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**Report to the Council**

**2009 Annual Meeting  
American Council of Learned Societies  
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Welcome back to Philadelphia. This is the ninth annual meeting we have held in this venerable city, indeed in this hotel, since New York hotel and catering prices drove us out of Manhattan. What was originally an expedient choice has now become a tradition.

Tradition is on our minds, for as the numerically enhanced logo gracing much of the material in your agenda book indicates, the year 2009 marks the ninetieth anniversary of the founding of ACLS in 1919. Indeed, the first meeting of what became the ACLS was on September 19<sup>th</sup>, or 9-19-1919. It's occurred to me that perhaps all of us should play the number "9-19-1919" in the Powerball lottery. That may be a productive investment strategy—as good as any others we've tried. In these changing times, we need to think creatively.

You have in your agenda books some selected glimpses of ACLS's past, including a reproduction of the call to the first meeting of what became our Council. A number of other notable organizations were also founded in 1919. One of those was the Institute for International Education (IIE), now our neighbor in midtown Manhattan. When, after adopting its constitution in Boston, ACLS held its first formal organizational meeting in New York, IIE President Stephen Duggan provided his organization's offices for the event and generously offered to host a luncheon for the newly named delegates. You may be interested to know that Waldo Leland, the ACLS acting secretary, accepted the first offer, but declined the second, saying, "It really seems to me better . . . that the practice of each [one] paying for his own luncheon should be inaugurated from the start," he wrote. Ah, frugality! Everything old is new again.

On the subject of frugality, I would note that another organization founded in 1919 was the American International Group, about which the less said the better. I wonder if AIG will be celebrating its hundredth birthday along with ACLS?

It has been a momentous 12 months since we last met in Pittsburgh. Last year, on May 8, 2008, the Dow Jones Industrial Average stood at 12,866. When markets opened this

morning, the average was 8409. Call it what you will— the “financial crisis,” “the credit crunch,” the “Great Recession,” the “Depression of ’08,” or simply, “the misery” —the economic tide has rushed out, and the consequences of that reversal are significant. For higher education and research, the effects are also likely to be persistent. Moody’s Financial Services estimates that the higher education sector “has lost at least \$120 billion of investment value since July 2008.” Those of you familiar with the basic principles of endowment management will draw two immediate conclusions from Moody’s figure. First, if it hews to the standard five percent payout rule, the higher education sector will need to forego \$6 billion in endowment draws. And second, it will be many years before that sum of \$120 billion is recovered. Even if investment returns turn drastically positive, lower fund balances and the continuing need to draw upon endowments for essential operations mean that under even cautiously optimistic assumptions, it will take 10 more years to recover from the effects of this past one. We thus need to think of our present straitened circumstances as “the new normal,” an apt and widely-quoted description used by Princeton University Provost Chris Eisgruber.

But what does the new normal look like, what does it feel like? How do these fiscal strains play out in the lives and careers of the scholars our societies and ACLS represent? We get a hint from last week’s *Economist*, which headlined an article on U.S. universities and the recession with “desperamus igitur,” “Therefore let us despair”! But, as Tolstoy might have said, every despairing university is despairing in its own way, so I hope in our discussion you will help us learn about both what is being cut and, more importantly, what might mediate the worst consequences of those cuts. We need to know. For ACLS, the measures we must take to adjust to investment losses cannot be simply arithmetic adjustments but must take into account the systemic effects of local college and university cutbacks. We’ve tried to use every opportunity we have to find out about them. We spent some time discussing the impacts of the crisis with each of the 19 selection committees ACLS convened for our U.S. fellowship programs. In February, we also held a meeting of the senior representatives of the consortium of 32 universities providing special support to the ACLS fellowship campaign. Most of these representatives reported decreased budget spending (anywhere from 1 to 15 percent), as well as freezes and cancellations of faculty searches. They also spoke of staff and departmental reductions and consolidations, selective pay decreases, and reductions in research accounts.

