

Remarks by
Cathy E. Minehan
at Stern Business School
Graduation Speech
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Dean Daly, distinguished guests, graduates of 1995, families and friends of the graduating class.

As I look out into the sea of happy faces here this afternoon, I am reminded of the beginning lines of Stephen Spielberg's classic film trilogy "Star Wars." "Long ago and in a galaxy far away . . ." --or so it seems to me right now--I sat where you are, ready to receive my MBA degree from New York University. Like some of you, I had carefully balanced a professional, a personal and an academic life, while completing the degree. GBA, as the Stern School was known in those days, was located only a stone's throw from the top of Wall Street, an easy walk from my office at the Federal Reserve Bank of New York. Given the pressures of work it took me a bit longer than usual to earn that degree. But even this delay was helpful, in that it allowed me the flexibility to choose courses that not only furthered my academic training, but also often were immediately relevant to the task at hand at work.

Since that graduation day, the passage of time has only served to emphasize to me the importance of my NYU education. I learned how to think--to reason--in financial terms. I learned that from professors who in many cases were practitioners, and in classrooms filled not only with naive twenty-somethings, but also with experienced Wall Street hands. GBA then, and the Stern School now, performs an absolutely critical role in shaping the minds of current and future leaders of the business world. It represents in some senses the intellectual mother lode of Wall Street, and that role in no small way is vital to the continuation of New York as the financial capital of the world.

Your Stern School experience has equipped you with an array of tools--some very practical, some abstract--to deal with the increasingly complex aspects of the business and financial world. You are skilled in ways we never dreamed of in 1977. The world we lived in then was decidedly low-tech by today's standards; a simple, slower-paced place, largely untouched by foreign competition, particularly in the domestic financial arena. Most of my classmates were employed in large, hierarchical organizations, and those of us who weren't white males were only beginning to see that perhaps opportunities awaited those who would stay the course.

Today, the business world has become much more intensively competitive and internationally focused. Technology has been used to transform nearly every process, and link us together nationally and internationally in powerful new ways. Management structures now depend on customer-oriented teams organized with fewer layers of authority and greater delegation of responsibility. And the pace, volume, and value of the transactions we deal with present risks and opportunities we never could have conceived when I graduated.

There is no doubt you have the training and intellect to deal with this new order of business. But there is even a larger challenge, and one that, in the fullness of time, will dominate all the others. That is the challenge of the increasing role the business leader, at every level, must play within his or her local community, and in the context of the larger society. Will you as future executives assume the mantle of leadership, not simply within the boardroom but in the larger arena of social and economic development? Will you ensure the hard-won progress we have made toward appreciating diversity within the work place and in the broader community will not be lost in a backlash of divisive rhetoric? And will you also ensure that the related social goals are addressed even as public funds for these efforts become scarce? Much depends on how you answer these questions.

Your 1995 graduating class is the essence of diversity. One-third of you reside outside the United States, in 62 different countries. You reflect a broad spectrum of races and cultures, and more than 30 percent of you are women. You have appreciated the benefit of diversity in team assignments in many of your classes, much as we have done in the workplace. But, developing the maturity to seize fully the benefits of diversity takes time--a lot of time. Even now, for example, when women make up 40 percent or more of the professional ranks in the commercial banking world, there are few women top executives. I have been surprised, frankly, at finding my appointment as a Reserve Bank CEO hailed as a signal breakthrough of meaning to women throughout the banking world.

Appreciation of the contribution of different genders, cultures and lifestyles has become an integral element in forging a competitive team in today's markets. These markets, like our employees, are increasingly diverse. But even more important than this, the value of diversity to any society extends beyond simply providing the means to compete. It challenges us to define who we are as individuals in the midst of a galaxy of intellectual and cultural frameworks.

For some, diversity increases choice. For others it increases competition. For a few diversity is a scapegoat in that it allows some to blame adversity on the environment rather than one's inability to function within it. Diversity demands tolerance, but tolerance cannot mean that we are indifferent to the extremes of thought and action that all too often arise out of ignorance and frustration. If we as a society, and as corporate citizens, are to enjoy the benefits that diversity brings--not simply in the marketplace, but in our collective psyche--then we as business leaders must insist on those standards of human interaction that define a just society.

Integral to a diverse and thriving community are the many programs that feed the hungry, house the homeless, train job seekers, and create and maintain a successful public education

system. Corporate leadership has long been a mainstay in supporting and financing these local community programs. But if these programs are to continue to flourish, business leaders at all levels must play an increasing role. All of you are familiar with the political dog fights on finding acceptable ways to balance the budget. Deficit reduction, increasing as it would this country's level of savings, would be an important improvement in our national economic health. But the transition from massive, entrenched and cumulating deficits will inevitably mean that programs that many of our states and communities have come to depend on will be trimmed, or perhaps disappear entirely.

This is not without some benefit; my impression from working in the area of job training in Boston is that there are far too many Federal programs, and, far too many of them have legislated restrictions that impede the wise use of the money. Nonetheless, if we are to continue to make social progress, and to achieve those public goods associated with quality public school systems and stable communities, then we must fill the financial and leadership void left by the withdrawal of national funding.

Corporate leaders and local public officials must work together to make this happen. How can an urban school curriculum and budget be reengineered to incorporate a school-to-work program that promises jobs for high school graduates not destined for college? How can community development corporations, urban governments, and the private sector bring viable businesses to inner-city areas? How can these sectors come to agreement on future strategies that enhance the viability of local communities, and the businesses that reside within them? These issues will no longer be resolved in any major way by national programs, and perhaps they never should have been. "Think globally, act locally" is the new business catch phrase, but it applies in great measure to this arena where private-public partnerships will increasingly play a major role in social progress and economic development.

Earlier, I questioned whether you would take up the mantle of leadership in the larger society. The challenge is not simply to display mastery in the wide-variety of skills you have so ably been taught. It is a larger challenge. You who have been so finely educated must play a key role in ensuring the broader society remains a place of justice and civility in an increasingly diverse world. You must also recognize the very real responsibility to participate in community development. And you cannot wait for some magic point of career success to do this. You must begin now. Mentor a high school student; joint a grade school reading program; become a big brother or sister; volunteer your time to a local soup kitchen; get involved so that when you see a need you can do something about it. Form the habits of a corporate career that not only will create a living for you, but also a better life for others.

We are moving into a new century, a century that holds boundless hope for you, and for your children. Men and women of all races will share the joys and sorrows of the evolving human spirit as the new millennium unfolds. You have a special role to play; use your skills wisely and begin early to play the larger part in society that is both your opportunity and your responsibility.

Thank you.