

**State of the University, 2009: Toward a Powerful Intellectual Community**  
**James W. Wagner, President of Emory University**  
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Each year during freshman move-in day my wife, Debbie, and I join other Cabinet members for an hour or so of helping families move their new Emory students into their dorm rooms. Normally we begin that morning stationed in front of the Dobbs Hall dormitory and greet each arriving minivan, SUV, and station wagon that pulls up to the curb to unload.

As we help carry suitcases and televisions and boxes and bags into the freshman dormitories, it's always fun to take the opportunity to find out where our new students hail from, and why they're joining us here Emory. This year, when I asked one young man from out of state what other universities he'd considered besides Emory, he told me that he had been accepted to a bunch of them, but that for him the decision had boiled down to just two schools, Emory and a most distinguished university in the Northeast.

"What made you come to Emory instead of going up north?" I asked. While I could think of many obvious reasons to choose Emory over any other undergraduate possibility, my guess is that many of his less-informed friends might have questioned his judgment in coming here, when he had been one of the very few given the opportunity to study at "Up North University."

His reply said a lot, both about him and about what attracts people to Emory. It was the campus visits, he said. Oh, both campuses are impressively beautiful, he said; both have superb facilities, faculty, and great students. But he got the distinct impression that everyone at the other university felt they had already arrived, that things were rather staid and maybe even proudly complacent. In contrast, at Emory he had a sense of an institution that was going somewhere—a community that was on the move, that the faculty, staff, and students had an evident enthusiasm

for the future, a sense that they had not yet arrived, but a determination to do so. He wanted to be part of that, he said.

Now, I don't want to put too much emphasis on the assessment of one new student, speaking on his first day on campus to the guy carrying his computer into his dorm room—especially since that guy happened to be the university president. But one does have to wonder just how he could draw this conclusion. How could someone who visited our campus last winter come away having sensed enthusiasm and determination? At that time, he would have caught us scrambling and sacrificing to address the shaking of our economic foundations, responding to harsh questions from media and public officials about the appearance of compromises to our research integrity owing to alleged conflicts of interest, and beginning to imagine the impact of a worldwide influenza outbreak. How is it possible that, as Emory was struggling with those burdens, he did not detect disappointment and despair, but instead found enthusiasm, promise, and determination?

A review of our year together since the last State of the University message shows that as a community we have been at our best in confronting, resolving, and rising above these challenges; that we have acted with great effort and responsiveness, but not at the cost of failing along the way to demonstrate leadership even to other institutions of higher education. We have not lost sight of our vision or our identity as a community. We have not focused merely on survival and recovery but have used the challenges of the year actually to advantage! Through all of our recent challenges, we have, as a community, continued to share a sense that we are going somewhere worthy of our best thinking, our strongest spirit, and our enduring determination. To the degree that that is true—and I believe that it is absolutely true—the state of Emory University is very good indeed.

So for the next half hour or so, please bear with me as I attempt to address three things. The first is to outline and thank you for your continuing efforts in helping our Emory community address the unusual challenges that presented themselves last year connected with changes in the economy. Secondly, I hope to lift your spirits a bit by reviewing some examples of our collective accomplishments over the past year that prove that we were not incapacitated or even severely distracted by the challenges of the times — clear evidence of our good thinking, our strong spirit, and our determination as an intellectual community. And third and finally, we should consider together just how critical it will be going forward to keep our eyes on our primary purpose and not be distracted from how Emory best serves society.

Let us deal first with the most evident challenge of last year. We began the academic year with a growing awareness that the world economy was melting around us, and before we had gotten very far into the fall semester we knew that we would have to take dramatic steps to correct for losses in the value our endowment and the income from it on which we had come to rely. By January it was clear that we were experiencing a long-term economic contraction, not just a brief downturn — a climate change, not just a passing storm. In that downturn our endowment lost about 21 percent. We have all read of other leading universities whose losses range in the neighborhood of 30 percent. Still, the drop from \$5.4 billion to \$4.3 billion between June 30, 2008, and June 30, 2009, and losses in other investment income, means that going forward, Emory will need to operate from a revenue base that is \$60 million less every year than we had become used to and had counted on for the future.

