

Back to the business of being a University

The State of the University Address, 28 September 2010

James W. Wagner, President, Emory University

Thank you, Beth, for your generous introduction, and welcome to all of you: distinguished members of the University Senate, members of the Cabinet, faculty members, staff, students, and friends of Emory University. The format of today's State of the University address will be like that of past addresses. After I take advantage of your patience and kind attention, you will have an opportunity to offer questions and comments at the microphones. It is impossible in a thirty-minute address to touch every subject or to provide much nuance concerning the subjects mentioned. So, please feel free to ask questions on any topic.

In this, my seventh annual State of the University address, coming as it does after two years of budget cutting and in the midst of a continuing economic climate change, I believe that I can truthfully say that, despite recent challenges, the state of Emory University is good, and the outlook for Emory is positive.

The principal reason I believe in the positive outlook of this university is you—those of you gathered here and all whom you represent in the Emory community. This is a remarkable community in every respect, and it is worth pausing often to acknowledge the combination of both excellence and goodness here that we often take for granted. It is not a combination found everywhere.

Truthfully, not everyone would agree that the state of University is entirely good. One of the opportunities that come with my job is to meet regularly with whoever's serving as the president of the Student Government Association. Just a few weeks ago, in my first

meeting of the new year with Beth Brandt, whom you have just met, she shared with me some of the outcomes of the SGA summer retreat. The SGA legislators and Executive Committee had used a portion of the retreat to do a SWOT analysis, assessing from a student perspective the strengths, weaknesses, opportunities, and threats confronting Emory at this time. Beth told me that one of the most disappointing topics of discussion for her during the retreat was the suggestion that Emory is threatened by a transformation from “Emory University” into “Emory Inc.”—the impression that Emory is becoming less of an intellectual community and more of a business concerned with the bottom line and the balancing of funds. As reason for this concern, Beth cited students’ higher sensitivity about administrators’ attention to the economy, rising fees of various kinds, and perhaps even a greater energy and passion about collecting these fees than is evident in lectures and debate. That last seems doubtful, given the high quality of our teaching faculty. Still, Beth reported that for much of the retreat, “Emory Inc.” became a buzz phrase understood by all to represent a disturbing trend.

Beth’s concern is a good one. After all, our students have not come here merely to be customers; nor our staff to be merely workers; nor our physicians to be assembly-line dispensers of elixirs; nor our faculty to master the art of low-bidding for research contracts or reciting lessons without time for reflection, creativity, and passion.

Still true to our mission

It is true that the times are having a profound impact on each of the traditional revenue sources that fuel our scholarly community—tuition income, research grants, philanthropy, investment income, and patient care reimbursement. Nevertheless, we have been true to our mission to “create, preserve, teach, and applying knowledge in the service

of humanity.” As part of this noble mission, we also celebrate—celebrate not only these processes concerning knowledge but also knowledge itself. Allow me to offer just a few examples of how we have been true to our academic mission.

Under the rubric of CREATING knowledge, our scientists and scholars have not been distracted. External research support hit an all-time high for Emory, exceeding half a billion dollars for the first time in our history and supporting our researchers in a range of creative endeavors. A new Mellon Foundation grant will support the defining and hiring of the next generation of humanities scholars—talk about a creative challenge! And the Lilly Foundation is supporting graduate education in religion and the Candler School of Theology.

In the English Department, Sally Wolff King gained the attention of the front page of the *New York Times* with the publication of her latest book, which reveals for the first time the source of some of William Faulkner’s fiction. It turns out that the great Nobel laureate found many of his stories in the ledger books of an ancestor of another Emory alumnus.

Under the rubric of PRESERVING knowledge, last spring we celebrated the opening of the Salman Rushdie archives with an exhibition and a symposium dedicated to the author’s life and work. More than merely a display of manuscripts, photographs, and personal mementoes—worthy as this alone would be—the opening of the archive represented the remarkable achievements of our librarians and archivists and information technology specialists, working together to retrieve and preserve materials that, in some cases, had never been on a page at all, but had been “born digital,” as they say. In one amazing feat, Emory specialists were able to retrieve from a fried hard-drive all the contents of that drive that had been lost even to Rushdie himself, after the spill of a can of

Diet Coke. Archivists and librarians around the country, indeed around the world, are watching closely as Emory takes the lead in this path-breaking, standard-setting work.

