup>18</sup> Statutes, 89th Cong., 1st Sess., LXXIX, Public Law 89-329 (1965), p. 1236.

<sup>19</sup> Statutes, 90th Cong., 2nd Sess., LXXXII, Public Law 90-351 (1968), pp. 199-200.

<sup>20</sup> Ibid., pp. 204-205.

<sup>21</sup> Ibid.

<sup>22</sup> Statutes, 92nd Cong., 2nd Sess., LXXXVI, "Educational Amendments of 1972," Public Law 92-318 (1972), p. 247.

<sup>23</sup> Ibid.

## CHAPTER X

### SUMMARY AND CONCLUSION

The history of student financial assistance at Oklahoma State University began with the part-time jobs which the college offered to students at the turn of the century. Other students worked off-campus in Stillwater. It was not until the early 1920s, after Jake Katz had established the first continuing program of scholarships at the college, that school officials established a short-term loan fund for students. Despite these advances, student financial assistance was limited. Besides the money Katz donated, there were only a few small loan funds which civic and patriotic organizations had established.

The first large amount of loan funds were provided in 1926 when Lew Wentz donated \$50,000 to the college. This money created the Wentz Foundation, which was the most substantial loan fund ever established at the college. Loan procedures were at first somewhat primitive, but by the late 1920s school officials and the Wentz Board members established specific and carefully detailed rules and procedures for the operation of the loan fund. By 1930 the foundation had loaned approximately \$100,000 to 416 students.

The Wentz Foundation proved to be very valuable to the college in the depression years of the 1930s. The value of the loan fund to the college in recruiting and retaining students was significant. This was especially true of the 1930s; many students during the depression were

unable to go to school without loans, and they often had difficulty in repaying their Wentz loans on time. After the election of Franklin D. Roosevelt, many students were able to attend college because of the jobs which the National Youth Administration provided. However, the demand for Wentz loans still increased during the late 1930s. Between January 1930 and July 1940 the trustees approved 1,560 loans for students for more than \$200,000. Despite handicaps, including the depression, the Wentz Foundation grew. By 1939 increased collections efforts and the slowly recovering national economy prompted many students to repay their loans. Therefore, as the decade drew to a close the foundation was valued at more than \$103,000.

The loan volume of the foundation decreased radically during the early 1940s, primarily because students were in the military or were working in the war industries. Also, in 1944 the government provided veteran's benefits for students with the passage of the Serviceman's Readjustment Act (G.I. Bill). This legislation made it possible for thousands of returning servicemen to attend college without borrowing money. In fact, between 1946 and 1948 approximately one-half of all college students attending Oklahoma A&M were on the G.I. Bill.

When Wentz died in 1949, he left additional funds to the foundation. With this stimulus the value of the foundation increased tremendously in the early 1950s. Despite these large additions, loan volume increased only slightly between 1950 and 1955. This occurred partially because many students were attending college with the help of the Korean G.I. Bill. Prosperity further stabilized the need for loans. In 1955 the trustees created the Wentz Emergency loan program. These short-term loans allowed many students to meet immediate college expenses. Al-



though the demand for long-term student loans began to increase rapidly between 1955 and 1960, the foundation still held more than two million dollars in investments by June 1958. The federal government created the National Defense Student Loan Program in 1958, which also provided educational loans to students.

The trustees made several positive administrative changes during the 1960s. The board members won court approval in 1960 to change the trust agreement of the foundation. These liberalizing amendments allowed the board members to create a scholarship program for students with the earnings of the foundation. More than 3,900 students have received assistance from the Lew Wentz Service Scholarship Program between 1960 and 1978. The economic recession of the early 1960s increased college costs, and more loan money was needed. The trustees invested approximately \$140,000 as matching funds for the NDSL program during that decade. Federal support for post-secondary education continued to increase at a rapid pace with the creation of the Health Professions Student Loan Program in 1963, the College Work-Study Program in 1964, the Educational Opportunity Grant and Federally Insured Student Loan programs in 1965, and the Law Enforcement Education Program in 1968. Despite this, the volume of Wentz loans increased, and the net worth of the foundation rose to more than three million dollars by 1968. The investment policy of the foundation was modified to secure better returns to offset the declining value of the dollar. The economic problems also caused the costs of obtaining a college education to rise sharply. Another effect of inflation was increased operating expenses. Collection problems also increased during the late 1960s. In 1969 the board members allocated approximately \$450,000 to participate in the Federally Insured Student

Loan Program. The insured loan program paid a higher rate of interest than the Wentz Regular loans and guaranteed repayment in cases of death or default. The Department of Financial Aids approved more than \$300,000 in Lew Wentz Guaranteed loans during the fiscal year of 1969-1970. The program would continue to grow rapidly during the next decade.

Between 1970 and 1978 inflation and concurrent rising educational costs continued to increase the demand for student loans. The extension of the G.I. Bill to Vietnam War veterans did not greatly decrease the need for student aid. Improved collection efforts reduced the delinquency rate on Wentz loans during the early 1970s. Consequently, the trustees increased the annual allocation for the Wentz Service Scholarship Program to \$70,000. Between 1970 and 1973 the Lew Wentz Guaranteed loan program was the largest lender of insured loans in the state. Significantly, Wentz Regular loan volume declined rapidly. In 1973 the federal government established the Basic Educational Opportunity Grant Program, and the rapid growth of this grant program caused Wentz Guaranteed loan volume to level off by 1975. As a result of increased loan volume, the Department of Financial Aids also expanded during this period. This caused operating expenses to rise sharply. In 1974, as inflation continued to increase, the trustees hired an investment firm to manage the investments of the foundation. Skilled investment procedures increased the earnings of the foundation and helped offset inflation. Increased federal funding for higher education between 1973 and 1978 helped meet the increasing need for student loans. Yet, despite the growth of the federal programs, Wentz loans remained an important and substantial part of the financial aid available to students

attending Oklahoma State University. Thus, the impact of the various financial assistance programs has been significant, providing access to higher education for thousands of students. The importance of the Lew Wentz Foundation in this respect is evident, for it was the institution's primary student loan program for three and one-half decades. Between 1926 and 1950 the Wentz Foundation provided virtually all of the loan money at this institution. Despite the creation and growth of the NDSL program in the late 1950s, the programs of the Wentz Foundation still provided approximately 75 percent of all aid disbursed at the college during that decade. During the 1960s the federally funded student assistance programs finally surpassed the Wentz Foundation in the amount of money provided to students annually. However, between 1960 and 1970 the Wentz programs still provided approximately 40 percent of all financial aid disbursed to students.

