

# THE PATH TO DISTINCTION: BUTLER UNIVERSITY, PAST, PRESENT, AND FUTURE

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**Alumni Leadership Conference**  
**24 October 2008**

Eugene Tobin, a labor historian and former president of Hamilton College, was fond of saying that three types of institutions have existed continuously from the European Middle Ages to modernity: the Catholic Church, universities, and insurance companies. Given the current economic tumult, Gene may have been right about two of the three!

The constancy of universities does stand in great contrast to the volatility of businesses. Jim Collins, the author of *From Good to Great*, noted earlier this year that of the companies that appeared on the first *Fortune 500* list in 1955, only 71 have a place on that list today. That's a turnover of over 85%. Collins goes on to discuss some characteristics of those companies that have persisted, secrets, if you will, of enduring greatness. They include "core values that have remained fixed for 100 years or more," "passion and dedication for the company and its culture," and "an institution with values . . . that makes a distinctive contribution while delivering exceptional results."<sup>1</sup>

We have invited you back to Butler to learn about the University that you are proud to represent. You are grateful for the personal benefits of the education Butler has provided you, and we are grateful in turn for the leadership and service that you are providing to Butler. Today I want to place your individual appreciation into a larger context of what has animated Butler in its past, defines Butler in the present, and equips

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<sup>1</sup> Jim Collins, "The Secret of Enduring Greatness," *Fortune Magazine*, 21 April 2008. Also found at [http://money.cnn.com/2008/04/18/news/companies/enduring\\_greatness.fortune/index.htm](http://money.cnn.com/2008/04/18/news/companies/enduring_greatness.fortune/index.htm).

Butler for a future of distinction. I want to talk to you about Butler's core values; our passion and dedication to a particular culture, call it the Butler Way; and Butler's determination to provide an exceptional education that prepares graduates to contribute to the world.

In 1855, when race was considered an insuperable marker of superiority and inferiority, when women were considered the weaker sex, when college was the province of a privileged white male elite, Butler University was founded on an audacious vision to provide interracial coeducation to aspiring students. That inclusive vision remains no less compelling 150 years later. The divides we today seek to bridge include those of ethnicity, ideology, and economic disparity as well as race and gender, but the proffered solution is the same: that education should be the global commons where all people can meet with respect and toleration in order to forward individual aspirations and to fashion a common destiny.

Amid today's landscape of higher education, Butler has carved itself a distinctive niche. Butler is a Master's University according to the Carnegie Classification of Institutions of Higher Education. (It is not a doctoral research university because it does not offer extensive doctoral-level programs; it is not a liberal arts college because it does not award at least half of its baccalaureate degrees in the liberal arts.) Butler is a comprehensive university because it is committed to providing full-time baccalaureate-level students with both a liberal education and opportunities for undergraduate professional preparation. While the University offers selected graduate studies as extensions of baccalaureate programs, it is focused on undergraduate education.

Foremost is Butler's commitment to personalized liberal education. While the doctoral research university has the most visible profile among American institutions of higher education, personalized baccalaureate education at such institutions is, at best, a matter of serendipity. Persistent undergraduates may develop close associations with professors, but the teaching of undergraduates is a task relegated too often to graduate assistants. By contrast, Butler is committed to the proposition that a student should be known, by name and face, to professors from the freshman year on. I remember speaking to a student who had transferred to Butler from a Big Ten university. She said, "I felt lost there, but the first time I got sick at Butler, I received telephone calls from two professors checking on me. I learned that at Butler, I could run but I couldn't hide!" That, in turn, is a promise I make to entering students and their parents each year: that each student will receive individual notice and care.

Butler is also committed to a liberal education for all students; that is, an education which requires students to be acquainted with the modes of inquiry that validate knowledge in the sciences, humanities, and arts; and to develop the skills that permit them to communicate effectively, think critically, work cooperatively, and act ethically. Liberal education engenders capacities of mind that permit one to continue learning and adapting to work and society over a lifetime. Within most universities, liberal education, as embodied in general education requirements, varies from school to school, and inevitably such requirements take second place to work in the major. By contrast, Butler students in the professional colleges of business, education, performing arts, and health sciences are required to fulfill the same general education requirements as students in the college of liberal arts and sciences. If general education is the core of

liberal learning for life, all graduates should have the same experience in liberal learning. What is the rule at Butler, however, is unusual among American universities.

Combine this personalized liberal education with the development of a remarkably beautiful residential campus, and the quality of Butler University's undergraduate experience is comparable to that of national liberal arts colleges. At the same time, the availability of undergraduate professional programs at Butler provides opportunities not found at such colleges. Elite liberal arts colleges typically do not offer degrees in pharmacy, teacher education, or business with required internships. Nor do many offer performing arts programs of conservatory quality. Indeed, most graduates of pure liberal arts college curricula expect to go on for further training before they can be employable, while three-quarters of Butler graduates are employed within six months of commencement. Parents have repeatedly told me, "We believe in liberal education enough to sacrifice in order to send our children to Butler, but we also need them to be employable. Financially, after graduation they're on their own." The average family income of a Butler student is \$114,000, but 65% of our students are on need-based financial aid and 89% on need-based or merit-based aid. In the current economic climate, the desirability of institutions that offer both liberal and professional education will grow.