Under the rubric of TEACHING, we can celebrate the first full year of operation of the Center for Faculty Development and Excellence. With the appointment of Laurie Patton, the Charles Howard Candler Professor of Religion, to direct the center, activities and programs have brought together more than four hundred faculty members for workshops, seminars, and consultations on the art of teaching in just the last twelve months. Through its innovative matching of senior and junior faculty members, its offering of grants to support new teaching initiatives by faculty, its designation of distinguished teaching scholars to foster dialogue about pedagogy, the center is proving to be an effective catalyst for Emory's faculty members to reconfirm their dedication and grow their prowess in this most important practice.

Also notable in the area of teaching are new degree programs. For example, thanks to the good efforts of David Nugent and Jeff Koplán and others, the MacArthur foundation has identified Emory's James T. Laney School of Graduate Studies as one of only three US sites they are supporting to pilot a master's program in development practice. That program welcomed its first students in August, supported in part by the Institute for Developing Nations, under Sita Ranchod-Nilsson's direction, and now housed within the Laney Graduate School.

Under the rubric of APPLYING knowledge, we celebrated the selection of Emory Law professor Frank Alexander to serve as general counsel and director of policy and research for the Center for Community Progress. An award-winning scholar and teacher, with a passion for social justice, Professor Alexander is taking his expertise in municipal

and state-level affordable housing and community development to apply it to the national stage. The timing could not be more auspicious, as communities throughout the country seek to stabilize themselves in the midst of a great recession affecting the housing industry.

We can take great pride also in the application of knowledge evident in Emory's role in health care. The care of patients by the best minds in their disciplines employing cutting-edge diagnostics and therapies is clear evidence of applying knowledge in the service of humanity.

Speaking of service to humanity, it's worth noting, also, another bit of recognition of the kind that seems to come Emory's way every year—recognition of our students for service to society at large. This year, that recognition came in the announcement that Emory ranks among the top ten medium-sized universities contributing the greatest number of graduating seniors to Teach for America.

Creating preserving teaching and applying knowledge in the service of humanity, and in doing so over the past year Emory has much to *celebrate*.

- We celebrate the election of Woodruff Professor Shoshana Felman to the American Academy of Arts and Sciences. Professor Felman's work explores the connections among literature and psychoanalysis, philosophy, theater, women's studies, Holocaust studies, and the law.
- We celebrate the leadership of Emory scholars and administrators among organizations shaping the future of higher education.
 - David Wynes, vice president for research, has assumed the chairmanship of the Council on Governmental Relations, which addresses the challenges faced by its member universities as a result

of the federal funding they receive—issues ranging from increased regulatory legislation to the need to educate federal agencies and Congress about academic research and educational management.

- Dean Tom Lawley of the School of Medicine begins a term as chair of the Association of American Medical Colleges, which represents all accredited US and Canadian medical schools as well as the hundreds of teaching hospitals, health systems, and VA medical centers.
- Dean Lisa Tedesco of the Laney Graduate School has been elected to the board of the Council of Graduate Schools, the only national organization dedicated to the advancement of graduate teaching and study.
- We celebrate Emory's visible national leadership in the area ethics/bioethics. Programming from our Center for Ethics has accelerated under Paul Wolpe's leadership, and the White House Commission on the Study of Bioethical Issues will be on our campus in mid-November.
- We celebrate Emory's ability to attract top students, faculty, and administrative leaders.
 - Although we need to continue to refine our enrollment management, we celebrate that this year's freshman class is Emory's largest and most highly credentialed.
 - Oxford College is experiencing the consequences of a growing reputation, enrolling its largest freshman class ever. With its

largest representation of international students, its liberal arts intensive program noted for strength in community is poised for international impact.

- In the Woodruff School of Nursing, a new accelerated degree program for students with bachelor's degrees in a non-nursing discipline generated nearly four times as many applications as there were spaces. What attracts these students is the school's commitment to incorporating social responsibility into the curriculum.
 - How fortunate we are to have attracted leaders like Matthew Early from Columbia University to be vice president for campus services, and Robin Forman from Rice University to be dean of the Emory College of Arts and Sciences.
 - And how fortunate we are to have leadership development and succession planning that give us enough bench strength to appoint people like Steve Sencer as acting General Counsel and Wright Caughman as interim executive VP for health affairs.
- We can celebrate the opening of new facilities like the new Claudia Nance Rollins Building, which more than doubles the space devoted to the Rollins School of Public Health; and the new entrance gate that welcomes visitors; and the new admissions building on North Oxford Road that has two front doors, welcoming the greater community as well as our campus, and serving both with our new bookstore and a

new place for refreshment and social engagement. The Psychology and Interdisciplinary Studies building opened last year providing new and expanded teaching and research space. The new Longstreet-Means dormitory is tangible evidence of the pursuit of John Ford's Campus Life strategy to make Emory a campus of learning 24/7, a truly residential student community.

