

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

IV. UW REAL ESTATE ALUMNI ASSOCIATION

G. Miscellaneous Speeches to Alumni

1. "W Club Speech", (Outline), Minneapolis, 1986

1986

W Club Speech

I Introduction

- A. Greet and thank the hosts
- B. Identify with Twin Cities through FARA, Morans and alumni
- C. Real Estate Alumni Group and Diane Orbisson as National President
- D. Minnesota Journal of Real Estate refers to Wisconsin Real Estate Mafia

II An early and sunny spring on campus

- A. Daffodils and tulips are up
- B. Teargas in the air
- C. Only the budget is frozen
- D. The Chancellor's Office equipped me with a series of upbeat brochures, TV pamphlets and advertising material on a university real estate endeavor which is now become a joint venture with Northwestern Mutual
- E. We have a new president, Kenneth Shaw and a new dean in the School of Business, Jim Hickman
- F. These are very brave and dedicated men as they have taken on their responsibilities in the worst of times
- G. Never has the university needed a strong and articulate alumni as it does now

III The need for economy in state government and budget cuts to help offset a \$300 million state deficit is never comfortable but that is not the major factor underlying a depply demoralized faculty and staff at the University. The fundamental problem is that there is no rational process for establishing priorities and policy with which to make the best use of the resources the state can afford to give us.

- A. The legislature has been taking control of the University from the hands of the Regents who are bewildered, fragmented and misled by the administration.
- B. The UW-Madison campus is expected to absorb about \$5 million in operating budget cuts but the legislature ordered the UW system not to solve its

problems by cutting class sessions. Steps are being taken to reduce enrollment by at least 1,000 by freezing the size of the freshman class, limiting transfers, etc. but TA budgets will be cut nevertheless.

- C. 'It's like the mythical king who ordered the tide not to come in said UW Executive Vice President Kathryin Lyall. The agreement not to close class sections was made before the legislature took another \$5.5 million out of the UW budget.
- D. The legislature told the Regents they could economize by closing 2 sub-campuses and recover \$25 million therefrom but Earl vetoed that provision so the Governor and the legislature continue to bully and intimidate the Regents.
- E. Hector DeLuca, one of the UW's top scientists and Chairman of the Biochemistry Department has resigned as department chairman.

'DeLuca, one of the UW's top scientists, said the main reason he was quitting as department chairman after 16 years was that he was tired and wants to return to the laboratory.

But he also said the strain of administering state budget cuts had gotten to him. 'Somebody's got to start making decision, someone has to decide the prime things that have to be saved,' DeLuca said. 'Someone has to decide how important the Baraboo campus is when we're going to cut Madison to a second-rate institution ... to just keep whittling away at us is ridiculous.'

DeLuca said 'good departments' are being hit by budget cuts as hard as 'bad departments.' 'I don't want to be any part of that,' he said."

IV I can talk about conditions in the Business School best where we currently have at least 11 openings in our faculty, as our best and brightest go where their talents are appreciated and compensated. Those of you who are Business School graduates will know the extent of the loss while I point out that Hawk, Kramer, Kappas, Haugan, Kroncke have left or are leaving in Finance and Houston and Peters are leaving in Marketing and

A. Chancellor Shain was quoted as saying "Obviously the School of Business will have to do some hiring or it will be dysfunctional!"

- 1. It costs \$46,000 to hire a new assistant finance professor with little or no experience, although there are associate and full professors

who have yet to reach \$50,000.

- 2. We could not hire a new dean from outside the school since competitive wages exceeded those paid Chancellor Shain.
- 3. While there are liberal arts professors who are teaching 20-25 students per semester in Latin poetry and Polynesian, our TAs have to waive class size limits and teach 55 students or more per section.
- 4. The Business School was one of those good departments DeLuca was talking about and we have been whittled away to a second-rate institution.
- 5. 20% of the freshman class sign up for pre-business but only a small percentage can be admitted while the rest are forced to take majors they don't want or transfer, even though they are residents of the State of Wisconsin or Minnesota with whom we have reciprocity.
- 6. What we need is endowment, like many of the other great schools. The UW Foundation is embarking on its largest fund-raising drive but Chancellor Shain has earmarked the first \$20 million or more for a convocation center to be built on the railyard over the objections of Dane County, the City of Madison, and most of the students and faculty on campus.
  - a. \$20 million of endowment for the School of Business would provide *\$1.8 million per year,* more than half the money needed to be competitive. Why should corporate contributors build a convocation center and disseminate a primary source of their best-trained employees?
  - b. When you're asked to give, give for endowments, not buildings. Just as the church is the congregation, not the structure, a university is a fellowship of motivated scholars, not an indoor athletic facility and column free temple for graduation speeches.

V The Real Estate Department could be a model for all of the School of Business, if I say so myself. We don't expect a legislature or the Regents to help. The Chancellor is to be indured. We are attempting to solve our own problems.

- A. We have 800 real estate majors as loyal alumni who are organized, active in most major real estate markets, and supportive of our present students with job leads, case studies, field trip presentations, and money.
- B. The alumni are raising \$1.5 million including \$600,000 from themselves, \$600,000 from their employers, and \$300,000 from foundations. They have \$250,000 in the bank and \$250,000 in pledges and 2 years to go.
- C. My young faculty are underpaid and overworked, but they've agreed to stay on as we attempt to create endowment income to provide research help, augment their salaries to competitive levels, and devise methods to improve student instruction.
- D. Our department was 3 years ahead in microcomputers and the computer labs were monitored and the new students instructed by volunteers among the older students. Officers at the Real Estate Club run a summer internship program, a nine-month internship program, and a placement office in my office. With the aid of alumni they engineered at least two major field trips each semester as well as constant series of guest speakers.
- E. The faculty has an open door policy for students to create bonds while they're on campus and give them a reason for coming back to the campus. Each two years the alumni hold their own real estate seminar on campus for the two days prior to Homecoming. At our fifth biennial last fall, we had <sup>300</sup>~~300~~ alumni present at one time or another, we've outgrown Lowell Hall and will use the Concourse Hotel in 1987.
- F. Real Estate Alumni contributions are going into a permanent endowment to insulate real estate from the politics of state education. We have the number one real estate program in the country now and we intend to keep it that way because we owe it to our alumni to maintain the image of their degree and provide a network for career advancement, information exchange, and continual retraining. *Your W Club could have a similar mission for all UW grads.*

- G. If you alumni permit the legislature, the Governor, the Regents and the Chancellor to permit your university to become a second-rate institution without the powers to use limited resources wisely and in a way which will best serve the State of Wisconsin, then your degree will become second-rate too. You have a vested interest. Be sure you make yourselves heard in the Chancellor's office and with the Regents. Wish you could vote for Governor.
- H. You may be shocked because I have chosen Founder's Day to be critical about the current state of affairs and current lack of university leadership, but I am a Wisconsin boy, a Wisconsin grad, a Wisconsin faculty member who does not plan to cut and run for a better environment. I am a street fighter who will ultimately prevail over any handicap the Governor, the Regents, or the Chancellor may impose. Join the crusade to save the university from itself!

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