How has ACLS been affected? As you heard from Nancy Vickers and Herb Mann, our endowment, so tenderly nurtured over the years, has been battered. Endowment managers must see to it that the promises made to past donors are fulfilled in eventual payments to future beneficiaries. We would be unfaithful to our fiduciary responsibilities if we did not take measures to safeguard, insofar as possible, the endowment’s value. I want to assure you that our board is mindful of that responsibility, even as it considers its obligations to the present. In January, the board deliberated carefully before concluding that there must be a reduction in the number of endowment-funded fellowships ACLS awarded this year. Equal care was taken in applying those reductions. After extensive discussion, the board assigned a high priority to conserving the opportunities available to scholars not yet fully established in their careers. At the same time, it also recognized that the intellectual contributions of senior scholars are critically necessary to advancing the humanities. The board therefore directed the staff to distribute necessary reductions in awards across all ranks, but with the fewest reductions at the more junior ranks.

As Nancy states in her report, the financial meltdown has dealt a blow to ACLS's ambitious plans for growth in our central fellowship program and for stable funding for our federative, representative and administrative operations. An extended downturn will certainly require further adjustments. This is perhaps not the moment to take moral instruction from financiers, but we may want to consider the words of one from an earlier generation, Bernard Baruch, who advised that "the art of living lies not in eliminating but in growing with troubles."

But happily, any account of the past year at ACLS includes more than troubles. You heard in Nicole Stahlmann's report news of a notable milestone in ACLS's history: more than \$10 million in fellowship awards. When you consider that in its first 35 years, the *cumulative* total of *all* ACLS expenses on *all* activities was only \$9 million, we can take some satisfaction in the progress made in this, our ninetieth year. Throughout its history, ACLS has been the beneficiary of the generosity of the philanthropic foundations which developed a national infrastructure for knowledge and research long before the federal government came, belatedly, to that responsibility. Most prominent among ACLS's current supporters is The Andrew W. Mellon Foundation. We are extremely fortunate that Mellon does not, as too many foundations today do, see itself as an agency devising its own programs that work through but not with its beneficiaries. Instead, as a thoughtful curator of the academic humanities, the foundation acts as a partner with leading institutions.

This past June, we announced \$12 million in new grants to ACLS from Mellon, the Henry Luce Foundation, and the Carnegie Corporation of New York. The Carnegie grant provides \$5 million for our innovative African Humanities Program, which supports humanities scholars in five countries on that continent. Aably administered by Andrzej Tymowski, that program just completed its first round of selections. As we in the U.S. slog through what we hope is our temporary economic crisis, it behooves us also to support scholars who have been working for many years where crisis is the status quo. Also new this year is our program supporting collaborative research. The robust response to our first call for applications underlines the need for funders like ACLS to provide humanities scholars with support for a range of research modalities, including collaborative and digital research, categories which often overlap.

As you know, the U.S. Treasury reported yesterday on its "stress tests" of the nation's largest banks, tests in which Treasury examiners verify a bank's actual assets and liabilities and plot those calculations against increasingly difficult economic scenarios. Is a given bank solvent today? Would the bank still be solvent if economic growth were  $x$  percent, interest rates  $y$  percent, and unemployment  $z$  percent? The tests seek to answer the question of how much additional capital banks will need to withstand these possible stressors. More particularly, they will show where the points of stress are, and which "assets" may in fact be something of a liability.

Whatever the merits of those particular tests, which many have debated, we might borrow the metaphor and see the financial crisis as a stress test for higher education and research. The decline in assets and revenue we all have suffered stress our system generally, but also reveal junctures, subsystems, and practices that are either particularly vulnerable, particularly critical, or both. We would be wise to take this opportunity to focus on what is at risk and why we value it.

First, as any and all of the administrative officers here in Philadelphia can tell you, *learned societies* are without question one of the stressed points in the academic humanities. I am always struck when conversing with university leaders by how much power they attribute to learned societies. And they are indeed powerful, precisely because they embody and enact the ideals of scholarly self-governance and scholarly self-determination which we will discuss this afternoon. They have been durable for the same reason: the efflorescence of American higher education and scholarship since 1919, when ACLS had 13 founding members, has been accompanied by a luxuriant growth in the number of learned societies, now 70 within ACLS, dedicated to scholars' husbandry of their intellectual interests.

But the importance of the mission and the strength of the ideals of learned societies are not always matched by the health of their balance sheets. In preparation for the November 2008 meeting of the Conference of Administrative Officers, its executive committee undertook a survey of society business models and revenue streams. Incidentally, the meeting took place in Detroit, a city where working to develop new business models is not an idle exercise. Our member societies, however, are not comparable to GM and Chrysler. Rather, they have been providing services that their customers, read "members," really do value. Moreover, they're certainly not complacent, and—I'm pretty sure—none of their leaders traveled here or to Detroit by private jet.