- We should celebrate the achievements and respect that our athletic programs command at a national level in our division.
- On the lighter side, we can celebrate that in addition to its strong scholarship and attractive (and ever highly ranked) academic programs, the Goizueta Business School has produced from its 2009 graduating class Jordan Pious, who achieved national attention when he and his brother Daniel beat ten other teams to win \$1 million in CBS's "Amazing Race." That's pretty good seed money for a budding entrepreneur.

Meeting Our Challenges

In celebrating the achievements of the last year, we could note so much more. But even a representative summary of the achievements of our faculty or the status of fulfilling our strategic plan (now at the five-year milestone), would take more time than I could reasonably ask for your attention. So having argued convincingly, I hope, that we have not forsaken our mission, let us turn now to some of the opportunities and challenges that will occupy our attention, energy, and resources this year. I'll present just five

opportunities/challenges, but acknowledge of course the myriad other areas of advancement that are the focus of efforts in each of our schools, colleges, and units.

The first is a continuing challenge already referred to, the challenge of ***continuing to adapt to our new economic climate*** by developing and adopting practices that make us the best “Emory Inc.” that we can be, in order for us to become the best Emory University we can be. Our office of the EVP for finance and administration, under Mike Mandl’s direction, has committed to focus this year on *developing the best business practices* in higher education that will not only better serve Emory but provide standards for others around the country. The commitment to do so is not an idle one, I can assure you. You may recall when we made a similar commitment to build a standard-setting process for enterprise-wide risk management. Emory's practices have since become a positive national example—even noted by name on the websites of some of our sister institutions.

In addition to being the most efficient stewards of the resources that we have already, opportunities exist to *explore additional sources of revenue* beyond the customary five sources—tuition, investment, research, philanthropy, and patient care. Honestly, we really cannot imagine growth in net tuition income, especially as students and their families continue to have greater need for financial aid. As for income from investments, since the summer of 2008, our endowment has been on a roller coaster starting at approximately \$5.5 billion on June 30, 2008, falling to a low of \$4.1 billion on March 31, 2009, and recovering to about \$4.6 billion by June 30, 2010, or about \$900 million less than two years ago (June to June). Consequently, we have entered our current fiscal year with the expectation of income from endowment and income from non-endowment short term

investments that is approximately \$50-\$55 million per year lower than we had enjoyed prior to the Great Recession.

Our growth in research income has been a bright spot. A 12 percent growth in research awards in 2010 will help us advance among our peers relative to the 2009 year, the comparative data for which had just been announced. Nearly all of that growth has been in our health sciences, with the School of Medicine and Yerkes leading the way along with Public Health and Nursing. But we will need to work to grow our research base, building peer recognition that the level and value of work that we do is worthy of and manifest itself in enabling research awards throughout the University. At the same time, we must deal with the uncertainty surrounding the level at which the federal government will continue to invest.

Another bright spot has been in philanthropy, where Campaign Emory, launched almost literally on the eve of the Great Recession in the fall of 2008, has attained over \$1.1B of its \$1.6 B goal. But that has been unusually difficult work through a tough time when people have understandably been concerned about their personal finances.

So beyond these five traditional revenue sources, what sorts of opportunities exist for Emory? The answer may lie in our attending properly to the subordination of Emory Inc. to Emory University. Here's what I mean. The changing landscape of higher education, pressures on the middle class, new technology, and greater competition from international universities as well as American universities, all mean that Emory must critically assess how it will fulfill its mission in coming decades, taking best advantage of these new conditions. For instance, are there new opportunities to provide educational services and facilitate research? Are there new markets for students and new means to reach them?

Does Emory have intellectual assets that we are not fully using, and from which we are not recovering full financial value? Emory cannot afford to miss the potential benefits of the changing educational and research environment, any more than we can afford to fall into the trap of business as usual. As we explore these opportunities, and we must, the fundamental principle here will not simply be to find additional revenue. Rather, it will be *to advance Emory's mission through our current avenues and in new ways, on new playing fields, while meeting or exceeding the standards of excellence and attention to community and character* that guide all of our activities—the things that make us Emory.