Now, Emory did not contract overnight to close that \$60 million gap, but neither were we able to fill it. Although a commercial entity faced with a sudden drop of revenue might avoid layoffs and shutdowns by turning to banks to borrow money just to operate, Emory (like other

universities) withdrew money from the corpus, the principal, of its endowment as a short-term fix. We also moved swiftly to reduce the budget for our then-current year and to redouble our efforts to raise funds and increase revenue. But spending from the principal of our endowment is only a short-term fix. In fact, it is an unacceptable strategy for the long term. Instead, our strategy must be to come to a new financial level as soon as possible that will allow us to go forward spending only a portion of the interest earned on our endowment, and not the endowment principal itself.

So, by developing new revenue and reducing expenses, we must go forward on a financial base that is at least \$60 million smaller than we had planned for from endowment and investment income. At the same time, we need to meet new and significant levels of expense stemming from our determination to meet the growing need for student financial aid at all levels. And in still another blow to our resource picture, we need to adjust to a new mix in the way patients pay (or, increasingly, don't pay) for the health-care services we provide, even as we wait for and try to influence possible new health-care reform legislation.

Our philosophy is to attempt to make the adjustments to our budget permanent in as short a period as possible. Some universities have determined that they will make their own transitions over a period as long as five years, doing so at the cost of both deeper reductions over time in their own endowments and the likelihood of continuing on-campus austerity practices, even long after world economic indicators begin to rise. At Emory, we are hoping to get there at the end of only two budget years, if possible. We are not sure that we can make that goal, but if we can, in the early fall of 2011 we can anticipate growing right along with the recovering economy.

In the spirit of determination that was so evident to our new freshman student, it has been gratifying to see our faculty and staff rally to the cause of re-sizing our programs and budgets.

Our own Student Government Association has made itself available for positive engagement as well. But deep determination has been and will continue to be necessary. Without proper determination we are tempted to follow our initial instinct and stray from our commitment to ethical engagement. One natural human instinct would be to ask people to do more with less. This is neither a long-term nor an ethical solution, particularly when others in our market maintain their salary structures at full levels.

The ethics of this situation are important. In the final analysis Emory is an organization and community called to serve society, to serve the cause of civilization. In spite of the change in the economic climate, we come to that task with great gifts. Emory—an institution to which much has been given—has the responsibility to use those gifts for the purpose of advancing society, not for our own comfortable survival. Attention to and satisfaction with our own institutional survival does not fulfill our obligation to lead and serve society as we must through teaching, research, scholarship, healthcare, and social action.

Thus a more ethical response to our current constraints is not to do more with less, but to do less with less—to do fewer things, but exceedingly well when we can. We must identify those things that are essential for us to be a scholarly community grounded in the liberal arts, driven by inquiry, and preparing engaged scholars through undergraduate, professional, and graduate education. Beyond that, we must commit our remaining resources only to those endeavors where we exhibit eminence or can grow from excellence to eminence, even if that means leaving to other universities the leadership in certain academic or professional arenas.

This process of identification and commitment is well underway, and unfortunately such re-focusing has in some cases led to the elimination of positions. This has brought a natural and understandable degree of sorrow and, let's face it, anxiety into our shared life. We would not be

a caring and humane community if the loss of colleagues did not prompt in us concern about their future welfare and, equally, scrutiny of our ethical responsibility to them.

Over the past year, we have closed or cancelled searches for over 250 open positions and lost 171 people to reductions in force, out of a workforce of around twenty-two thousand. To help take some of the pain out of their transition, our Human Resources leaders have been working hard to develop appropriately generous severance packages and, in some cases, retirement options, and our Faculty/Staff Assistance Program has worked with great diligence and compassion in facilitating counseling and placement referrals. Some of our colleagues whose positions were eliminated have found employment in other parts of the University. For those who have had to leave our community, we are grateful for their service and wish them well. And in addition to doing our best to ease their transition we have worked hard, as we must, to assure them and ourselves that Emory will fulfill our mission better, not merely at the same level, as a result of the reorganizations and adjustments that have led to these displacements.

With a clear strategy for ensuring that Emory can lead from its new resource base, let's explore further why it is that we can share with a young freshman a sense of enthusiasm and determination and an upward trajectory at Emory. How has Emory been able to be true to its mission "to create, preserve, teach, and apply knowledge in the service of humanity" instead of being distracted by the challenges that presented themselves last year, some of which still loom? Looking over the past year, there has been remarkable achievement in our colleges, schools, and operating units of which we can be justifiably proud, and upon which we can continue to build for the future. These accomplishments range from national recognition as an academic leader amid the explosion of interest in global health to the distinction of becoming Division III national champions in women's volleyball. An exhaustive list of accomplishments and future

opportunities and challenges would be far too long to present here, but a few examples will make the point.

