

May 23, 2002

Address to the Northeastern University Corporation

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Recommended Citation

Freeland (1941-), Richard M., "Address to the Northeastern University Corporation " (2002). *Freeland Speeches*. Paper 2.
<http://hdl.handle.net/2047/d10001840>

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Speeches

Address to the Northeastern Corporation May 23, 2002 Omni Parker House

NOTE: This speech is a slightly expanded version of the one President Freeland delivered on May 23 and is accompanied by a PowerPoint presentation. Clicking on the slides will open a new window.

Good morning. This is the sixth time I have come before you to review our progress. I want to say before I start that I continue to love this job. I have said many times, and I will repeat here this morning: I think I have the best job in American higher education. It is a pleasure to be with you today.

We assemble this morning following an extraordinary evening for Northeastern as we celebrated the public kickoff of our Leadership Campaign. It was a time to trumpet the achievements of this institution, to reflect upon our future and to thank alumni and friends for their support. It was a wonderful and joyous occasion, and I am delighted that so many of you were able to be with us. Senior vice president Robert Cunningham and his staff in the Division of Institutional Advancement did a tremendous job in organizing the evening.

Some other thank yous are in order as we near the end of this academic year. I want to express my deep sense of gratitude to all the members of our governing boards for their service to Northeastern. I extend special thanks to our

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trustees, who devote so much of their time and attention to this university. And I particularly want to thank the chairman of our Board of Trustees, Neal Finnegan, whose car seems to spend more time in a Northeastern parking lot than it does at his place of employment.

There are several members of our senior administration who merit special acknowledgment this morning. New people joining our leadership during the past year include senior vice president for institutional advancement Bob Cunningham, vice president for development Elizabeth Roberts, director of communications Ed Klotzbier, dean and director of university libraries Ed Warro and dean of the School of Pharmacy, Dan Robinson.

Three key members of the academic administration are returning to the faculty: our provost, David Hall; our law school dean, Roger Abrams; and our vice provost for undergraduate education, Gilda Barabino. Finally, we have one particularly notable retirement, our vice president for business, Jack Martin, who is stepping down after nearly 35 years of service.

II: The Strategic Imperative

In previous reports to you, I have focused on our progress in becoming the smaller and better version of Northeastern that we have been pursuing over the past decade, an idea we have operationalized in our determination to achieve recognition among the top 100 universities in the country. Last year, I reviewed four criteria typically used to rank universities, and I summarized our progress on each of these criteria. This morning, I want to take you a step deeper into the workings of the university by reviewing key initiatives related to each of the four criteria of performance and by showing how the Leadership Campaign that we inaugurated last night will support these initiatives.

Let me begin by reminding you of the two essential elements of our strategic position. The first fact is that we are a private, high-tuition university, and we will flourish only by achieving a level of quality fully commensurate with the tuition we must charge to our students. This slide [[click here to see slide](#)] shows freshman-year tuition and fee costs at Northeastern compared to several private universities and some of the regional publics with whom we compete for students. As you can see, our charges are

quite similar to those of high-ranking privates, all of which are in the top 100, and are far, far higher than the flagship publics, which also outrank us. [The freshman costs shown here actually somewhat understate our real charges, because we have historically subsidized first-year students at Northeastern, and made that up with slightly higher charges during the upperclass years.] This slide reveals the essential logic of our strategy to make Northeastern smaller and better and to pursue top-100 status — we need to achieve a quality that matches our costs.

The second element of our situation is that we have a limited window of opportunity in which to reposition ourselves. The demographic bubble that has aided our growth since the mid-1990s will last for only a few more years. This slide [[click here to see slide](#)] tracks the number of high school graduates nationally from the mid-1990s through 2011. As you can see, there is a window of opportunity until the number peaks in 2008 and then declines [[click here to see slide](#)]. This pattern of declining high school graduates is even more extreme in New England, from which we still draw most of our students, and the decline will continue in our region well after 2011, as this slide of the K-8 age cohort indicates.

So that is the basic situation: We must move, and we must move quickly, lest we risk, a few years from now, slipping back into the perilous position that we encountered in the early 1990s.