Each of our deans has accepted the challenge to work with the faculty in their respective schools, and Steve Sencer, our interim senior vice president and general counsel, will continue leading an effort centrally to ensure we have processes in place to explore opportunities for building on these kinds of intellectual capital that already exist but are not fully utilized at Emory. We'll look forward to considering recommendations that evolve from this effort.

The ***second challenge that will receive attention in the coming year will be enrollment management***, specifically undergraduate enrollment management. This effort will be led out of Provost Earl Lewis's office in partnership with our four undergraduate deans, Robin Forman from the College of Arts and Sciences, Steve Bowen from Oxford college, Larry Benveniste from the Goizueta business school, and Linda McCauley from the Woodruff school of nursing. Part of the challenge will be to ensure that, through focused marketing and other means, we are a highly visible and desirable destination for a large pool of candidate students, from whom we can shape a class that most contributes to and benefits from the learning environment we aim to create.

This might be a good point for me to mention something about rankings, since it is the same data trends that draw our attention to enrollment management that also have not served us well in recent rankings. I acknowledge that we are disappointed in Emory's drop from a three-way tie at 17th last year to 20th this year in the *US News & World Report* annual ranking. We are disappointed not because of inherent value to the rankings—there is little—but because they do affect the decisions of rising college students, parents, and in some cases even employers. Here is what we can say after analyzing the data. In the areas where we fell or were overtaken from behind—areas of admission selectivity, retention and graduation rates, and reputation—we can expect that our proposed efforts and focus on enrollment management will have a salutary impact on rankings.

The ***third challenge will be to refocus on taking better advantage of our opportunity truly to be a UNI-versity and not merely a multi-university.*** We have spoken about this before—about how we have the opportunity to build bridges and buttresses between strong elements that in other institutions have hardened into silos. Now is a perfect time to reach out our hands and stick out our necks to do what we may be unusually if not uniquely positioned to do. Our efforts to address the recent budgetary difficulties actually have driven our deans, unit directors, and divisional leaders to levels of more open discussion and honesty than ever before.

Along these lines, I would point to the unifying potential of Emory College of Arts and Sciences. Welcoming Robin Forman as our new Dean has meant welcoming also his vision that the liberal arts can enhance elements of the missions of every unit that collectively we call Emory. He is excited also about the ways our graduate school, our professional schools, Oxford, healthcare, Yerkes, Carlos Museum . . . all can contribute to

help produce an even more powerful and distinctive liberal arts education and scholarship opportunity at Emory.

In 2003, Emory's trustees prepared a prospectus to inform candidates being recruited through a nationwide search for the presidency of the University. I kept my copy of that prospectus. Within it were four key agenda items developed by a widely consultative process that had included students, faculty, staff, alumni, and the neighboring community. There were only four key agenda items:

First, the clear articulation of a vision;

Second, the creation of an overarching strategic plan;

Third, the promotion of Emory as a "university of choice"; and

Fourth, "A continued commitment to undergraduate education, ensuring that Emory College enjoys the reputation of a superb liberal arts college while being enriched by access to strong arts and sciences graduate programs, great professional schools, and an excellent health sciences Center in a research intensive environment."

This last agenda item was not about the protection of Emory College of Arts and Sciences but rather about securing and insisting upon its expected role as a central hub critical for pursuing the mission of a liberal arts-based, research university. It was to ensure for Emory the centrality of liberal learning in the classroom, in the laboratory, and in the world. It was to ensure that we would be committed to educating people first—people who would go on to be men and women of letters and learning and science, people who might become captains of commerce, people who would be healers, people who through the wise practice of law would build and preserve civilization, people who in

pursuit of matters of spirit and faith might lead others to pursue truths beyond those perceived only through tangible senses.

Attention to *this* challenge and opportunity will help us to reinforce for ourselves and others the value of a life of the mind. It will require identifying and investing in our strengths, while leaving for others the work that they might do better than we, recovering and reassigning critical resources, and becoming comfortable again with taking risks, and following our best judgment in order to lead rather than waiting for others to show us the way.

A fourth challenge facing us in the coming year will be to define Emory's version of an academic medical center for the future. In *education*—even now, after having completed the first four-year cycle of an exciting new medical school curriculum, we should be thinking even more deeply about opportunities for refinements in the teaching of medicine, nursing, public health, and the allied health professions, even imagining health professions not yet fully defined in order to lead the way in meeting the healthcare needs of our world.

