

FLEXIBILITY, INTEGRITY, AND CHOICE

An Address Before the  
Georgia Foundation for Independent Colleges  
Annual Meeting  
Hyatt Regency Atlanta  
February 3, 1975

by

Monroe Kimbrel, President  
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Thank you for the privilege of being with you tonight as we review our progress of the past, discuss our plans for the future, and prepare to pursue that essential ingredient for making our plans come true--money. Money is my business, in a way. I suppose that must be one of the reasons Joe Treadway extended me this invitation to address you tonight.

I am especially gratified to join my previous associate from the Federal Reserve, Mr. Denmark over here. As our Treasurer, he is the fellow who is going to keep track of the money in this fund-raising effort. I expect that he will be more successful in keeping track of this money than we have been at the Federal Reserve in keeping track of ours.

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\*Prepared for Mr. Kimbrel's use by William N. Cox, Assistant Vice President and Chief Financial Economist

My own perceptions of the peculiar advantages the independent liberal arts colleges offer come from two distinct perspectives. As an alumnus of the state University in Athens, first of all, I am naturally inclined to compare the educational contributions of the large public university with the smaller independent college. In my responsibilities at the Federal Reserve Bank of Atlanta, secondly, I am privileged to have a view of and concern for our economy and our financial system.

From each of these perspectives, I have come to place an extremely high value on the contribution the small liberal arts college can make. These colleges have characteristics and traditions which are essential to the mix of our system of higher education. In several respects they are advantageously placed to develop some essential qualities in their students. These qualities, I think, will be very much needed during the years ahead.

I would summarize these qualities in the words "flexibility, integrity, and choice;" I would like to share with you tonight the reasons why I think these qualities will be so important and, therefore, why our support of these colleges will bring important dividends in the persons of the men and women they develop.

First: flexibility. When I look behind the headlines at the undercurrents in our economy, one of the few constants I see is... change. Let me pursue a current example of what I mean. The two dollar devaluations and the increases in energy prices, prompted by increases in the price of imported petroleum, have triggered important

underlying changes in our economy. Families in the United States, reacting to changes in prices, are changing the mix of what they buy.

One of the fundamental results of the devaluations has been to break down some of the barriers between world markets for food and our own domestic markets. One result of that has been to increase the proportion of its income the American family spends for food. Some of this is apparently temporary, I am happy to tell you, but some of it is here to stay.

To take another example, it looks very much as if the American household is going to spend a smaller number of cents per budget dollar than it used to on the automobile. Again, we probably have an overreaction right now in the market for automobiles, but it does seem apparent that higher energy prices, perhaps along with fears of scarcity, have shifted the budget preferences of the average American family. I could cite other examples, tying them to some of the headlines you and I have been reading. But the point I want to emphasize is not the examples themselves. It is the result that the American consumer has been making substantial changes in the way he allocates his family budget. He is buying more of some things; less of others. So, incidentally, are the foreign consumers of our export products.

Such significant changes in the mix of what people want to buy are obviously causing changes in the mixture of what our economy

produces. We are now in a process--a painful process, in some cases--of shifting people and machines away from the production of some products and services, shifting them toward the production of other products and services people want more of. This shifting goes a long way, in my opinion, toward explaining some of the riddles in our present economic situation: unemployment in the midst of inflation, layoffs in some industries side-by-side with other industries working around the clock.

We don't know, very frankly, what the end mixture will be once our economy, and the consumers and producers in it, works its way through this process of adjustment. A lot of us wish we did know, believe me, and a lot of us are trying to make some educated guesses. But one of the characteristics of a free-market system is that it works out its own answers. They are generally good ones.

Painful as the present period of adjustments may be, it is at the same time reassuring evidence of the adaptive vitality of our economy. Our producers and consumers are proceeding rapidly in making these adjustments. This, incidentally, is one of the reasons why I am personally so opposed to policies, such as price controls, which tend to impede the adjustment process. We need to facilitate the adjustments our consumers and producers are making, not impede them.