III: Four Indicators of Quality

In last year's report to you, I reviewed four categories of institutional performance used by virtually all ranking systems to determine the relative standing of universities [[click here to see slide](#)]. The four are student quality, typically expressed in terms of average SATs or acceptance rates; student success, which refers to the proportion of admitted students who remain at a university and go on to graduate; academic reputation, usually based on opinion surveys of university presidents and other academic leaders; and resources, which are counted in various ways, such as faculty salaries or expenditures per student, which are seen as measures of the quality of a school's programs and services. Our success over time will depend upon our achieving comparability with other top-100 universities in

these four areas.

[Click [here](#) to see slide] To assess our position, set appropriate goals and track our progress in each of the four key criteria, we compare ourselves to the 13 private, top-100 universities shown here — most of which are in the second tier in the U.S. News & World Report rankings. I would now like to review the key steps we are taking to strengthen performance in each of the four areas and summarize our position in relation to the 13 comparator institutions.

IV: Student Quality

[Click [here](#) to see slide] Let us begin with student quality. We are investing resources and energy in three key areas to strengthen the academic profile of entering students: targeted recruitment efforts, an umbrella program of institutional marketing and an enriched program of financial aid for freshmen.

To support our recruitment efforts, we have significantly expanded the staff and operating budget of the admissions and financial aid offices. This has enabled us to intensify our interactions with high school students through letters, print and Web-based communications; campus visits, including receptions and orientation programs; and the processing of financial aid. We have also expanded our recruitment activities outside New England, particularly in the mid-Atlantic region — where Northeastern is quite a hot university these days — as well as in areas of high demographic growth, including Florida, Texas and California. In addition, we have targeted special recruitment activities in particularly critical areas, including engineering and health sciences, where applications have been somewhat soft; exceptionally well-prepared students, where we must make a special effort; and students of color, where the competition for top students is especially fierce.

Our second key initiative to improve student quality involves our marketing program, which is intended to frame and support our direct admissions work by promoting perceptions of Northeastern in the general public consistent with the messages in our direct recruitment efforts. The marketing effort has many elements, including a restructured office of University Relations, headed by a

marketing professional and strengthened by increased support for public relations; new university-wide policies governing our graphic identity and core messages in major publications and on our Web site; a partnership with America Online that gets our name into thousands of households across the region and country; and, most dramatically, the recently launched “two sides of Northeastern” national branding campaign, linking our special form of education with the idea of academic excellence.

We have attempted to capture the linkage between a Northeastern education, with our strong focus on co-op, and academic excellence through the tag line of the branding campaign: “Higher learning. Richer experience.” The branding campaign will last three years in bursts of exposure linked to key points in the admissions cycle; it will focus on critical markets across the country with “advertorials” in major newspapers and periodicals, a redesigned homepage for our Web site and a direct-mail campaign to high school guidance counselors, with a follow-up program of campus visits by counselors. There are other elements, as well, including our graphic presence at Fenway Park, highway billboards on major approaches to the city in Boston and possibly New York, and sponsorship of NPR radio programming.

Our third key initiative to enhance student quality has been a major increase in freshman financial aid. If we are going to be competitive in attracting top students, we need to be competitive — indeed, more than competitive — in providing financial support for freshmen. And if we are going to keep open the gates of opportunity at Northeastern for the kinds of kids who have always come here, we need to offset our high tuition charges with generous aid packages. So, in the last five years, we have added nearly \$6 million to the freshman financial aid budget and increased from 50 percent to 68 percent the proportion of entering freshmen aided, while also increasing the size of average award.

What have all these efforts to increase student quality accomplished? This slide **[click [here](#) to see slide]** provides a capsule summary of our progress in freshman admissions from the early 1990s through 2001. As you can see, applications have risen dramatically, far more rapidly than the underlying demographics would explain. We have

been particularly successful in increasing applications from well-qualified students, while also experiencing a decline in less well-prepared applicants. We have been able to improve the average SAT score of entering freshmen as of last fall to 1157, compared with a mean among our 13 comparison institutions of 1185, and we expect another increase of perhaps 10 points in fall 2002. And we have dramatically improved our selectivity, to the point that last fall, we were actually within the range of our comparison institutions. This progress is the result of a lot of work by many individuals, and shows solid encouraging results in increasing the academic quality of our freshman class.