Table XXXVII indicates that between 1926 and 1978, the programs of the Wentz Foundation provided \$11,980,058.26 to students in loans and service scholarships. Although only 11.5 percent of that amount was advanced to students between 1926 and 1960, more than \$200,000 had been loaned to students during the decade of the "Great Depression" when money was scarce. Between 1960 and 1978 school officials approved more than \$10,600,000 in Wentz loans and Wentz Service Scholarships, while 26.8 million dollars were advanced during the same period through the seven federally funded programs. Thus, between 1960 and 1978, Wentz funds provided approximately 28.3 percent of the combined total for the above programs. This still was a significant amount of financial assistance when one considers that the resources of the Wentz Foundation, a privately endowed loan fund, are being compared with the resources of

TABLE XXXVII

## TOTAL ADVANCEMENTS OF THE LEW WENTZ FOUNDATION, 1926-1978\*

Years	Wentz Regular	Wentz Emergency	Wentz Scholarships	Wentz Guaranteed
1926-1930	\$ 98,419.10	\$ -0-	\$ -0-	\$ -0-
1930-1940	207,905.63	-0-	-0-	-0-
1940-1950	71,156.89	-0-	-0-	-0-
1950-1960	534,782.31	463,790.05	-0-	-0-
1960-1970	2,415,598.00	1,590,033.73	285,621.55	302,244.00
1970-1978	<u>368,079.00</u>	<u>1,779,119.00</u>	<u>497,063.00</u>	<u>3,366,246.00</u>
Total	\$3,695,940.93	\$3,832,942.78	\$782,684.55	\$3,668,490.00
GRAND TOTAL \$11,980,058.26**				

\*Sources: Tables 1,4,7,10,11,14,15,16,19,20,21,22,30.

\*\*Total number of advancements made from 1926 to 1978 were 43,770.

the federal government.

The contribution of the Wentz Foundation to the college and the state has been invaluable. Thousands of students received Wentz funds to complete their education. By 1978 Wentz Foundation officials had made 43,770 advancements to students. Thus, a more significant measure of the true value of the Wentz Foundation may become evident by evaluating the fund in human terms. Many of those who borrowed from the Wentz fund to finish their degrees later became prominent leaders in business and politics. Most of the Wentz loan recipients contacted for this study indicated that the Wentz Foundation was valuable in assisting them to accomplish their educational objectives.

Claude L. Fly, former United States Food and Agricultural Officer for Uruguay and currently owner of an agricultural consulting firm at Fort Collins, Colorado, received a Wentz Regular loan during 1927-1928. This allowed him to complete his masters degree. When questioned about the value of the Wentz loan, Fly stated that "It really meant the difference between staying in school or leaving without finishing a degree."<sup>1</sup> Another former borrower, Ralph M. Ball, worked part-time at the college book store, cafeteria, and the United States Post Office in the summers and during the academic terms to earn money for college expenses. He received a Wentz loan in 1930-1931. Ball, who presently is Chairman and Chief Executive Officer of HTB, Inc. (formerly Hudgins, Thompkins, Ball and Associates), a well known architectural and engineering firm based in Oklahoma City, commented that the Wentz funds "Helped me to finish college and get part-time jobs in 1931-1932 when the depression was most severe and there were jobs for only about 20 percent of those who needed work."<sup>2</sup>

Armon H. Bost, Chairman and Chief Executive Officer of Midwesco Industries in Tulsa, Oklahoma and a former member of the Board of Regents for Oklahoma State University and the A&M Colleges, borrowed from the Wentz Foundation in 1930-1931. Bost indicated that, although he would have made it through college somehow without the loan, "The loan provided a faint ray of hope during very desperate economic times" and that "It was of priceless value at the time."<sup>3</sup> Dr. Garland Godfrey, former president of Central State University, received a Wentz loan in 1932-1933 to supplement his income from part-time campus jobs. Concerning the Wentz loan, Godfrey stated that he "Could not have stayed in college without this source of income to pay fees and buy books and supplies."<sup>4</sup>

During the academic year of 1935-1936 William W. Caudill, a junior in the school of architecture, received a loan from the Wentz Foundation to supplement his part-time job earnings. Caudill presently is chairman of the board of Caudill, Rowlett, Scott architectural and engineering firm in Houston, Texas. He stated that the loan was "very worthwhile" as it helped him through his junior year.<sup>5</sup> Wayne C. Liles, Farm Director for KWTU, Channel 9 in Oklahoma City, also borrowed from the Wentz Foundation in 1935-1936. Although he had worked at several jobs to earn money for college expenses, Liles needed additional funds to finish his junior year. In explaining what the Wentz loan meant to him, Liles stated that had he not obtained the Wentz loan he "probably would have had to drop out of school."<sup>6</sup> He also added that "jobs were hard to find at that time and many of the students who dropped out never completed their college education."<sup>7</sup> Moreover, Liles commented generally on the value of the Lew Wentz Foundation to other students, and to the institution. He stated that, "We were in the depths of the depression during

my college years. Very few students could depend upon any savings and help from their parents to pay for their college education. I am sure that many of them are in places of leadership today because they stayed in college with the help of a Lew Wentz loan."<sup>8</sup>

During the academic year of 1937-1938, Joe J. Synar received a Wentz loan. Synar indicated that he earned enough money for room and board by working for the Daily O'Collegian and writing a column for the Muskogee Daily Phoenix. However, he needed money for clothes, books, and other expenses. Synar, who currently is the Director of Public Relations for General Electric in Dallas, Texas, stated "The Wentz loan was the difference between a degree and no degree in the regular time."<sup>9</sup> He further stated that, "The Wentz Foundation provided an essential source of funds for students who otherwise might have had to drop out of school."<sup>10</sup> During 1938-1939 Allie P. Reynolds borrowed from the Wentz fund. Prior to receiving Wentz funds, he paid his educational expenses through an athletic scholarship and part-time work. He later became a professional baseball player and was one of the greatest pitchers of all time for the New York Yankees. He currently is president of Atlas Mud Company in Oklahoma City. Reynolds stated that the Wentz loan "provided a way to get my degree, pure and simple."<sup>11</sup>