And what of our *research* goals in the health sciences? As affirming as our research awards have been, and as encouraging as our peers have been that we are addressing important questions with our talented people and unique facilities, such as those at Yerkes and Wesley Woods, this is a time to ensure that we are doing not only profitable research but also research of the very highest value.

In *patient care*, the passage of new federal legislation actually interjects greater uncertainty rather than less, challenging us to find what is the proper balance between investing to increase our leadership share of the local marketplace versus investing for

leadership in quality of outcomes and patient satisfaction within the facilities we already own.

A final challenge for the year is one posed by Emory's alumni office. The growth of alumni engagement with Emory's extended mission has been accelerating in recent years. That prospectus that I mentioned a few minutes ago, prepared for recruiting Emory's president in 2003, boasted that Emory enjoyed a base of some 70,000 living alumni. Only three to four years later, after renewing our focus on these important partners in our mission, that number was reported to be not 70,000 but 110,000. I can assure you that we did not graduate 40,000 students in those intervening years, but we did reconnect with alumni who had dropped off our radar screen. Our Development and Alumni Relations Office has been working hand-in-hand with an energized Emory Alumni Board to implement aggressive plans for our alums to participate in ensuring Emory's impact. The time is right for our alumni to understand that being an alumnus or alumna of Emory University is much more than being an emeritus student.

Conclusion

In closing, I share my observation that in all of the activity that has consumed our energy and attention during the past year, we have maintained our commitment to our mission while balancing our needs and aspirations. This is in large measure owing to a distinctive and valuable institutional culture unique to Emory University. That distinctive culture is the strength that we will draw upon to ensure our success in meeting today's opportunities and challenges.

In the coming year we will celebrate that culture more overtly, as we enter Emory's 175th year in 2011. Plans have been under way for some months to observe the University's

anniversary in a variety of ways appropriate to the academy, from special lectures and performances to the sounding of anniversary notes in annual events like Dooley's Week and Commencement, from banners across the campus to the identification of 175 Emory history makers who have influenced their times and ours since 1836. Toward the end of 2011 we anticipate a commemorative academic convocation. We might even use, along the way, the word "demisemiseptcentennial" to describe our 175th year. (But I doubt it.)

All of this will be done not just to note that we are getting older—there's nothing special in that, since we all do it every day—but to underscore the importance of a great university to the fabric of society. As a former trustee of Emory has said, recalling the wise words of one of his mentors years ago, no city can be great without great institutions—great museums, a great orchestra, great universities, and yes, maybe even great sports teams, although Emory's contribution through genuine student athletics seems less celebrated than other collegiate and professional sports programs. Emory has striven to serve humanity by answering the call to become a great university, and has done so in rather short order.

Although all kinds of enterprises contribute to the vitality of life in local and global community, there are some things only colleges and universities can do. To be sure, Emory has contributed by preparing leaders in law, business, medicine, teaching, nursing, public health, and theology—all of which teach us how to live, how to make a living, and how to ensure a comfortable life for ourselves and others. But we must not allow our important role in the economic machinery of life, the *hows* of life, to overwhelm or replace our duty to explore the *whys* of life. Few places other than universities provide space and time for the pursuit of the most fundamental questions, places where ambiguity is valued, where a

forum exists for people to come together with violently opposed views so that they can engage nonviolently—where ideas, not people, do battle.

So while our society needs physicians and health professionals who can cure disease, we also need them to care about healing *people*. While we need lawyers adept at arguing the finer points of the law, we also need them to focus on maintaining what Emory board chairman Ben Johnson has called the thin veneer of civilization. We need captains of business whose talent and passion for creating wealth is driven by commitment to society as much as personal gain. We need politicians with wisdom and moral courage sufficient to provide what we need, not merely those with street smarts to win office by pandering to what we think we want. We need the genius of artists and the insight of scholars and the imagination of those who give birth to new ideas. Providing these is our high calling and obligation at Emory. This is why we must be wise financial stewards, carefully mastering and applying the most practical arts, so that we can fuel a life of the mind even in apparently impractical and unprofitable ways.

I am proud that Emory continues to emerge as a vital institution in this noble work, one recognized increasingly as a destination for those who share our vision. Thank you for your participation in this work. Thank you for your trust and patience in the past. Congratulations on your accomplishments. And best wishes and blessings as we pursue together the challenges before us. We have been working together for seven years. I am not scratching a seven year itch, however, and hope that you are not either. It remains my sincere pleasure to continue to work with, learn from, and enjoy the camaraderie of this distinctive community committed to being a destination university 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.