To begin—last year, Oxford College brought distinction to Emory by being one of only forty-nine institutions nationwide selected to participate in the highly respected, nationally prominent Wabash National Study of Liberal Arts Education. Oxford's attractiveness to prospective students continues to rise as record numbers apply to be admitted to the program there.

Creativity and innovation have been hallmarks of our newly named Emory College of Arts and Sciences, as the College put in place a dramatically overhauled freshman advising program, eliminating the program called Freshman Advising and Mentoring at Emory, or FAME. In its place the College of Arts and Sciences faculty is fully involved in the program called Pre-major Advising and Connections at Emory, or PACE, with an emphasis on one-on-one advising.

In a complementary move, student initiative and faculty responsiveness led to the establishment of a new Pre-Health Mentoring Office, a partnership among the College, the Career Center, and the Provost's Office, to advise students who feel called to the health disciplines.

Last year was the first full year of operation of the new Center for Faculty Development and Excellence, and this year will see the development of a new blueprint for the arts at Emory. We found our Emory-Tibet Science Initiative featured in the *New York Times*, and this year we begin the planning to welcome His Holiness the Dalai Lama back to campus in October 2010.

The year ahead will bring further changes in our college of arts and sciences, as we search for a successor to Dean Robert Paul, who will return to the faculty after ten years of

administrative leadership. We will find an appropriate opportunity later this year to salute his contributions.

Our schools of theology and of graduate study, although most severely compromised among all of our colleges and schools by dependence on endowment and investment income, yet were undaunted, exhibiting excellence, promise, and determination. The Candler School continues to be recognized among the most eminent seminaries in the world. It added to its numbers some most distinguished faculty and is working to deepen its international ties and further strengthen its emphasis on practical and public theology.

The Graduate School itself has undergone a name change, with the trustees' approval of naming it in honor of President Emeritus James T. Laney. As the James T. Laney School for Graduate Studies, the school's name reminds us of the impact of President Laney's leadership across the entire University and represents Emory's intention to emulate Jim's example in underscoring the value of higher education to the larger aims of a free and civil society.

In the Law School, Woodruff Professor Martha Fineman received the University's Scholar/Teacher Award at Commencement this year for her path-breaking career in establishing the Feminism and Legal Theory Project as well as for her extraordinary mentoring of students. She is part of the reason that the Law School moved into the top twenty of law schools in the country in pursuit of its strategic goals of faculty distinction, strategic collaborations, and international engagement.

A progressive new MBA curriculum and leadership programming in the Goizueta Business School and an open commitment to a new phase of growth in reputation, student quality, and faculty research (for example a new Center in Alternative Investments) bodes well for distinctive contribution in the areas of creativity and education. Especially satisfying and fun

was the national visibility that the School enjoyed with the New York Stock Exchange Euronext summit held in early September, culminating in members of the School remotely ringing the bell on the trading floor at the conclusion of the trading day.

In the Nell Hodgson Woodruff School of Nursing there is excitement and expectation at the arrival of Dr. Linda McCauley to serve as Dean, supporting her school's aim to grow their research strength and increase the student census in their most advanced degree programs.

The Rollins School of Public Health certainly is an example of a component of Emory on the move, as the number of applicants to its MPH program swelled, with more qualified students than ever contributing to the matriculation of its largest class of first-year students. And there is nothing like the anticipation of a new building opening next spring to add to the sense of expectation.

The School of Medicine led the sponsored-programs segment of our enterprise to grow our research base to an unprecedented level. (So not every source of revenue is down this year.) Overall, the University, which last year exceeded \$400 million in research awards for the first time, with \$411 million in awards, this year saw that number skyrocket to \$484 million, with only \$13 million of that coming from economic stimulus funds.

In healthcare, Emory enjoyed an increase in the number of top-rated specialties (eleven), opened a new orthopedics and spine hospital, and rebranded our Emory Midtown Campus to give it greater visibility in the Atlanta community and greater synergy with our Druid Hills clinical operations. The partnership with Children's Healthcare of Atlanta is growing with new vigor, and new contract negotiations with Grady Hospital also lend a further sense of promise to the new year.

The Carlos Museum, after helping to sponsor Atlanta's exhibition of the King Tut treasures last year, will host an exhibit of Flemish and Dutch masterworks of Biblical illustrations while at the same time collaborating with other museums to send part of our treasures for exhibit around the world.