Sidney E. Scisson, Chairman of the Board of Fenix and Scisson, Inc., a large engineering firm located in Tulsa, borrowed from the Wentz Foundation during 1938-1939. Scisson stated that "The Wentz loan allowed me to complete my education and start work at least one year earlier than would have otherwise been possible."<sup>12</sup> During the academic year of 1940-1941, Eugene Swearingen received a Wentz loan to help him complete his bachelors degree. He is a former vice president at Oklahoma State

University, former president of Tulsa University and currently Chairman of the Board and Chief Executive Officer for the Bank of Oklahoma in Tulsa. This loan combined with earnings from his job on the National Youth Administration Program provided enough money to pay college costs. Swearingen stated that "Without the financial assistance, I expect that I would still have completed college, but it would have been even more difficult."<sup>13</sup>

Wayne W. Miller, Vice President and Director of Oklahoma State Tech in Okmulgee borrowed from the Wentz Foundation in 1940-1941. Miller worked approximately 30 hours per week at various part-time jobs in addition to receiving some assistance from the Wentz Foundation. Commenting on the value of the Wentz loan, Miller stated, "I suspect I would have found a way to complete college without the loan, but I am not certain how because the money could not have been available to me by my parents and I could not have worked more hours per week and still have carried a full class load. The Lew Wentz dollars may have been the difference in 'staying' or 'leaving'."<sup>14</sup>

During 1941-1942 Melvin D. Jones received a Wentz loan. Jones currently is President of the Mark Twain Life Insurance Company in Oklahoma City. He indicated that he had two part-time jobs while attending school. The Wentz loan allowed him to quit one of his part-time jobs and devote more time to his studies. Commenting on the value of the Lew Wentz loan, Jones stated, "It really helped me as I was about exhausted physically /due to/ two jobs plus coursework."<sup>15</sup> He also stated that he had made a promise to help other students if he ever made some money. Jones and his wife recently donated \$25,000 to the university to be used for Regents Distinguished Scholarships.<sup>16</sup>



Although there were many others who could have been chosen to reflect the value of the Wentz Foundation in human terms, these testimonials to the success of the foundation should serve as a reminder that the story of student financial assistance is best told by the people who have been served by the programs. While the value of the Wentz Foundation has been difficult to quantify in these terms, it is evident that the impact of student financial aid, and especially the Wentz fund, on the institution and the state has been invaluable.

FOOTNOTES

<sup>1</sup>Claude L. Fly, Personal Correspondence, Fort Collins, Colorado, February 2, 1979.

<sup>2</sup>Ralph M. Ball, Personal Correspondence, Oklahoma City, Oklahoma, January 4, 1979.

<sup>3</sup>Armon H. Bost, Personal Correspondence, Tulsa, Oklahoma, December 29, 1978.

<sup>4</sup>Garland Godfrey, Personal Correspondence, Tulsa, Oklahoma, January 8, 1979.

<sup>5</sup>William W. Caudill, Personal Correspondence, Houston, Texas, December 18, 1978.

<sup>6</sup>Wayne C. Liles, Personal Correspondence, Oklahoma City, Oklahoma, January 11, 1979.

<sup>7</sup>Ibid.

<sup>8</sup>Ibid.

<sup>9</sup>Joe J. Synar, Personal Correspondence, Dallas, Texas, February 8, 1979.

<sup>10</sup>Ibid.

<sup>11</sup>Allie P. Reynolds, Personal Correspondence, Oklahoma City, Oklahoma, December 17, 1978.

<sup>12</sup>Sidney E. Scisson, Personal Correspondence, Tulsa, Oklahoma, December 18, 1978.

<sup>13</sup>Eugene Swearingen, Personal Correspondence, Tulsa, Oklahoma, December 19, 1978.

<sup>14</sup>Wayne W. Miller, Personal Correspondence, Okmulgee, Oklahoma, December 28, 1978.

<sup>15</sup>Melvin D. Jones, Personal Correspondence, Oklahoma City, Oklahoma, December 21, 1978.

<sup>16</sup>Ibid.

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Synar, Joe J. Personal Correspondence. Dallas, Texas, February 8,  
1979.



APPENDIX A

INSTRUMENT CREATING THE "LEW WENTZ FOUNDATION  
OF THE OKLAHOMA AGRICULTURAL AND  
MECHANICAL COLLEGE"

KNOW ALL MEN BY THESE PRESENTS:

That I, L.H. Wentz, of Ponca City, Kay County, Oklahoma, herein-  
after referred to as the Settler, do hereby give, donate and deliver to  
Bradford Knapp, of Stillwater, Oklahoma, (President of the Oklahoma  
Agricultural and Mechanical College,) James J. McGraw, of Tulsa, Okla-  
homa, (President of the Exchange National Bank of Tulsa, Oklahoma,)  
Fred G. Drummond, of Hominy, Oklahoma, (A member of the alumni associa-  
tion of said College), and Joe N. Hamilton, of Ponca City, Oklahoma,  
the sum of Fifty Thousand Dollars (\$50,000) in trust to be held and  
used by them and their successors as a loan fund for students attending  
the said Agricultural and Mechanical College. Said Trustees and their  
successors in administering said Trust shall have the following powers  
and observe the following directions, to-wit:

(1) This Trust shall be known as "Lew Wentz Foundation of the  
Oklahoma Agricultural and Mechanical College."

(2) This Trust is created for the purpose of making available a  
fund from which deserving students attending the Oklahoma Agricultural  
and Mechanical College may borrow to assist them in obtaining an educa-  
tion, and for such other purposes as may be provided by amendment or

amendments made in accordance with Section fourteen (14) of this instrument.

(3) The Trustees shall be four in number and shall act as a Board and make all contracts and execute instruments in the name of "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College."

(4) The Board of Trustees shall consist of the President of the said Oklahoma Agricultural and Mechanical College, Bradford Knapp; The President of the Exchange National Bank of Tulsa, Oklahoma, James J. McGraw; a member of the Alumni Association of said Oklahoma Agricultural and Mechanical College, Fred G. Drummond; and an appointee of the Settler; Joe N. Hamilton.

(5) The death or the removal or resignation of Bradford Knapp, as President of said College, shall operate to remove him as Trustee of this fund and his successor as President of said College shall automatically become his successor as Trustee under this instrument, and at all times the person occupying the office of President of said College shall be one of the four Trustees under this instrument, it being the intention of the Settler that the President or Acting President of the Oklahoma Agricultural and Mechanical College, whoever he may be, shall occupy the office of Trustee under this instrument now occupied by Bradford Knapp.