V: Student Success

[Click [here](#) to see slide] A second critical criterion universally used to assess the quality of universities is their success in graduating those they admit. In the mid-1990s, Northeastern was reporting a six-year graduation rate just above 40 percent. That is a number typically associated with urban, public, commuting institutions and far, far below the 70-plus percent record of the institutions we are seeking to emulate, not to mention the 90 percent commonly achieved by the nation's elite universities. And so we have focused on areas of university life that will increase the likelihood that those we admit will flourish and succeed. In particular, we have greatly increased financial aid for upperclass students. We have mounted a major effort to turn Northeastern into a residential campus. And we have organized a coordinated, university-wide retention initiative focused on programs and policies that directly affect student success.

The key initiative in upperclass assistance is what we call financial aid equalization, a policy that guarantees our students five years of aid at the same level they received as freshmen. This policy is a dramatic change from prior practice in which upperclass aid was greatly reduced after the freshman year for most of our students — a pattern, we became convinced, that was forcing many students to leave for financial reasons. Since 1997, we have invested over \$18 million in financial-aid equalization, and we have adopted the practice of giving students who receive financial aid written, specific commitments to five-year aid packages at the time we accept them.

You are all familiar with our housing construction program. Since 1999, we have opened six new residential buildings, with a seventh to open next fall and two others in construction this spring. These nine buildings will provide over 2,500 beds and represent, by far, the most aggressive program of residential construction of any university in Boston. This emphasis on residential facilities is a response to a clear finding of our research that our ability to provide attractive housing is essential to our ability to attract and retain students. The new buildings, of course, are only the most visible part of an effort to enrich campus life for an increasingly residential student body through enhanced activities programs and attractive computing, dining and social facilities.

Programming for residential students is only one small part of the comprehensive retention initiative to which I referred a moment ago. This retention initiative is linked to an active research program that is giving us a steadily increasing ability to identify students at risk of dropping out and getting to them early with the kind of help that will enable them to succeed. An important part of this initiative involves enriched academic programs for students in vulnerable categories with respect to retention, including freshman seminars, honors programs and special help for at-risk students. We are also building links between students on co-op and our classroom faculty through chat rooms and active Internet communications as a way of offsetting our traditional loss of connection with students on co-op. In addition, we have mounted a focused effort to improve administrative services to students through increased capabilities for Web-based transactions and a new customer service office that provides one-stop shopping for any kind of financial problem.

So how are we doing? This slide [[click here to see slide](#)] shows our progress over the last six years in graduating the students we admit. As you can see, the news is encouraging. Our freshman-to-sophomore retention rate has gone from 73 percent to 84 percent, against a mean for our 13 comparator institutions of 88 percent; and our six-year graduation rate has improved by a remarkable 16 percentage points from the 40-plus percent we were reporting in 1996 to a projected 56 percent for the class of 2001. In the area of student success, we are doing well, but we have a mountain still to climb to get to the 70 percent graduation rates achieved by our peers.

VI: Resources

[[Click here to see slide](#)] Resources is a measure of institutional quality that is especially challenging for Northeastern as we make the transition from being a low-cost, no-frills institution to competing for top students with major private universities with much greater resources than ourselves. Helping the institution acquire the resources to do our work at a heightened level of excellence is one of the greatest challenges we face and a major focus of our efforts.

The first thing to observe here is the tremendous financial impact of progress in student success. The double value of increasing our graduation rates is that it is not only vital to our academic progress but it also pays enormous dividends in the area of resources, as well. In fact, each 1 percent increase in our graduation rate adds \$1 million to the annual operating budget. It is easy to see why achieving our goals in student success is also at the top of our list in the area of resources.

There are two other areas of activity that have also been a special focus for us as we seek to improve our resource base and our revenue mix. One involves sponsored projects, our ability to win grants and contracts from federal agencies, private foundations and corporations for scholarly or educational projects. These soft-money dollars are essential to supporting a top program of scholarship in science and engineering, and they provide critical support in other disciplines and educational arenas, as well.