Yet it also is certain that every society revenue stream is imperiled by the economic downturn: meetings, membership dues, advertising, donations, investment income. Cutbacks in university support for travel and research are likely to persist and decrease these revenues. Our CAO will spend some time on Saturday discussing how to manage through the meltdown. That discussion will continue when the CAO reconvenes in November, with an additional focus on putting in place the conditions and innovations that will help sustain long-term growth after the emergency is past.

A second stress point is *the fate of the rising generation of scholars*, new Ph.D.s who find themselves cast upon what's been called a "jobless market." The academic career path has key stages—appointment, reappointment, tenure, promotion, retirement—which form a logical sequence in a smooth, steady-state economic environment. But these key junctures can become yawning chasms in circumstances such as those we now confront. Colleges and universities restrict faculty hiring: a logical response to withered revenues. Individual faculty delay retirement: a logical response to ravaged TIAA and other 403(b) accounts. But those younger scholars who began Ph.D. programs eight years ago will also, logically, take their degrees and seek to begin their careers. If current conditions persist—and there is every reason to fear they will—we are in very real danger of losing a generation of scholars in whom there has already been a sizeable investment.

In February, we discussed this peril with representatives of the Research University Consortium at the meeting I mentioned earlier. Some institutions have tried to patch together funds from recaptured visiting and adjunct lines and other sources to help their recent Ph.D.s with special grants that will allow them to continue their research, and perhaps do some teaching, so that they are viable candidates when the job market revives. There is, however, a clear limit to what individual institutions can do. The creation of these "ad hoc post-docs," moreover, suggested the possibility of a more concerted approach to the larger problem. The consortium representatives wondered if there might be a means of better systematizing and organizing information about the set of

post-doc opportunities available, and, in fact, if ACLS might be able to serve as a clearinghouse for post-doc placement. We certainly will be discussing this issue over the next months, and I look forward to your thoughts about this desperate issue.

The final stress point I want to comment upon this morning is that of *our confidence in ourselves and in the value proposition inherent in the humanities*. If one delves into the history of ACLS, one finds more than a few instances where the humanities, higher education and our philanthropic supporters have come under attack. In 1954, for example, a special committee of the U.S. House of Representatives charged that ACLS and humanities educators were in “some kind of conspiracy with the foundations” to subvert American government. This charge was a “fantasy,” responded our then board chair, Cornelius W. de Kiewet, the president of the University of Rochester. “To lay broad and loose charges against education,” Dr. de Kiewet declared, “can itself become a form of subversion against which it is the duty of intellectual leaders to speak forcibly and emphatically.”<sup>1</sup>

But humanists are not always so emphatic. As one foundation officer observed in 1930: “philosophy and humanism have gone under a cloud; when they assert themselves, they are prone to do so apologetically.”<sup>2</sup> Some of the cloudy weather seems to have returned with the negative change in the economic climate, and more apologies are being offered. Many of you may have seen the February 25th piece in *The New York Times*, headlined “In Tough Times, the Humanities Must Justify Their Worth.” In that article otherwise reasonable friends of the humanities asserted that we need new, indeed, “revolutionary” new arguments for the value of humanistic learning, arguments more closely attuned to the workplace needs of students and the economy. As resources shrink it will not be all that surprising if this meme, which echoes the arguments we saw in the Spellings Commission, is repeated—even under this administration—in new frameworks and new voices.

Now don’t get me wrong: surely every area of research and learning must assure the public that the support provided for their work will be money well spent. But I think making that case should not seek short-term gains in contemporary packaging at the cost of maintaining the long-term, durable justifications for humanistic study. The greatest value conveyed by study of the humanities is relentless inquiry into the question of value itself. Human beings seek and create meaning and value in language, literature, art, music, science, and in their very history. The humanities requires its students, whether undergraduates in the classroom or senior faculty engaged in research, to understand, interpret, and question those values. Adhering to that fierce discipline may seem an “ivory tower” exercise, but one need only read the financial pages to be reminded again of the cost of not scrutinizing surface value.