The libraries opened the archives of Alice Walker and plan a future opening of the archives of Salman Rushdie. Administratively, its leadership is taking bold and creative steps in positioning this superb and essential core facility more advantageously for the digital age.

During the past year, Emory's overall positive visibility was on the rise, being identified by the Global Language Monitor among the top universities for media momentum. Even *US News* agreed with our new freshman that Emory should be listed among the top "Up and Coming" universities.

Still more plaudits could be handed out. In fact, at each meeting of our Board of Trustees and its executive committee we provide a list of distinctions that must be reduced to only twenty-five or so to fit the available space. But one of my favorites from the last year was Emory's selection as one of only six institutions from a field of six hundred thirty-five nominees to be placed on the President's Honor Role for Community Service. As you can see even from this abbreviated account, our colleges, schools, and other operating units have not been distracted over the past year from their pursuits of excellence.

To continue to fuel our progress we launched at this time last year the public phase of Campaign Emory to raise \$1.6 billion. The long-planned public announcement of the campaign came just as the national economy was beginning its free-fall. But this odd convergence underscored the imperative of meeting our goal in order keep the implementation of our strategic plan moving forward. Since announcing our campaign last September, when we had already

reached the halfway mark toward our \$1.6 billion goal, we have continued to climb to over \$970 million and close in on \$1 billion, making Emory the first institution in the state of Georgia to raise that much money in a single campaign. Despite the economy, this work has gone better than we might have expected. For the first half of this calendar year was the most productive first six months that Emory ever has had. And while the Dow Jones Industrial Average dropped 46 percent at one point during our most recently completed fiscal year, the amount of campaign gifts raised during that same period was down only 14 percent from the previous year. We still have a long way to go before we can be certain that we can declare the campaign a success when it concludes in December 2012, but we have superb leadership in our Development and Alumni Relations Division, we have dedicated volunteer leaders, and, most importantly of all, we have a mission that is worthy of support from every quarter.

Over the past year the Strategic Implementation Advisory Committee, working with the deans and initiative leaders and many other faculty and staff members, has measured the degree of our success in implementing the plan we unveiled four years ago. The September 28 issue of *Emory Report* carries a rather full update of the results of that review, and I refer you to that rather than go into much detail about it here. I would say, however, that our review confirmed that our strategic plan is helping us to strengthen our core and enlarge the scope of what we do best, and it continues to give us direction and to provide us with means of accountability.

And what about the state of our physical plant and our master plan as it relates to the overall state of our university? While our master plan remains intact, we are not in a position to move ahead at the same pace as we had in the past. Still, we have recently completed several projects and will finish others this year. Only a year ago we dedicated the new building for the Candler School of Theology. That building also provides a home for our Center for Ethics to

support its mission, reaching into every one of our schools and colleges to enrich academic offerings and present engaging programs. Just down the block from the Theology Building is the new home for the Psychology Department. The beautiful and spacious Psychology and Interdisciplinary Studies Building will facilitate work among that department and other sciences and social sciences, affording an opportunity for new collaborations and greater discovery.

Elsewhere on campus we completed the new campus gate and are nearing completion of the Oxford Road Building, which will provide a beautiful and welcoming space for our admissions prospects, a new home for our bookstore that will make it accessible to the community, and a coffee shop that will provide yet another gathering spot for those caffeine-fueled conversations that seem indispensable to intellectual life. Across campus we are also finishing the fourth hall in our freshman residential village, which eventually will provide a coherent environment for each new entering class to experience the first year of Emory more richly as a community. And farther yet across campus, the Claudia Nance Rollins Building has been topped off; when it opens later this year it will round out a complex of buildings that includes both the Rollins School of Public Health and the Woodruff School of Nursing, just across the street from the Centers for Disease Control and Prevention to continue fostering the important and vital synergy on that corner of Clifton Road.

As we think about dormitories and public health, I must to digress for a moment to remark on the foresight and leadership of our multidisciplinary teams in both Emory University and Emory Healthcare who have helped us to prepare for the flu season. Many of you have read in the *New York Times* or seen on television news broadcasts the story of what has come to be called our “swine dorm.” It was a happy coincidence that we had taken Turman South Residence Hall off line last year in preparation for razing it, and that we therefore had the luxury of opting

to leave it up for an additional year as a quarantine site for ill students. We can be thankful for the hard work and planning of our staff in Campus Life, the Student Health Service, and the Office of Critical Event Preparedness and Response, which, you may recall, was formed initially in anticipation of the prospect of a flu pandemic several years ago. We have been able to manage well the first wave of the flu season. While we are still a long way from the end of the season, we can be deeply grateful for the countless hours of preparation and the innovative application of experience that our planning teams have brought in making our campus as ready as possible.