(6) The death or the removal or resignation of James J. McGraw as President of the Exchange National Bank of Tulsa, Oklahoma, shall operate to remove him as Trustee of this fund and his successor as President of the Exchange National Bank of Tulsa, Oklahoma, shall automatically become his successor as Trustee under this instrument, and at all times the person occupying the office or acting as President of the

Exchange National Bank of Tulsa, Oklahoma, or its successor Bank, shall be one of the four Trustees under this instrument, it being the intention of the Settler that the President or Acting President of said Bank or its successor, whoever he may be, shall occupy the office of Trustee under this instrument now occupied by James J. McGraw.

(7) The term of office of Fred G. Drummond as Trustee shall expire on June 30th, 1931, and his successor shall be appointed by the Executive Board of the Alumni Association of the said College. The term "Executive Board" being understood to mean that body of officers and committeemen which is regularly elected or selected by the Alumni Association of the Oklahoma Agricultural and Mechanical College and charged with the management, control and direction of the affairs of said Alumni Association. The election of said Alumni Association member of this Board of Trustees shall be made by resolution passed by the Executive Board of said Alumni Association, certified by its Secretary, and delivered to the Board Trustees of this Trust. After June 30, 1931, the regular term of the Alumni Association member shall be for a period of three years. Vacancies caused by the expiration of term of office, the death, resignation or removal from the State of Oklahoma, of the Alumni Association member, shall be filled in the regular manner as provided above; and if said Alumni Association Executive Board shall, at any time, for a period of sixty days after due notice from the Board of Trustees of this Trust fail to select a member to fill such vacancy then, in that event, the Alumni Association member of the Board of Trustees of this Trust shall be selected by the other members of the Board of Trustees, and the member thus selected shall serve until the expiration of the unexpired term.

(8) Upon Joe N. Hamilton's death or resignation as Trustee, or removal from the State of Oklahoma, his successor shall be appointed by the Settler, if living, and if not living, his successor shall be appointed in accordance with the provisions provided for this purpose, as set out in the Last Will and Testament of the Settler. In case no such provision is made by the Settler in his Will, the other members of said Board of Trustees shall appoint a fourth member, provided, that the member thus appointed shall be a representative business or professional man residing in Ponca City, Oklahoma, at the time of his appointment; and provided further, that appointments made by the Settler or other members of the Board of Trustees, as provided in this section, shall be for periods, or unexpired portions thereof, ending June 30, 1930, and each three years thereafter; and provided further, that the appointee of the Settler can be removed by the Settler at Will.

(9) The Trustees shall keep a permanent record of the appointment of succeeding Trustees, minutes of each meeting of the Trustees, and complete records of all their business transactions.

(10) The Trustees shall, from time to time, formulate rules and regulations, not in conflict herewith, for the administration of this Trust. They shall have power to make loans to minors without requiring the endorsement of an adult. No loan shall be made to any student until all requirements of the Board shall have been complied with. A reasonable rate of interest, to be determined by the Trustees, but not less than five (5) percent, per annum, shall be charged on all money loaned, but not more than seventy-five (75) percent of the reasonable yearly student school expense shall be loaned to any individual student during any school year. The term "Yearly student school expense" as

herein used shall be understood to mean the reasonable and necessary expense of that class of students who are in some degree self-supporting. No loan shall be made to any student who has not attended the Oklahoma Agricultural and Mechanical College or the University of Oklahoma one school year prior to application for a loan.

(11) During a vacancy in the Board of Trustees, the remaining Trustees shall have full power to act. If no vacancies exist, a majority vote of the Trustees shall be necessary for any action. If vacancies exist in said Board of Trustees to take action; provided that in filling a vacancy on the Board of Trustees a majority of the remaining trustees may choose.

(12) The Trustees shall have power to employ clerical help; to sue and be sued in the name of "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College;" to employ and pay counsel to represent and defend the Trust Estate; to incur and pay all necessary expenses connected with the administration of this Trust; to borrow money for Trust purposes and on behalf of the Trust and to execute notes and pledge Trust assets as security therefor, provided, however that the face value of all assets pledged shall not be greater than the amount borrowed, and provided further that at no time shall the debts of the Trust Estate exceed twenty (20) percent of the value of the corpus of the Trust Estate. In executing notes and contracts in the name of the "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College" all of the Trustees shall sign their names thereto, as trustees, but shall not be personally liable for the payment of any such loan or any contract, and all notes and contracts executed by the Trustees on behalf of the Trust Estate shall recite "The Trustees are

not personally bound by this Contract, the Trust Estate alone being liable." Each Trustee shall be liable for his own acts and then only for a wilful breach of trust.

(13) The individual members of the Board of Trustees of this Trust shall accept their offices and serve in the capacities indicated and with the understanding that neither he nor she shall receive any remuneration or compensation for his or her personal expenses incurred in acting as a member or officer of this Board of Trustees, or for his or her services rendered in any capacity therewith.

(14) During the lifetime of the Settler this instrument may be amended so as to enlarge or restrict the powers and duties of the Trustees and or enlarge or restrict the scope and purposes of this Trust; such amendment or amendments to be in writing and filed with the Board of Trustees of this Trust, but no amendment shall have the effect of revoking this Trust or restoring or returning to the Settler possessions of ownership or any portion of the funds paid into this Trust.

(15) During the lifetime of the Settler the Trustees shall make such reports to the Settler as he may request. The books and records of the Trustees shall always be open for inspection by the Settler or his representative, or any other Donor thereto. After the death of the Settler, the books and records of the Trustees shall be audited annually at a reasonable cost to the Trust Estate by a qualified accountant appointed for that purpose by the Governor of the State of Oklahoma, and a summary of his report shall be published in the paper of largest circulation in Tulsa, Oklahoma, Stillwater, Oklahoma, and Ponca City, Oklahoma at the expense of this Trust Estate.

(16) The Trustees acting hereunder shall have full authority to

administer the funds herewith donated and delivered to them, and all accruals, increases and additions thereto in accord with the purposes of the Settler, as herein expressed, or as may be hereafter amended, and are hereby authorized and empowered to accept and administer hereunder as a part of the Trust Estate known as "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College" any other gifts or donations from the Settler and or any other person or persons.

