

## Is the Ivory Tower Earthquake-Proof?

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We are in the midst of an economic crisis that is unequalled in my lifetime (and I have been around a “few” years). Starting with the financial collapse of key institutions, our system of capitalism appears shaken to its core. The government has tried to minimize the damage with several huge bailouts, but it is clear that there is no “playbook” from which to operate.

For instance, in mid-November then-President Bush proclaimed that, “Government intervention is not a cure-all ... history has shown that the greater threat to economic prosperity is not too little government involvement in the market but too much.” Just over a month later, the President said he was considering all options, including bailouts of the Big Three automakers, saying the move was “to make sure the economy doesn’t collapse...I have abandoned free-market principles to save the free-market system.”

Our profession of higher education has long been considered to be immune from many of the economic land mines encountered in the business world. However, I believe it is incorrect and dangerous thinking to assume that there will be little or no effect on business schools from our current economic woes.

In a recent Inside Higher Ed column by Oregon State University President Ed Ray, he says that in 1980, states funded nearly half of the operating budgets of public campuses. A quarter-century later, state funding had fallen to about 25 percent, and the numbers have fallen further in the past several years.

As we know, students have felt much of the brunt of these cuts in the form of higher tuition bills. But with families being squeezed in the current economic times, how much is too much? We can increase our business school and university fund raising efforts to ease the burden, but those of us who do fund raising know that it’s not the best time to be seeking money from corporations or individuals. At what point does a college education get out of reach for an entire class of families?

I certainly hope we never get to the point where government, either at the state or federal level, has to frequently “bail out” higher education institutions or systems. Even short of that, with “accountability” the key buzzword, I think it’s reasonable to assume that our legislators will be keeping a sharper eye on how funds are spent. While this may have some benefits, one wonders if we will entertain new suggestions about curriculum content, or pressures on the academic freedom that colleges and universities have long enjoyed.

Speaking of curricula, as corporations consolidate, fold, and retrench, I can envision an expansion of public-sector jobs. I believe that business schools will have to get more involved in integrating public-policy programs in their

course offerings. In turn, that may lead to a need for specialized faculty in those areas, somewhat different from our traditional business school instructors.

I don't mean to paint a completely pessimistic future of our profession. I do believe in our free-market system, and I think that our country (and the world) will weather this crisis. However, I believe that business schools and universities must realize that they are likely to see many of the same challenges that our corporations and industries are facing.

We can't pull down the shades of the "ivory tower" and ignore the current situation. We must try to stay one step ahead of the tremors from this historic land shift and ensure that our universities and business schools remain viable entities well into the future. There is hope that President Obama will instill confidence in our markets and offer solutions to our economic woes. These solutions do clearly involve a more active role of government "investing" in the free-enterprise system.