

Yesterday's News

From the pages of the *Harvard Alumni Bulletin* and *Harvard Magazine*

1919 Massachusetts governor Calvin Coolidge, speaking on Commencement day afternoon, calls education the nation's biggest industry and the one that yields the largest dividends, and says citizens must be prepared to pay market price for "marked intellectual ability and teaching power."

1934 The *Bulletin* reports on the Saturday afternoon visit by Harvard 1904s to the White House. FDR invited his 604 classmates and their wives and children to tea, and 936 acceptances arrived from 26 states and five foreign countries—prompting a Boston newspaper columnist to suggest the classmates would get more food out of the president than he got votes out of them.

1949 The Harvard Law School Association council votes 8-5 in favor of admitting women to the school, but recommends polling the alumni to determine *their* views. Harvard Medical School, meanwhile, graduates its first women—12 in a class of 141.

1954 Harvard establishes a Center for Middle Eastern Studies, similar to its existing "area programs" on East Asia and the Soviet Union.

1964 Among the statistics from the class of '39's twenty-fifth report: their favorite institution is marriage; the average number of drinks consumed per week has doubled, from four to just over eight; 14 percent of their wives work outside the home for pay; and the median family income is \$23,800.

1969 The Senate Committee on Government Operations serves subpoenas on the deans of the College and graduate schools, demanding the records of any students receiving federal assistance who were arrested after the occupation of University Hall.

1974 A survey of Harvard seniors reveals that 17 percent want a law career and 15 percent a medical career, with business not far behind. Students "are much more aware of the problems of financial security," says a career-services adviser. "They seem less socially concerned and more introspective. They have realized that the life-styles they want require a certain kind of income."

ing), balancing newly straitened budgets inevitably comes back to people. Compensation and employee benefits account for 48 percent of University expenses: \$1.66 billion of \$3.46 billion in fiscal year 2008.

Beginning in February, some 1,600 staff members from across the University—those who have reached age 55 and have at least 10 years of service—were offered a voluntary early-retirement package. (It provides a payment equal to one year of salary, plus \$750 per month and medical coverage up to the age of Social Security and Medicare eligibility, all funded from excess assets in the affected employees' defined-benefit pension plan.) Those eligible must make their decisions by early May. Only then will administrators be able to judge the efficacy of the program. Quickly thereafter come Commencement and the end of the fiscal year, by which time plans should be drawn up for the layoffs, if any, required to balance budgets in the new fiscal year, beginning July 1. At this writing, it is unknown whether any school will offer retirement incentives to faculty members.

THOSE ARE THE KNOWN factors shaping Harvard's "new economic reality," when the endowment can no longer reliably fund a growing share of the University's multibillion-dollar operations (that share now exceeds 34 percent). At the same time, University planners worry about other income streams. Although a short-term economic "stimulus" infusion will boost sponsored research during the next two years, the national fisc seems unlikely to sustain growth in federal funding. In a recession, it is infeasible and impolitic to raise tuition aggressively. Quite the contrary: as more families rely more heavily on financial aid, net tuition may actually decline. And a March 30 report by the *Chronicle of Higher Education* documented a sharp decline in philanthropy in recent months. So those revenue sources—together, about 46 percent of Harvard's income in recent years—promise little relief.

As those abstractions work their way through the budget process, changes have begun appearing across campus. Contracted workers, such as janitors at Har-

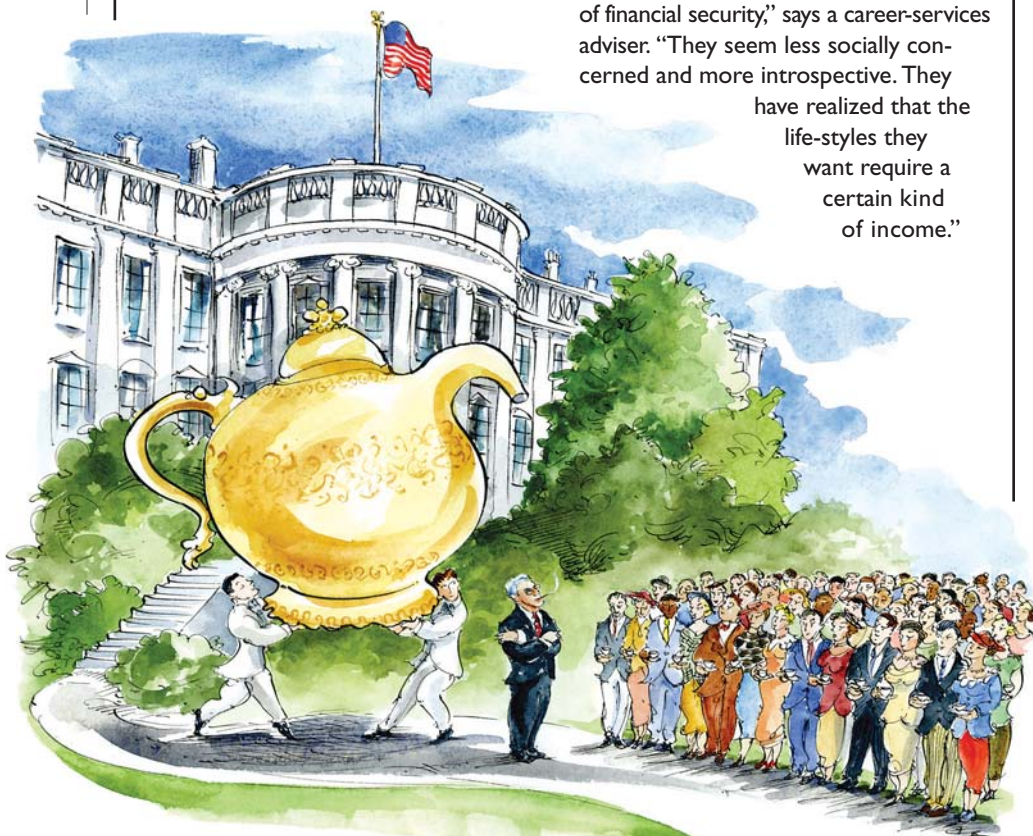


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