(17) The Settler hereby designates as the depository for all funds belonging to this Trust Estate, the Exchange National Bank of Tulsa, Oklahoma, and its successors or assigns, but reserves to the Board of Trustees of said Trust Estate, the power and authority to change said depository at any time such change may, in the judgement of said Board, be advisable; provided, that such change must be authorized and directed by not less than three members of the Board of Trustees of said Trust; and provided also that no change in depository shall be made during the lifetime of the Settler except by and with his written consent; and provided also, that some bank or trust company in Tulsa, Oklahoma, shall always be the official depository of all funds belonging to "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College." Funds deposited to the credit of this Trust Estate shall be in the name of "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College" and shall be subject to check signed as directed by the Board of Trustees.

(18) The principal place of business of this Trust Estate shall always be that city of Oklahoma which is the home of the Oklahoma Agricultural and Mechanical College (now Stillwater, Oklahoma) and this instrument shall be recorded on the records of Payne County, Oklahoma.

IN WITNESS WHEREOF, I hereunto set my hand and signature on this  
28th day of December, 1926.

\_\_\_\_\_  
S e t t l e r

We, the undersigned, named as Trustees in the above and foregoing  
instrument, hereby accept the Trust and agree and bind ourselves and  
our successors to act as Trustees and administer the Trust Estate to  
the best of our ability.

\_\_\_\_\_  
President, Oklahoma Agricultural and  
Mechanical College.

\_\_\_\_\_  
President, The Exchange National Bank  
of Tulsa, Oklahoma.

\_\_\_\_\_  
Alumni Representative.

\_\_\_\_\_  
Representative of L.H. Wentz.

State of Oklahoma)  
                                  : SS.  
County of Kay            )

Before me, the undersigned, a Notary Public within and for said  
County and State, on this 28th day of December, 1926, personally appear-  
ed L.H. Wentz, to me known to be the identical person who executed the  
within and foregoing instrument and acknowledged to me that he executed  
the same as his free and voluntary act and deed, for the uses and



purposes therein set forth.

WITNESS my hand and official seal as such Notary Public the day  
and year last above written.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_ 19 \_\_\_\_\_.

APPENDIX B

LAST WILL OF L.H. WENTZ

I, L.H. Wentz, of Ponca City, Kay County, Oklahoma, being now in good health and strength and desiring to make disposition of my property and affairs, do hereby make, publish, and declare the following to be my last will and testament, hereby revoking and cancelling all other or former wills and codicils thereto by me at any time made.

FIRST:

I direct the payment of all my just debts and funeral expenses.

SECOND:

I hereby designate and appoint M.P. Long and T.W. Prentice, both of Ponca City, Oklahoma, as Executors of my estate and of this my last will and testament; they to serve without bond or security, in any jurisdiction where they may be called upon to act as Executors of my estate. Should either of my above named Executors die or become incapacitated before my estate is fully settled, then and in that event, my surviving Executor and my attorneys, Felix Duvall and Ned Looney, or the survivor of them if one of them be deceased, will agree upon another Executor of my estate (succeeding such deceased or incapacitated Executor) and notify the court having jurisdiction of my estate; and the court is directed and requested to appoint such person so chosen as above as one of the Executors of my will and estate, he to serve without bond.

I direct my executors above named to sell and convert into cash all of my property and estate, real or personal, of which I die the owner, or in which I have any interest. Provided, however, to permit the systematic and orderly sale and conversion of my estate into cash, my said Executors shall have seven years from the date of my death within which so to sell all of the property of my estate; making such sales of parts thereof, wheresoever the same may be located, at any time and times during the said seven-year period which in their judgment may seem best and advisable, and to enable them to provide and accumulate funds for the timely payment of income and other taxes and expenses of my estate. My Executors are hereby fully and completely authorized, empowered and directed to make such sales of any and all of my estate, both real property and personal property, and wherever located, at private sale or sales, and without notice, and at such times and in such manner and upon such terms as they may in their judgment, deem most advantageous and for the best interest of my estate; and to execute and deliver any and all conveyances, deeds or other instruments necessary or required in connection with any such sales; and without ever the necessity of applying to any Court for authority or Order to make any sale or sales.

And during so much of said seven-year period as my Executors find they need, to liquidate properly, distribute and administer my estate, my said Executors shall have full power and authority, and they are hereby fully authorized and empowered, to continue and carry on my business, either in whole, or in such parts, departments or divisions, as they may from time to time deem best and most advantageous for my estate. And in carrying on my said business, or any divisions or

departments thereof, my Executors shall have full authority to employ or to continue my former employment of such agents and employees as may in their judgment be necessary and advisable for such purposes; and in this connection, I have an employment contract with Leigh Taliaferro, and further service and activity of Leigh Taliaferro thereunder, shall be under the direction, judgment and supervision of my Executors. My Executors shall have full power, authority and discretion to do any and all things which may in their judgment be necessary to conserve properly, protect and handle my estate; including full authority and direction to make all payments and do all other acts and things necessary to preserve and protect any and all security held by or pledged to me as security for or in connection with any and all indebtedness to me from others, all as fully and completely, for the protection, conservation and proper handling and administration of my estate, as I could do were I living.

If at times during the administration of my estate my Executors be not in full agreement and accord concerning any of the several powers, duties and matters left in this will to their discretion, judgment and decision, then in any such case, they will confer together with my attorneys, Felix Duvall and Ned Looney; and I hope and recommend that my Executors then proceed according to the majority opinion resulting from such four-party conference. Provided however, I emphasized that this is only my recommendation, and shall never limit or in any way affect the legality and finality of any action made or taken by my Executors in any such discretionary matters.

THIRD:

My usual and routine legal affairs have been handled by Felix

Duvall of Ponca City, Oklahoma; and Ned Looney of Oklahoma City, Oklahoma, has been associated with and assisted him in many of my legal matters when I have desired. I desire this relation to continue; and accordingly, it is my will and direction that my Executors use Felix Duvall as general attorney for my estate; and that as additional legal services are required, or deemed by my Executors to be appropriate, at any time or times during the administration of my estate, that Ned Looney assist and be associated with Felix Duvall in such matters.

FOURTH:

Through the creation and successful operation of Adeline Trust, my relatives, beneficiaries in said Trust, have been in the past, and will be in the future, substantially provided for, both as to monthly income and principal payments. Although originally responsible for Adeline Trust, I have no control whatever over or concerning it, or any financial interest in it. Adeline Trust is wholly separate and apart from my estate, and in nowise connected with or affected by the administration of my estate.