The continuity between classroom study and the world of work is immeasurably strengthened by Butler's proximity to the city of Indianapolis, which serves both as a living laboratory for the education of our students and as the local community wherein they practice the lifelong obligations of citizenship and service. Ninety-five percent of our students currently do some form of service learning, internship, faculty-student cooperative research or experiential education before graduation.

Moreover, they are prepared not only to get a first job but to contribute to and aspire to leadership in an organization. A survey of employers of Butler graduates yielded some striking findings: beyond disciplinary preparation, Butler employees come to work on time and stay until the job is done; they work without supervision or constant instruction; they communicate well orally and in writing; and they work well with others. In Central Indiana and beyond, Butler graduates are coveted.

Longitudinal surveys of American college graduates find that opportunities for hands-on learning are consistently ranked as the most valuable educational experience of their baccalaureate studies. The surveys also note a high correlation between service learning and subsequent participation in civic life. Butler aspires to educate not only the mind, but the entire person. Our students are taught, by precept and example, that their own flourishing is intertwined with the welfare of others. It begins with freshman orientation with BullDawgs in the Streets, and stretches throughout a student's time at Butler. Annual philanthropic projects are a feature of residential, fraternity, and sorority life; of all of our athletic teams; of many of our co-curricular organizations; of our alternative fall and spring breaks and other volunteer activities.

Butler University thus occupies a strategic position in the landscape of higher education. It provides the personalized undergraduate residential liberal learning that is the glory of the liberal arts college, and it offers opportunities for specialized undergraduate professional training that is the strength of research universities and comprehensive institutions. Its education extends from the classroom into the city of Indianapolis within which it is situated. It engenders both intellectual discipline and habits of the heart.

Looking forward, we believe in the continuing relevance and value of the education we offer, but Butler must also be judicious in the choices to be made in order to sustain the health of the University. These choices fall in four areas: the size of the institution, the management of its finances, the distinctiveness of its programs, and the character of its graduates.

With regard to size, Butler has made a commitment not to grow beyond 4000 full-time undergraduate students because there is evidence that beyond that number, the quality of educational outcomes declines.<sup>2</sup> For the last seven years, we have set the target for the freshman class at 915. While this has led to increased selectivity as the applicant pool has continued to grow, it also means that the University does not realize potential savings found in increased scale of production. Teaching institutions like Butler do not become more economical by producing more graduates per year. The very quality of the education they provide depends on limiting production.

This has been a point of bemusement for many alumni with business backgrounds, where not to grow by increasing production is to risk falling behind other competitors. And yet within that very growth model lies the volatility characteristic of the short life spans of the majority of business enterprises. By contrast, sustainability in higher education lies in a product that is distinctive in part because it can only be produced in limited quantities. Like shopping for fine clothes, each graduate should be “custom-tailored,” not fitted “off the rack.”

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<sup>2</sup> *National Survey of Student Engagement: 2001 Report*, p. 12. Student engagement, as indicated by level of academic challenge, active and collaborative learning, student interactions with faculty members, enriching educational experiences, and supportive campus environment, proved highest in the group of colleges with 4,000 or fewer students.

For the past five years, Butler has been guided by the *Dare To Lead* strategic plan, and this afternoon you're invited to comment on a draft of the next five-year strategic plan that will set priorities into the next decade. Both the present and prospective plans call for maintaining the size of the full-time undergraduate student body at 4,000. Given that the number of high school graduates will decrease nationally by 3.4% over the life of the next strategic plan, and that the Midwest, from which we draw 80% of our students, will experience an even steeper decline of 6.7%, it would be sound policy to seek to sustain our present student body size, which will take increased effort, particularly in attracting a larger applicant pool. But beyond this logistical consideration, the way we educate demands that we limit undergraduate student body size to ensure the quality of that education.

The current world financial crisis has affected many colleges and universities. Some have their operating cash tied up in Wachovia short-term funds that were frozen. Others had taken out variable-rate debt to finance building projects and now are facing skyrocketing interest rate adjustments. There is also concern as to whether students and families will be able to obtain educational loans. In the longer term, many worry about the effect of the downturn on their endowments, the draw from which supports operations.

Butler has avoided these pitfalls. It normally uses the Wachovia Short Term Fund to house a portion of its operating cash, but Vice President for Finance Bruce Arick grew concerned about the return from that fund and never transferred cash into that account. Bruce refers to this as a blessing of "divine procrastination." All of the University's bonds for construction have been in fixed-rate instruments, and thus we have not

encountered difficulties with rising interest rates on debt. Butler students and their families have a distinguished record of repaying their loans: our historic default rate is three-tenth's of one percent. This has created a legacy where lenders will continue to provide educational loans to Butler students. Currently, draw from the endowment provides only about 6% of our annual operating revenues (that's a perverse blessing of having an endowment that all of us would wish were larger).