Now, having spent time reviewing with you the impact of the economy and our approach going forward in addressing the economic circumstances of the day, and having enjoyed with you a review of some of the accomplishments of the past year demonstrating that we have not been consumed or distracted by these difficulties, I would like to conclude by issuing a challenge, perhaps even a kind of warning.

To set the background, it seems that we, as a nation, are in a period when university consumers, regulators, partners, and communities are being more vocal than ever about what they expect and want from universities. Some students and parents say that universities should primarily be training centers that prepare graduates for the job market. (Last year, we even saw a graduate of one university bring a lawsuit against her alma mater because she had been unsuccessful in securing a job in her area of study.) We hear from our community that they want us to be good employers. (We are in fact the largest employer in the region.) Our municipal leaders want us to be an economic engine, and in Emory's case, a source of healing. (And we have the largest hospital system in the state.) Donors want us to be a good investment.

While we are indeed all of these things we must be careful to be much more. While we must (and do) satisfy these expectations and wants of society, we must go beyond this basic level

and also meet society's needs, even if society is less vocal, less articulate, or even less aware of the needs that universities, especially research universities like Emory, can and must meet. To a large extent, the means by which we satisfy the legitimate utilitarian wants of society will be to focus first and foremost on providing what modern society needs in order to flourish — we must focus on being a good and great university.

The challenge is this, that in spite of the fact that there may be little external pressure at the moment to do so, we must pursue as our first priority attending to the excellence of our intellectual community. Through effective mentoring and hiring and promotion practices, we must add daily to the distinction of our faculty. At the same time we must foster intellectual engagement, and provide a place for freedom of inquiry, courageous inquiry — a place that celebrates knowledge, sometimes just for its own sake, that seeks through art and literature and through the elegance of science to help guide the world to a more civil society.

There are few places besides our universities that are called specifically to serve this purpose, to be a home for a vibrant life of the mind. Society may be increasingly articulate about what it wants, but it needs also things like our Manuscript, Archives, and Rare Book Library, our Oxford College, our Fox Center for the Humanities. It needs our fundamental research as well as translational work. It needs our artistic exploration. And furthermore, to the degree that we can be true to these unique facets of our calling, to be a powerful intellectual community, we will also better satisfy for society what it believes it wants from us.

We will be a better preparer of students for the market place, but will prepare them also for citizenship as engaged scholars. We will be a better employer and economic engine. But to yield to those who urge us to employ more of our assets to shore up failing enterprises, or to make attractive concessions to new businesses at the cost of pursuing our primary purpose to be

a powerful intellectual community, only ensures over time that the very things that make Emory a jewel in our region's crown will tarnish.

To the degree that we become a better university, we will be a better healer, contributing to the health of our region and nation. We already operate the largest hospital system in the state. But it may be that Emory becomes a better healer, not by tending to larger numbers of patients, necessarily, but by setting our sights according to the standards of other great academic medical and health centers thus developing new approaches and modalities to be adopted also by others around the world thereby improving the health and healing of millions who will never even set foot in one of our hospitals or clinics. By tending to our primary call as an inquiry-driven intellectual community and doing what community health systems are not called to do, our impact is broadened globally while at the same time our attractiveness is enhanced locally.

Something to work on this year might be to add some explicit language to the current version of our mission statement, something to remind us of our core purpose and value. As it reads today, our mission statement commits us to create, preserve, teach, and apply knowledge in the service of humanity, which is fine as far as it goes. One wonders if we should be explicit also about our duty to foster an intellectual community, to convene every day to preserve and practice freedom of inquiry, and to celebrate knowledge. Knowing that by doing so, we are certain to increase also the many other values that people look for in a thriving university.

Members and friends of the Emory community, thanks to you, the state of our university is sound, and good, and promising. Promising, especially, if we can exercise the discipline necessary always to pursue our highest purpose and to be of greatest value, and strive to become that destination university that is internationally recognized as an inquiry-driven, ethically-engaged, and diverse community whose members work collaboratively for positive

transformation in the world through courageous leadership in teaching, research, scholarship, healthcare, and social action.

It remains my deep pleasure to continue to serve you as the president of Emory University.

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