FIFTH:

Should any beneficiary named in this will predecease me, then, unless I have expressly provided otherwise as to his or her bequest, the same shall lapse, and the bequest which he or she would have taken, except for predeceasing me, shall remain a part of the funds of my estate.

SIXTH:

Should any beneficiary named herein contest this will, or any part or provision thereof, in any court anywhere, then the beneficiary so contesting the same shall take nothing whatsoever of my estate under

this will or otherwise.

SEVENTH:

After my Executors have paid Federal and State estate taxes which will be due from my estate, or have specifically set aside sums, properties or assets of my estate sufficient for such purposes; and have set aside funds, properties or assets of my estate sufficient to pay all costs of administration, fees and expenses of my estate, then it is my will and direction that out of and from the first funds thereafter available in the hands of my Executors, the following named beneficiaries be paid the following specific bequests, all as provided in this SEVENTH Paragraph of my will. That is, when funds are available therefore, then, and before any payments are made to any beneficiary named in any later paragraph of this will, all bequests made, directed and set out in this SEVENTH paragraph of my will shall be paid and completed in full. And out of and from such first available funds of my estate, I make the following directions and bequests:

I desire to provide a fixed monthly income, payable under the terms of a fully paid Life Insurance Company annuity contract or annuity policy (hereafter for brevity referred to as annuity) for my niece, Dorothy Wentz Healey. Accordingly, it is my will and direction that my Executors use and expend the sum of One Hundred Fifty Thousand (\$150,000.00) Dollars of the monies and funds of my estate to buy from some well-established life insurance company, a fully paid annuity in said principal amount, for the benefit of Dorothy Wentz Healey, said annuity to provide for the payment to Dorothy Wentz Healey of the sum of Five Hundred (\$500.00) Dollars per month beginning one month after the date of said annuity and continuing a like payment to her each

consecutive month thereafter until the entire amount payable under said annuity has been so paid. Said annuity payable to and for the benefit of Dorothy Wentz Healey, shall provide that the same is not assignable, cannot be pledged or hypothecated, and that the amount of the monthly payments thereunder cannot be changed. Said annuity shall further provide that in the event Dorothy Wentz Healey should die before the proceeds thereof are all paid out to her in monthly payments as aforesaid, that then such monthly payments shall thereafter be made to her sons, Burke Healey and Baren Healey in equal amounts, and to the survivor of them, should one of them die before said payments are completed, until all payments provided for in said annuity have been fully paid. And further, and for the benefit of Dorothy Wentz Healey during the time until my Executors may complete the purchase of said annuity, my Executors shall make monthly payments, beginning immediately after my death, to Dorothy Wentz Healey, in the sum of Five Hundred (\$500.00) Dollars per month, from any funds in my estate, until such time as Dorothy Wentz Healey begins to receive her monthly payments from and under said annuity.

In addition to the foregoing annuity bequest and provisions for my niece, Dorothy Wentz Healey, it is my desire that she have the home where she is now living and all furniture therein. Accordingly, I will, give, devise and bequeath to Dorothy Wentz Healey, the following described property:

Lots Seventeen (17), Eighteen (18), Nineteen (19) and Twenty (20) in Block Thirty-one (31), Townsite of Hartman, a legal sub-division of the City of Ponca City, Kay County, Oklahoma; together with all furniture and personal property of every kind and character in the home located on said premises, as hers absolutely.

The general powers and directions given to my Executors in paragraph SECOND of this will, concerning sale of all property of my estate, shall not apply to this particular real estate and personal property above described.

I also desire to provide a fixed monthly income, payable under the terms of separate fully-paid annuities to Burke Healey and Baren Healey (sons of my niece, Dorothy Wentz Healey). Accordingly, it is my will and direction that my Executors use and expend Three Hundred Thousand (\$300,000.00) Dollars of the monies and funds of my estate to buy from some well-established life insurance company a full-paid annuity in said principal amount for the benefit of Burke Healey, said annuity to provide for and guarantee the payment to Burke Healey of the sum of Five Hundred (\$500.00) Dollars per month, beginning one month after the date of said annuity and continuing a like payment to him each consecutive month thereafter until the entire amount payable thereunder has been so paid. Said annuity so payable to and for the benefit of Burke Healey, shall provide that the same is not assignable, cannot be pledged or hypothecated, and that the amount of the monthly payments thereunder cannot be changed. And said annuity shall further provide that if, before all payments thereunder are completed to Burke Healey, he should die leaving a wife or child or children, then said payments under such annuity to continue to them, and the survivor or survivors of them in equal parts, until all paid out; but that if, before all payments under said annuity are paid to him, Burke Healey dies leaving no wife or child, then all further payments under said annuity to be made and paid to Baren Healey, if he be then living; and if Baren Healey be not then living, to his surviving wife and child or children



in equal parts.

And my Executors shall likewise use and expend Three Hundred Thousand (\$300,000.00) Dollars of the monies and funds of my estate to buy from some well-established life insurance company a fully-paid annuity in said principal amount for the benefit of Baren Healey, said annuity to provide for and guarantee the payment to Baren Healey of the sum of Five Hundred (\$500.00) Dollars per month, beginning one month after the date of said annuity and continuing a like payment to him each consecutive month thereafter until the entire amount payable thereunder has been so paid. Said annuity so payable to and for the benefit of Baren Healey, shall provide that the same is not assignable, cannot be pledged or hypothecated, and that the amount of the monthly payments thereunder cannot be changed. And said annuity shall further provide that if, before all payments thereunder are completed to Baren Healey, he should die leaving wife or child or children, then said payments under such annuity to continue to them, and the survivor or survivors of them in equal parts, until all paid out; but that if, before all payments under said annuity are paid to him, Baren Healey dies leaving no wife or child, then all further payments under said annuity to be made and paid to Burke Healey, if he then living; and if Burke Healey be not then living, to his surviving wife and child or children in equal parts.

And further, and for the benefit of Burke Healey and Baren Healey during the time until my Executors may complete the purchase of their said annuities as above provided, my Executors shall make monthly payments beginning immediately after my death to Burke Healey in the sum of Two Hundred Fifty (\$250.00) Dollars per month, and to Baren Healey

in the sum of Two Hundred Fifty (\$250.00) Dollars per month, from any funds in my estate, until such time as Burke Healey and Baren Healey begin to receive their monthly payments from their said annuities.