What does all this have to do with the small private college? A great deal, in my opinion. Similar episodes of change and adjustment will, I think, characterize the period within which today's

college students and their successors pursue their careers. I do not think that future episodes of change and adjustment will be as painful as the one we are now going through, however. The reason is that we are putting a premium on vocational flexibility in our economy. That flexibility will help make future adjustments easier and less painful. In our new environment, the more flexible a person is, the more flexible he can be in his career directions and in his approach to the job market. And I hardly need tell you that the development of this flexible approach to the problems and situations life brings, is one of the traditional hallmarks of the small liberal arts college. Maybe the pendulum is swinging back from specialized to generalized college training. We are swinging away from the emphasis of the Sixties on narrower vocational training to the more flexible generalist. This will continue, I think, as we perceive the dangers of training specialists for jobs which aren't there. The traditional advantage of the small liberal arts school is in the development of the generalist, grounded deep enough in the basics to survive the shifting winds of our economy's vocational demands.

There is some irony here tonight. These painful adjustments I was speaking of, the ones our economy is working through right now, are going to make our fund-raising job this year a lot harder. We all know this. Our economic situation will challenge our efforts at the same time as they point up the need we have to make them. Our fund-raising challenge will be harder this year for the same



reasons that meeting our challenge successfully will be more important.

So, to summarize my first point, I think the economic environment in the years ahead will place a premium on the quality of flexibility, and I think the smaller liberal arts schools can bring some peculiar advantages to the task of developing people to meet these more complicated needs.

Second, let me focus on the attribute of integrity. I would not start pessimistically with a recounting of some of the disappointing revelations which have come out of Washington these past ten years. I would rather concentrate on what I sense to be a strong constructive reaction to these events. From now on, America's public and private figures alike will be held to more exacting standards of integrity.

This reaction would not have occurred, I recognize, without the steady increase in the portion of our public which is well-educated and well-informed, and our entire educational establishment, small independent colleges included, can take a well-justified bow here.

Where does integrity come from? It's obviously not something we can bottle up and sell. If there is a way to nurture it as part of our educational process, it would seem to be in an environment where the subjects we loosely call "liberal arts" are actively discussed in smaller groups in and out of the classroom, where students are encouraged to expand and argue their thinking about

values, and where professors help students focus our society's experience on today's problems. Our smaller colleges are more likely to produce this kind of environment. I have another thought on this subject. Before a man can have integrity, he has to be convinced that his ideas and actions matter. We are all more tempted, on the other hand, if we can rationalize our transgressions on the theory that "it won't hurt anyone." Here, too, I think the smaller college is, with smaller size and more personal interaction, more likely to build a consciousness of how our decisions and actions affect other people.

For these reasons, I think the smaller independent colleges, with its traditionally smaller classes, closer faculty contact with students, and emphasis on individual values, are peculiarly placed to develop the kind of person who can meet higher standards of integrity. We are sure to demand them in the years to come.

I do not mean to say, incidentally, that the larger state universities do a poor job in this area, but I think I do detect some advantage to the smaller school. The smaller school is more likely to produce the iconoclast who bucks the crowd and says "Now wait a minute, this isn't right." We shall have great need of men like this.

Finally, let me point to the element of choice. Choice is important to anyone who deals with the economy and the financial markets. It is important in higher education, too. Every college student is different, and I would attach heavy value to the often mentioned point that the smaller college can do a better job of



developing the potential in some students, even while the larger university can do a better job with others.

Enthusiastic an alumnus of the University as I am, I am quick to concede that the University of Georgia is not the best place for everyone. In my unguarded moments, I would even be willing to concede that, with some students, maybe even Georgia Tech could do a better job. I feel the same way about the smaller independent schools. I feel very strongly that the college student must have a choice--a selection of institutions--available to him for developing his own potential.

So from my perspective, I would focus on the advantages the small independent liberal arts colleges offer for the development of flexibility, integrity, and choice. As I have tried to illustrate, I think our society and our economy in the years ahead will attach a great premium to these three qualities.

I think it is essential that the small colleges protect and expand their peculiar abilities to develop these qualities in our students. We have a chance to make our efforts matter in raising funds to support them. It may be hard this year. The people we contact will be watching every dollar, trying to be sure it goes to a place that counts.

The funds we raise will count, in dividends to our economy and our society. I challenge you, as I challenge myself, to convey the importance of our effort, to unlock the purse strings, and to give these colleges the chance to make their contribution.