

TRAINING, ADAPTABILITY, AND CHALLENGE

An Address Before the
Joint Tech-Georgia Development Fund
April 29, 1976

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Monroe Kimbrel, President
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Being here with you today as we review our needs and discuss our plans for the future is indeed a pleasure. Moreover, that pleasure is enhanced by the knowledge that, since this is a fund-raising group, we may candidly acknowledge our purpose in meeting is to discuss money--no subterfuges or apologies needed. We can get to the subject at hand immediately: the financial needs of the two Joint Fund supported schools, Georgia Tech and the University of Georgia.

Very frankly, the situation has been critical and is, even now, only slightly improved. The schools entered the recessive year of 1975 working under severe financial restraints, especially with regard to faculty salaries, and as the year progressed fiscal disaster was held at bay only by the school foundations through which money raised by the Alumni and the Joint Tech-Georgia Development Fund is channeled.

In two of the five preceding years, there had been no money at all for faculty salary increases. The brutal truth of the matter is that

faculties at Tech and the University had salary increases totaling 17.5% over a five-year period while the rate of inflation had more than doubled that figure.

The situation worsened early in 1975 when the State Legislature recinded the 5% salary increases it granted earlier. The courts subsequently ordered the raises reinstated, only to have the disclosure made that the money had already been diverted elsewhere and there was no way to replace it. The schools had to rob other items in their budgets to pay for the faculty increases--approximately a million dollars at Georgia Tech and much more at the University of Georgia.

None of you will be surprised to hear that top teachers at our schools began to leave for better paying positions. For example, the College of Veterinary Medicine at the University lost ten faculty members. These were the men who helped develop the vaccine for Marek's disease, which is saving the Georgia poultry industry over \$25 million annually. And in two months last year, Georgia Tech lost more faculty members by resignation than in an average previous twelve months.

Without help from corporations, many of them represented in this room; without the loyalty of alumni; without special grants that took some of the salary load by funding special projects, this stream of faculty losses could have become a torrent.

It still can become a torrent. The raises for last year were restored, but there are no faculty salary increases available for 1976.

Tech and the University's competitive position vis-a-vis other top engineering schools and universities continues to worsen.

This distresses me. I place a high value on contributions made by the two schools. My awareness of their value comes from two perspectives: As an alumnus, I have first-hand knowledge of the educational contributions of the University of Georgia; and, as President of the Federal Reserve Bank of Atlanta, I head an institution that, like your local operations, seeks to employ top-flight talent from this area. I know these schools are able to provide their students with training, to instill adaptability and inspire them to accept challenges.

Let's discuss training, adaptability, and challenge. Training, as I see it, is the ability to bring something more than knowledge to the job. It is insight, as well; an ability to go beyond outward appearances and put developments into their proper perspective.

For example, economic forecasters are debating whether the economy will get support from an increase in capital spending. Near-term indicators of capital spending commitments point to sluggish plant and equipment investment. And the most recent U. S. Department of Commerce survey available indicated little change in 1976 expenditure plans of business. However, other elements lead to a different interpretation. Consumer sales and industrial output increased substantially;

corporate profits rebounded sharply; cash flow positions improved vastly; and long-term interest rates fell. There is reason for optimism. A basis has been laid for a capital sector revival, especially among manufacturers. It should help the economic expansion.

Another example of this need for insight is the fact that to some observers it appears very much as if the battle against inflation has been won. The Wholesale Price Index was largely unchanged over the last five months. The rise in consumer prices was only 0.1 percent in February. But examine these conditions closely and the situation assumes a different appearance. The improvement is mainly in food and fuel, where price reductions reflect last year's bumper crops and the tariff elimination on crude oil imports. Nevertheless, the costs of consumer services, medical care, insurance, and transportation continue to mount. Wholesale prices of industrial commodities also are rising.

There are other inflationary pressures, but the point is not that a return to flagrant inflation is imminent; only that inflation is more worrisome than some price statistics indicate. Sizable wage increases, low productivity gains, a turn-around in food and fuel prices, and rising industrial product prices could accelerate inflation.

You may ask what all this has to do with the University of Georgia and Georgia Tech. Well, plainly, our problems, economic and otherwise, are complex. We need broadly trained people to help solve them. From

Tech and the University each year comes a pool of over 11,191 young people trained to furnish the leadership for your business and for all elements of the social, political, economic and religious life of our State. Can we afford for them to be other than the very best?

Training is equally essential for the faculty. In addition to superior training in their fields, faculty members need the capacity to adapt their knowledge and to develop new knowledge to the changing problems of industry and society. Effective teachers are intensely committed teachers. They demonstrate the latest techniques and materials. They convey the latest ideas and information. But to be effective, teachers must be secure in their profession and safe in their jobs so that they are able to concentrate on the challenges and are not sidetracked by the threat of insecurity.

Now, let us consider adaptability. This attribute is related to needs already discussed. We know that to a large extent specialized skills and methods are usually learned through on-the-job training; yet, the employee must bring to the job talents acquired earlier--the ability to apply principles to experience, interaction with other people, methods of testing ideas, leadership development, and communicating skills--to name a few. Colleges can do a good job of instilling adaptability in students.

Finally, there are the challenges of the future. We know people can accept challenges eagerly and work hard to achieve them only to falter and fail because they lack certain abilities that can be acquired. Colleges can equip students to follow through on challenges by teaching them to weigh all the pros and cons; by demonstrating that perseverance in spite of setbacks is essential to the outcome; by showing them that they must concentrate on relevant details and forget the side issues; and by encouraging them to finish projects they begin. Only people with these abilities in addition to training and adaptability will solve our big problems such as the energy crisis, poverty, housing, population control, disease and hunger, to name a few.

Of course, we can hire people with these qualifications from out of state, but you and I know it is a great advantage to upgrade the area in which we do business. In addition, superior local education saves time and money when you send personnel back to college for more development and training.

I have tried to demonstrate that our needs are your needs too. We have taken your time to ask that you help us to secure support from your company for the Joint Tech-Georgia Development Fund. If your company is not now on the list of those national firms which contribute each year, we need your backing. If your company does support us, we hope you will get the message to those who make the final decision that this year of all years we need increased support. You are in Georgia. You realize how important Tech and the University are to business in the State. You are in a position to help us and we hope you will.