I give and bequeath the sum of Fifty Thousand (\$50,000.00) Dollars to Oklahoma Society for Crippled Children. Provided however, this bequest is upon the express condition and trust that said Oklahoma Society for Crippled Children use, of and from this bequest, not less than Five Thousand (\$5,000.00) Dollars per year upon and as a part of the salary of Joe Hamilton, Secretary of the Oklahoma Society for Crippled Children, for the term and period of ten (10) years following the date of my death. At my request years ago, Joe Hamilton gave up an established and successful professional career to become Secretary of Oklahoma Society for Crippled Children, has rendered splendid service in that connection, and without any assurance or guarantee of permanence of his position. It is specifically to assure and provide funds for Joe Hamilton's salary as Secretary of Oklahoma Society for Crippled Children in an amount not less than \$5,000.00 per year, at least for the time above set out, that I make this bequest to the Society. And said Oklahoma Society for Crippled Children shall so handle; invest and keep the funds of this bequest, that at least the sum of \$5,000.00 thereof be available to and paid to Joe Hamilton, annually upon his salary, as aforesaid. Provided however, should Joe Hamilton predecease me, or end and terminate his connection with Oklahoma Society for Crippled Children prior to my death, then and in that event, this bequest to Oklahoma Society for Crippled Children shall lapse.

EIGHTH:

After my Executors have paid and completed in full all bequests

and annuity investments and provisions provided for in paragraph SEVENTH of this will, then it is my will and direction that out of and from the next available funds of my estate, all persons in my employment at the time of my death be paid twenty-five (25%) per cent of the total amount theretofore received by each such employee during all of the time he or she has been employed by me. That is, my Executors are hereby directed to pay from such next available funds to each person who is employed by me individually at the time of my death, a sum equal to twenty-five (25%) per cent of the total amount theretofore paid by me as salary to each such employee. Provided however, the provisions of this paragraph shall not apply to Leigh Taliaferro, and he shall not be paid any amount hereunder because of the fact that I have an employment contract with him as heretofore mentioned in paragraph SECOND of this will.

NINTH:

After the payment of all taxes of every kind due from my estate, and the payment of all fees and costs of administration, and after the payment and completion of all bequests and annuities heretofore made and provided for in each and all of the foregoing paragraphs of this will, and after the payment of any bequests by me made hereafter in any Condicil or Codicils, to this will, then the balance, remainder and residue of all funds and monies remaining in the hands of my Executors, and hereinafter referred to as the residue of my estate, I will, give and bequeath to the following named beneficiaries, and in the percentage and portion to each as follows:

I will, give and bequeath to Masonic Charity Foundation of Oklahoma, Twenty per cent (20%) of this residue of my estate.

I will, give and bequeath to the Lew Wentz Foundation of Oklahoma University, Twenty per cent (20%) of this residue of my estate.

I will, give and bequeath to the Lew Wentz Foundation of Oklahoma Agricultural & Mechanical College, Twenty per cent (20%) of this residue of my estate.

I will, give and bequeath Twenty per cent (20%) of this residue of my estate to Dorothy Wentz Healey, Burke Healey and Baren Healey, in equal parts, one-third (1/3) to each of them.

And the remaining Twenty per cent (20%) of this residue of my estate I will, give and bequeath to T.W. Prentice and M.P. Long, in equal parts, one-half (1/2) to each of them.

IN WITNESS WHEREOF, I, L.H. Wentz, have to this my last will and testament subscribed my name this 10th day of February, 1949, at Ponca City, Oklahoma.

/s/L.H. Wentz  
L.H. Wentz

Subscribed by L.H. Wentz in the presence of each of us, the undersigned, and at the same time declared by him to us to be his last will and testament; and we thereupon, at the request of L.H. Wentz, in his presence and in the presence of each other, sign our names hereto as witnesses this 10th day of February, 1949, at Ponca City, Oklahoma.

/s/ Thos. McElroy, M.D.

Ponca City, Okla.

/s/ Margaret Hargrove (?)

Ponca City, Okla.

APPENDIX C

IN THE DISTRICT COURT OF PAYNE COUNTY

STATE OF OKLAHOMA

In the Matter of the )  
 )  
Lew Wentz Foundation of the Oklahoma ) No. 18:799  
Agricultural and Mechanical College )

JOURNAL ENTRY OF JUDGEMENT

Now on this 23rd day of March 1960, this cause, having been heard in part on January 11, 1960, and having by the Court been continued subject to call, has come on for final hearing. John C. Monk and B. E. Morrison appeared for the Trustees. Winfrey D. Houston appeared for Neil H. Douglas and all other persons who may now and in the future be eligible to receive benefits under the above designated trust. The Attorney General, Mac Q. Williamson, appeared for the State of Oklahoma.

On 11 January 1960 the Court heard testimony of Mr. Joe N. Hamilton one of the Trustees. At this final hearing Dr. Oliver S. Willham, President of Oklahoma State University of Agriculture and Applied Science, a resident of Stillwater, Oklahoma and one of the Trustees and Mr. Raymond E. Bivert, Director of Student Loans, Oklahoma State University of Agriculture and Applied Science, testified,

Having heard the testimony and arguments, the Court finds that the Court has jurisdiction of the matter, that venue is properly laid in

Payne County, that each and every allegation of the petition is true, and that a true and correct copy of the trust instrument creating the "Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College" dated 28 December 1926, is attached to the petition filed in this cause, which instrument by previous order of this Court was confirmed as a duplicate original of the same force and effect as the original.

The Court finds that it was the intention of Lew Wentz, the Settlor, to assist deserving students attending the Oklahoma Agricultural and Mechanical College, said college being now known as Oklahoma State University of Agriculture and Applied Science, in obtaining an education; that the original endowment and subsequent additions thereto have created a fund considerably in excess of that amount possibly anticipated by the Settlor or necessary to provide an adequate source for funds for loans to deserving students; that Lew Wentz, the Settlor, did intend to create the trust for the sole purpose of assisting deserving students in obtaining an education and that only a relatively small percentage--some ten to fifteen percent--of the present fund can be used to assist deserving students through loans as contemplated in the original trust instrument.