Let me conclude with a comparison from abroad. In an essay published in the Summer 2008 issue of *Daedalus*, William C. Kirby provides an interesting account of how the educational aspirations and the centrality of the humanities are playing out in contemporary China. His piece, entitled “On Chinese, European, and American Universities,” begins with an observation on the contemporary global ferment in higher education. Universities are expanding, changing their curricula, and expanding their reach in all three regions. In China, that expansion is on an epoch scale, “a revolution in mass

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<sup>1</sup> “Learned Council Defends Scholars,” *New York Times* 22 July 1954: 10.

<sup>2</sup> Abraham Flexner, *Universities: American, English, German* (New York: Oxford UP, 1930) 20.

higher education that dwarfs that of the United States in the 1950s and that of Europe in the 1970s,” he writes. In 1949, the percentage of 18- to 21-year-olds in higher education was miniscule; today, 15 percent of that cohort is enrolled, and “[by] 2020, China aims to enroll as much as 40 percent of young adults in colleges or universities.”<sup>3</sup> (Keep in mind the magnitude of the numbers on which this percentage is calculated.) Chinese universities now lead the world in the annual production of Ph.D.s.

Kirby correctly states that this astonishing growth is “a welcome challenge to American universities—a challenge for both competition and cooperation.” But, he emphasizes, this is a competition among institutions, not among nation-states. Harvard, Oxford, Beida, and Tōdai all confront the same question: “How do we ensure that—even though our universities will still be based in a home country, with national responsibilities—we also fulfill our international responsibilities, training students who will be citizens of the world?”<sup>4</sup>

Interestingly, one of the most effective answers to that question surfacing in China is to place liberal education and the humanities at the core of the university. As Kirby notes, emphasizing these values “in an age increasingly dominated by science and technology” may seem “counterintuitive” and certainly surprising, especially in a country where every recent member of the Standing Committee of the Politburo has training as an engineer. But the ideal of a broad, humanistic education is not new to Chinese civilization. Traditional Chinese general education, albeit limited to a very small sector of the society, demanded the deep immersion in and continuing conversation with the classics of Chinese philosophy, religion and literature. As has often been observed, and as Kirby reminds us, “China is the world’s longest continuous civilization, with the longest continuing sets of philosophical and literary traditions.” Institutionalized in the civil service examination, “the study of that tradition defined not only what it meant to be a scholar, but also what it meant to be powerful.”<sup>5</sup>

But after the fall of the empire in 1911, Chinese education was “reformed” as part of a state mobilization for international competitiveness. Mathematics, science and engineering became the focus of the curriculum. Arts and culture “were to be firmly subordinated to the purposes of the developmental state,” under both the Kuomintang and the Communists. “By 1949,” Kirby notes, “less than 10 percent of graduates of Chinese public universities graduated with degrees in humanistic disciplines. The Communists then took that number to the vanishing point.” And what was the result of this transformation? China “denigrated nearly every aspect of a civilization that, just a century earlier, was the most sophisticated and accomplished on Earth.”<sup>6</sup>

As the twenty-first century began, China discovered the consequences of this policy: an emptiness at the heart of education, and a disjuncture between a technocracy and the civic purposes education is to serve. As China ponders how to “build institutions of learning that are at the forefront of science and technology and yet also honor and promote the humanities,” there is a new desire to reconnect with the foundations of the

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<sup>3</sup> Kirby 140.

<sup>4</sup> Kirby 141, 142.

<sup>5</sup> Kirby 143, 145, 144.

<sup>6</sup> Kirby 145, 146.

culture. This is why, Kirby notes, “statues of Confucius are replacing statues of Mao. . . . [E]ven though,” he adds, “their works may still equally unread.”<sup>7</sup>

The 99 years since the first Chinese revolution only slightly exceed the span of ACLS’s history. In our 90 years, ACLS has supported scholars, incubated new fields and methods of study, attended to the infrastructure of research libraries and scholarly communication, and built connections among our member societies and within the wider humanities community in the country and across the globe.

ACLS teetered on the brink of bankruptcy in 1957. In 2009 we confront a new period of financial stress, though this time it is not peculiar to our organization but one that bends and warps the channels of all scholarly careers. When, 10 years from now, on 9-19-2019, we celebrate ACLS’s centennial, I hope that we will look on the final decade of our first century as a time when—to recall Bernard Baruch’s advice—we practiced the art of living and grew even stronger by engaging the troubles around us. Thank you.

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<sup>7</sup> Kirby 146.