The long-term challenge is that Butler is over 80% tuition-dependent. This means that we must continue to be able to attract and retain students. In this regard, our recent record has been very strong. For several years now, I have reported annually to the Board on how Butler compares with other master's institution according to data collected by the U. S. Department of Education's Integrated Postsecondary Educational Data System (IPEDS) and used in the annual edition of *America's Best Colleges*, published by *U.S. News and World Report*. The two most important categories are the outcomes measures: freshman to sophomore retention and six-year graduation rate. The object of higher education is to enable students to complete a course of study. Therefore, retention and graduation rates are direct indicators of success.

Butler's reported four-year average freshman to sophomore retention rate grew from 83% in 2000 to 87% in 2008. Of the 500-plus master's universities in the United States, our retention rate was surpassed by 64 institutions in 2000, and by 30 institutions in 2008. Our reported average graduation rate over four years was 62% in 2000, and 71% in 2008. The Butler graduation rate was surpassed by 73 institutions in 2000, and by 35 institutions in 2008. Furthermore, in 2000 there were 45 institutions that surpassed Butler in both freshman to sophomore retention and six-year graduation rates; in 2008

there were 21. Butler has made significant progress by these measures, and we aspire to be in the top ten in these categories. But continued improvement depends on admitting qualified students, offering appropriate levels of financial aid so that they will come and be able to afford to stay, and providing educational experiences that make it worthwhile for them to persist to graduation. We can do this so long as the programs we offer and the students we graduate remain distinctive and special.

What we offer at Butler must be unique, more comprehensive, or at a higher standard than programs at other institutions. For example, the requirement in the College of Business Administration that all students must have two credit-bearing internships in order to graduate is unique among undergraduate business programs in the nation. Experiential education is an option at most universities, but that 95% of our graduates have had such opportunities bespeaks a comprehensiveness of intention that is distinctive. Our pass rates on the Pharmacy boards and the National Teachers Exam verge on 100%, as do our post-graduate employment numbers in those programs. From the Urban Ecology Center to the Shortridge High School project with the Indianapolis Public Schools, from our stellar performing arts and speaker's series to our athletics, much of the next strategic plan is devoted to ways in which Butler can hone its academic programs, its co-curricular opportunities, and its community outreach efforts to make the case that what students find here will be special.

In the end, however, what matters is the character of our graduates. In a sentence, Butler's mission is to prepare a student to make both a living and a life of purpose, in which individual flourishing is intertwined with the welfare of others.

In June, I went back for my 35<sup>th</sup> reunion at Harvard University. My class was addressed by President Drew Gilpin Faust. She noted with concern that in recent years 50% of each graduating college class aspired to careers in the financial industry (that may have changed in the last few months). President Gilpin did not disparage a career on Wall Street, but she wondered openly what it said about the values engendered by Harvard if half the graduating class pursued careers focused on quickly amassing wealth.

By contrast, I believe in Butler's future because I believe in the education of our students to heal a broken world. This summer, I had the privilege of presenting the Ambassador for Children's very first Young Ambassador Peace Award to a recent Butler graduate, Michael Hole of Crawfordsville, in honor of his work in helping create a bright future for hundreds of children in need.

In his junior year, Michael helped found the Butler University chapter of Ambassadors for Children and encouraged chapter members to make a humanitarian service trip to Uganda through AFC. Our students learned that Uganda has no public school system, and that poor youth there struggle against terrific odds to gain an education. Chapter members determined to raise \$35,000 during the 2007-2008 academic year to build a school in Uganda. Michael came to me last fall to tell me about their project. I wished him and the chapter the best of success, but I wondered if their goal exceeded their reach. My misgivings were unfounded: within that school year, the students raised \$43,000.

In June, Michael and fellow Butler students helped break ground for the Building Tomorrow Academy of Kyomya, Uganda. Scheduled to open in February 2009, the academy will offer free education for up to 325 students in grades 1-7.

This fall, Michael is continuing his education at the Stanford University School of Medicine. He plans to use his medical degree to launch an international health and social justice organization that will provide medicine, clean water, education and world advocacy for underserved peoples.

We try to impress on all Butler students that their studies should prepare them for servant-leadership that uplifts those around them. This is The Butler Way, and while Michael Hole truly exemplifies its principles, he is not exceptional. He is but one of the host of students we empower through a Butler education to make a difference in the lives of those they touch. And the ripples of their deeds will spread to the ends of the earth.

In 2002, I urged at my inauguration, let us make Butler what from “the beginning Butler was intended to be: a city on the hill that equips our students in knowledge, in skill, in character, and in hope to work to make a brighter future, to make a world more just, more tolerant, more compassionate, more inclusive than the world in which they were born.” This is the university that you and I today are still being called to serve. Thank you very much for responding to that call.