The Court finds that under the present circumstances of the economy and the current status of study in the area of higher education, strict administration of the terms of the trust instrument is impossible; that the deviations from the details of the administration of the trust as prayed in the petition filed in this case do not alter or change the ultimate beneficiaries, nor divert the fund from the charitable purpose intended, but will in fact, facilitate the fulfillment of the true intent of the Settlor; that the Settlor's true charitable

intent may best be served and fulfilled by the Trustees' granting service scholarships from that part of the trust fund derived from past and future earnings; that the Settlor in fixing a minimum rate of five (5) per cent interest on loans from the fund did so with the intent that students might borrow money from the said fund at a lesser rate of interest than would be charged by a lending institution; that interest rates are dynamic and subject to fluctuation so that the requirement of a fixed rate of interest has at times prevented the optimum utilization of the trust fund as a source of loans to students; that the Trustees from their experience in the financial world and in particular due to their experience in the administration of the Lew Wentz Foundation, are especially qualified to determine and set a reasonable rate of interest upon student loans which will enable a maximum number of deserving students to benefit from the funds available.

The Court further finds that from the time the Settlor created the subject trust fund, the graduate student body at Oklahoma State University of Agriculture and Applied Science has grown from approximately three in number to greater than 1200 in number; that such growth was not foreseeable by the Settlor and had it been foreseen the Settlor would have desired that the financial assistance of the trust fund be made available to such students; further, that there are other deserving students who have not attended Oklahoma State University of Agriculture and Applied Science one year who are in need of a source from which to receive financial aid to obtain their education, and that under the existing circumstances and economy the Settlor would intend that financial assistance be made available, under the competent and strict administration by the Trustees, to such deserving students.

It is the finding of this Court that Mr. James J. McGraw, President of the National Bank of Tulsa, successor to the Exchange National Bank of Tulsa, Oklahoma, has expressed his inability to serve in his appointed capacity as Trustee of the Lew Wentz Foundation and that Mr. P.D. Hayes, Vice President of the said National Bank of Tulsa, was nominated as Mr. McGraw's replacement and duly appointed to that position by the remaining members of the Board of Trustees; and further that all official actions done by Mr. Hayes in his capacity as such Trustee and within the scope of his authority are ratified and confirmed.

The Court finds that the proper construction of the trust instrument places no restriction upon the Trustees' power to invest said trust fund, and that in the absence of such restriction the Trustees' investment powers are those expressly granted by Title 60, Oklahoma Statutes of 1951, Section 161; that an annual audit by an independent certified public accountant, selected by the Trustees, will satisfy and accomplish the requirements for an annual audit of the trust fund as contemplated in the trust instrument by the Settlor.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the duly appointed and acting Trustees of the Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College may deviate from the details of the administration of said trust in the following manner and form. That is, the Trustees may grant service scholarships to deserving students from those funds derived from past and future earnings of the trust fund, said scholarships to be granted at the discretion of the Trustees, and on such terms and conditions as the Trustees may prescribe; and to be repaid in such manner and form, and such means, as the Trustees may determine appropriate; the Trustees may grant loans and/or service schol-



arships to deserving students regardless of their length of attendance at the University of Oklahoma or Oklahoma State University of Agriculture and Applied Science; the Trustees shall exercise their discretion in determining the rate of interest that loans by the trust shall bear, to the end that maximum utilization of the available funds may be used to assist deserving students in obtaining an education; that the Trustees shall annually cause an audit to be made of the books and records of the said Trustees, at a reasonable cost to the trust estate by an independent certified public accountant; that Mr. P.D. Hayes is, and has been, duly qualified and authorized to act as a Trustee of the Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College; and the Trustees may make such investments from and of the trust funds as are permitted in Title 60, Oklahoma Statutes of 1951, Section 161.

This cause is continued and shall remain open to permit the Court to grant continuing counsel and supervision to the Trustees of the Lew Wentz Foundation of the Oklahoma Agricultural and Mechanical College at such times and in such matters as may by this Court be deemed appropriate.

APPROVED:

\_\_\_\_\_  
District Judge

TRUSTEES OF THE LEW WENTZ FOUNDATION  
OF THE OKLAHOMA AGRICULTURAL AND  
MECHANICAL COLLEGE

BY

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Attorney

NEIL H. DOUGLAS AND OTHER PERSONS  
SIMILARLY SITUATE

BY

\_\_\_\_\_  
Attorney

STATE OF OKLAHOMA

BY

\_\_\_\_\_  
Mac Q. Williamson  
The Attorney General

## INVESTMENT OF TRUST FUND

Title 60, Paragraph 161  
Oklahoma Statutes 1949

PROPERTY IN WHICH TRUSTEES MAY INVEST--JUDGEMENT AND CARE REQUIRED.  
--Unless otherwise authorized, directed or restricted by order of the court or by the will, trust agreement or other document which is the source of the trust, the trustee may invest trust funds in any property, real, personal or mixed, in which an individual may invest his own funds. In making investments, the trustee shall exercise the judgement and care in the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The provisions of this Section shall not be construed to authorize a trustee to buy or sell property and investments from or to himself personally or to comingle trust funds with his individual funds. Laws 1949, p. 412,  $\frac{x}{x}$  1.

VITA<sup>2</sup>

William Edward McFarland

Candidate for the Degree of

Doctor of Philosophy

**Thesis:** A HISTORY OF STUDENT FINANCIAL ASSISTANCE PROGRAMS AT OKLAHOMA STATE UNIVERSITY, 1891-1978, WITH AN EMPHASIS ON THE CREATION AND ADMINISTRATION OF THE LEW WENTZ FOUNDATION.

**Major Field:** History

**Biographical:**

**Personal Data:** Born in Edinburg, Texas, December 9, 1946, the son of Mr. and Mrs. Elton E. McFarland.

**Education:** Graduated from Guy-Perkins High School, Guy, Arkansas, in May 1964; attended State College of Arkansas from 1964 to 1966; transferred to the University of Arkansas at Little Rock in 1970; received the degree of Bachelor of Arts with majors in history and government from the University of Arkansas at Little Rock in 1972; received the degree of Master of Arts in history from Oklahoma State University in December 1974; enrolled in Ph.D. program at Oklahoma State University in 1975 and completed requirements for the Doctor of Philosophy degree in May 1979.

**Professional Experience:** Graduate Teaching Fellow in History at Oklahoma State University from 1973 to 1975; Assistant Director of Financial Aids from 1975 to 1977; Assistant Director of Financial Aids and Coordinator for Campus Based Programs from 1977 to present.

**Professional Organizations:** Member of Phi Alpha Theta, National Association of Student Financial Aid Administrators, Southwest Association of Student Financial Aid Administrators, Oklahoma Association of Student Financial Aid Administrators, and Oklahoma College Personnel Association.