

**Northeastern University
Fall Commencement**

**Cathy E. Minehan, President
Federal Reserve Bank of Boston**

**Matthews Arena, Northeastern University
Boston, MA
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President Freeland, University Trustees, Deans and Professors, families and friends and, most of all, graduates of this fall class of 1999— congratulations! You've worked hard, you've struggled to balance work, family and personal life with school, and, best of all, you've succeeded! If one is very lucky, life brings a few occasions when celebration is truly called for—and for you this is clearly one of them.

Now, something tells me I don't have to encourage you to celebrate—you seem perfectly capable of doing that on your own. But it's my job to give you a few, hopefully memorable, things to

think about as you celebrate, and maybe in odd moments thereafter.

I feel especially committed to this endeavor, since I feel a special kinship with many of you. I know that all of the University College and many graduate students have worked full-time and pursued your educations simultaneously—working hard and persistently seeking your educational goals over extended periods of time while managing the rest of life as well. I know a little about this personally, since I got my MBA while working full-time. Frankly, I think I learned a lot more, and, more importantly, learned it in a way that was a lot more relevant to me personally, than I would have going to school full-time.

Now, obviously, not everyone relishes the opportunity of trying to stay awake during a lecture at 6:00PM, after a full day at work, or the fun of arriving home at 11:00PM, facing homework and a 7:30 train the following morning. But over the years I have realized how that way of learning—of being able to put into action during the day what you've learned the night before—helped me. I know it will help you as well.

So what can I say to all of you? I can't tell you to work hard—you've done that, and will continue, for you are people for whom continual effort, drive, and focus are as natural as breathing. But I can share with you three lessons I've learned over the years, and seem to keep relearning all the

time. First, do your homework; second, listen carefully, and finally, don't forget the little guy.

Do your homework—I can almost hear the groans out there. You thought homework was going to end! Surprise, surprise, it never ends. You all know that the U.S. economy has changed enormously over the past two or three decades, from an economy that was driven by brawn to one driven by brains. A knowledge economy, to repeat an overused phrase; one in which the premium for increased education in terms of wages and lifestyle grows every year. I suspect that implicitly or explicitly that is why many, if not most of you, have worked so hard to graduate tonight. But your degree—be it undergraduate or graduate—does not

automatically guarantee that you will forever benefit from the fruits of this knowledge economy.

Things change too fast for that to be true.

Technological innovation, increasing global competition, and the sheer pace of life today require that continued learning—that additional bit of homework—is a fact of life.

Now some may think that being a CEO might change all that. I can tell you from experience it doesn't. When I was made President of the Bank five years ago, I had a lot of new and complicated homework to do, and a lot of questions to answer.

What is the state of the New England economy and how can I possibly know enough about it?

How do things in New England affect the nation as

a whole? How does the pace of technological change and the competitive world we live in affect the economy's ability to grow without the difficult and, ultimately, truly damaging effects of inflation? And finally, how can I contribute most effectively to the formation of monetary policy that acts to raise the standard of living for everyone in this country? I have a fine staff to help me answer these questions, and I spend a lot of time going around the states of New England, seeking perspectives and opinions as well. But the process never ends, there is always more homework. For me and I suspect for you as well—that's part of what makes life challenging and rewarding.

Second lesson—listen carefully. It's a truism, I suppose, that one cannot learn without listening, if only to one's professors. But listening to one's colleagues and peers is equally important. I know that when I attend an Open Market Committee meeting I must listen to the perspectives of every one of the members of the Committee—the other Reserve Bank Presidents, the Governors, and, of course, the Chairman, Alan Greenspan. Now some think that the Chairman makes all the decisions. Of course, the leadership of a Paul Volcker, or an Alan Greenspan is vital. But the entire Committee is involved, and a number of diverse viewpoints and perspectives on economic realities must be taken into account. Listening carefully is vital.

Listening carefully comes into play in many other ways as well. One cannot have a good personal relationship with a husband or wife without listening, nor does the old maxim of children being seen and not heard seem to work very well. At least not with my children. At work, listening carefully to appreciate the quality of the ideas of your coworkers, no matter how diverse the range of their perspectives, or how varied their backgrounds, genders, races, or religions. This is a very competitive world, and to some that simply means "I win, you lose!" Or in the words of economists—a 0-sum game. But life in general, and work, specifically, should not be 0-sum—it can, should and must be win-win for everyone, if

our companies, our communities and our nation are to succeed. We all must work to make each other better, and listening carefully is a vital part of doing that.

Finally, don't forget the little guy. You were all little guys once, and you've pulled yourselves up—sometimes against a few long odds, I suspect. It would be easy to believe that other little guys should do the same. But I would also wager that for many of you there was some person—a teacher, a parent, a friend, a boss—who acted as an inspiration to you, a role model without whom your current success would not be possible. My husband has been my own role model for as long

as I can remember, and I would not be here myself tonight without his help and support.

But now you are the role model. What can you do to help others like yourselves, who have the talent but may see so many obstacles before them that starting down the path toward education and achievement seems impossible? Your help is vital. The premium to education is growing, and the income and wealth gaps between those who are educated, and can compete for the new jobs in our new economy, and those who are not educated, and cannot compete, grows wider every year. As Lincoln said, quoting from the Bible—a house divided against itself cannot stand. He, of course, was referring to political divisions but

economic divisions are just as powerful, and are in many ways, more basic.

What can you do? Well, there are a lot of answers to that question, but, in some senses, the answers are not as important as simply asking the question. I am reminded that last winter we at the Bank asked the question of how could we help more of the students at our partner high school achieve the basic literacy skill levels necessary to pass the dreaded MCAS test, and, more relevantly, to be successful in the world of work. The answer wasn't easy. We decided to start small—with those students working at our Bank for the summer—and to use tools with which we were familiar—technology and hands-on adult

involvement on the part of work-place supervisors and teachers from the high school. By the end of seven weeks, a vast majority of the students could use language at levels from nearly two years higher than when they started, and some did even better. A small step forward for a small group, but a step forward nonetheless. And not just the high school students benefited, judging by the smiles on the faces of, and the pride I sensed in everyone who worked with them.

Do your homework, listen carefully, and remember the little guy. Perhaps easy to remember, but certainly tough to put into action. But you are used to challenges. You know that meeting challenges is the only thing that keeps life

interesting. And I do wish you all an interesting
life. Thank you and, again, congratulations.