Class of 2004 - Congratulations! You made it! You have met all the challenges of living and learning that Rochester threw at you these past several years! But as much fun as it is to celebrate the successful completion of your undergraduate days, today marks the beginning of a new journey. Where will this journey take you?

For me, this day brings with it a rush of happy memories about my own journey. Graduation from Rochester led almost immediately to work with the Federal Reserve Bank of New York. I was going to pay off all my college debts, live on Park Avenue for a few years, and then go on to graduate school. I did pay off those debts, but I lived in Queens and went to graduate school at night. But I also realized what for me became a lifetime fascination--figuring out how the U.S. central bank can contribute to its important goals of price stability and financial stability.

Don't worry--I'm not about to launch into a money and banking lecture. But I do want to assure you that it is possible to remain intellectually and emotionally engaged in a job for 30+ years. Such a long career with one employer likely won't be emulated much at the Fed or elsewhere in this increasingly fast-paced and technologically sophisticated world. There's a lot to be gained in experiencing the ways in which complicated issues are addressed in a few firms, not just one, and a lot to be said on all sides for the movement from the private sector to the public and back again. But for me, the wide range of Reserve Bank experiences I have had have enriched my ability to do each new job I've been given. And it's been fun to boot!

But today is not about my journey, its about yours. What awaits you? Is it a job, or graduate school? There certainly will be new living arrangements, and, I imagine, the need to finally really pay your own way. What else can you expect?

Well, I'm not sure I have answers for all of you, but I bet I can tell you what likely won't happen. When you entered college, I bet some of you thought it would be easy to emulate the technology high-fliers that were all over the news at the time. Get a couple of years at the U. of R. under your belt, start your own company and be living on Easy Street by the time you reached the advanced age of 30. That certainly seemed possible for some in the heyday of the late 1990s.

But I am here to tell you--that ain't happening! Your time here at the University coincided with a remarkable period in the U.S.--we went from bubble, to bust. Now we have resumed solid growth, growth that is bolstered by an intense focus at businesses large and small on working harder and smarter and doing more with less. Not a lot of room there for young internet whizzes, as some of you may have found. Only four short years ago, we took for granted that ethics were an ingrained fact of business life, with an occasional bad apple being the exception that proved the rule. Names like Enron and WorldCom, Tyco and Parmalat in Italy were revered pace-setters. Now we know how flawed that assumption was. The world of corporate superstars and winnertake-all competition has given way to a renewal of focus on corporate ethics and responsibility.

Four years ago, we were operating in a world of national fiscal surpluses. Now, with the aftermath of the recession, and increasing security and defense expenditures, we see fiscal deficits that are likely only to increase as demographic challenges swamp the cyclical rebound. And finally, and most importantly, four years ago we lived in a state of remarkable innocence, borne, in part, out of an ingrained sense of geographic security. Now whether you are here in Rochester, in lower Manhattan, in the Pentagon, in a field in Pennsylvania or a train station in Madrid that sense of security has been shattered. Soldiers your age are fighting and dying in Iraq and Afghanistan--something that was unimaginable in the fall of 2000. For us here in the United States, and indeed for the rest of the civilized world, life has changed over the past four years in ways we have only started to comprehend.

Now, I say all this not to get you down, but to make you think. The world truly is a more sober place than it was four years ago. You enter the broader realms of work and life at a time when things seem much more uncertain than they have at any point in your lifetimes. But I would also argue that you enter a world that has, in a sense, gone back to basics--back to basics even in the face of growing technological, financial and geopolitical complexity. What matters in this new world?

- It matters now that business leaders understand and follow the imperatives of high ethical standards.
- It matters that market economies protect small investors, and care about the worker as well as the corporate chieftain.
- It matters now more than ever that every person, regardless of race, gender or religion, gets the opportunity to show what he or she can do.

- It matters that leaders in the private and public sector deal with all of us in ways that are clear and honest.
- And, most of all, it matters now that we understand more fully the broader world we live in, and join the community of nations in addressing the deep concerns that face us all.

Yes, this is a new and in many ways a world that is more starkly drawn. But it is also a world in which insight, analytical power, intellectual curiosity and tolerance are ever more valuable. And in this world you cannot help but have a leg up on success. You have been taught here at Rochester to think for yourselves. You have been taught to form your own perspectives and to argue your own theories. You have been taught how to validate those theories in analytically rigorous ways. You have lived in a diverse community and you have learned to value each other's thoughts and perspectives. And you have learned to value a society in which the rules of civilization are obeyed and people live together respectfully. It may be that some of you would have made it to internet superstardom--if you'll recall that was largely short-lived. But all of you will, I think, find yourselves in a wider world in which your skills, so finely honed, are in short supply. And that's a good place to be.

So my advice to you today is to celebrate the passage of these four years at Rochester--remember the fun and the friends. But, most of all, cherish the abilities you've worked so hard to develop. Bring all those abilities to bear wherever the challenges of this new world are evident. And, if you want my advice--find a job, a career, an avocation that seems as if it will never lose its fascination. It might not be your first job or even your second, but keep at it. Fall in love, if you will, with what you are doing, no matter how narrow or broad, in the private sector or the public. Trust me, that love will keep you on your journey.

Thank you and, once more, congratulations.