Over the past six years, we have taken a number of steps to increase our success in the area of sponsored projects. In particular, we have greatly increased our investments in matching dollars in fields where we are seeking outside support. Our success in winning designation as an engineering research center by the National Science Foundation is partly attributable to our willingness to commit significant institutional dollars to the project. We have made similar investments in other carefully selected fields, including biotechnology, nanotechnology, urban policy and programming languages, to mention but a few. We have also increased our expectations of faculty productivity in the area of sponsored work in ways that influence decisions about promotion as well as new

appointments. Finally, we have greatly expanded staff support for scholars seeking outside funding so that much of the burden of chasing down grant opportunities, preparing proposals, administering budgets and working out relationships with companies can be taken on by professional staff.

Our other major effort to expand the resources available to Northeastern is, of course, the Leadership Campaign itself, about which many of you heard a great deal yesterday. I shall say more about the relationship of the Leadership Campaign to the needs of the university in a few moments.

[Click [here](#) to see slide] Here are a few data points on our progress in the area of resources. Improved retention and graduation rates since 1996-97 have added at least \$19 million in gross revenue to this year's operating budget. Sponsored projects income has increased by a projected \$15 million, a 50 percent increase, over this same period. Finally, we are well past the halfway mark in our ambitious efforts to raise \$200 million through the Leadership Campaign, a tribute to the generosity of many in this room and others who could not be with us today.

All of this is commendable progress, but here, as I have indicated, the challenge for Northeastern is particularly severe. We have made some first-order calculations of the additional expenditure level we need to achieve to be competitive in the category of financial support for our programs with the 13 peer institutions against which we track ourselves. **[Click [here](#) to see slide]** That calculation concludes that we need to add between \$10 million and \$25 million, adjusted for inflation, to the operating budget over the next five years, chiefly through continued work in the three areas I have been discussing.

VII: Academic Reputation

The fourth and final arena in which we must strengthen our performance is in our academic reputation. This is an especially challenging dimension of institutional evaluation because it is a vague concept reflecting many factors, and also because it is typically measured through opinion surveys of individuals with very little current information. **[Click [here](#) to see slide]** The good news here, as many of you know, is that we start from a strong base. In recent

years, our score for academic reputation on the U.S. News & World Report rankings has been one of our strongest areas of evaluation and is within the range of the 13 institutions against which we are tracking ourselves. Still, to move securely into the top 100 in the highly competitive world of academic rankings, we need to focus significant attention on improving the quality of our educational and scholarly work, while also making sure the world knows about our progress through the marketing and communications efforts I described earlier.

[Click [here](#) to see slide] We are working on several fronts to strengthen our academic profile. To provide the foundation, we have produced a university-wide strategic plan, called the Action and Assessment Plan, identifying institutional goals and measures of progress in a range of programmatic areas; each college and administrative department has developed a unit plan outlining the ways in which each will contribute to the overall progress of the university.

Based on our planning activities, we have identified a limited number of fields, college by college, in which we will pursue national recognition for excellence, and we have also identified interdisciplinary and intercollegiate fields in which we believe we can make a mark, such as biotechnology and technological entrepreneurship. Linked to our programmatic priorities, we have pursued strategic appointments of highly regarded senior faculty, several to named chairs such as our program of trustee professorships, to anchor, inspire and organize our efforts to build excellence in key areas. Over the last five years, we have appointed eight senior scholars to named chairs.

At the heart of our strategy for strengthening our academic reputation are our efforts to construct the best model of practice-oriented education in the country by linking professional education, liberal education and co-op in an integrated, three-part learning experience of unique educational power.

All of this activity is the deep, hard work of program building — college by college, major by major, course by course, faculty appointment by faculty appointment — that will assure our qualitative competitiveness among all major universities while we also assert primacy in our particular form of education. This isn't glamorous work, but it is the

foundation on which our claims to recognition must be based.

Finally, to enrich our academic offerings and create a context for needed curricular redesign, we are changing the academic calendar from the quarter to the semester, a vastly complicated undertaking that has already yielded impressive results in program modernization and in creating mechanisms for increasing the links between our students' co-op and classroom experiences.

Changing our reputation is, perhaps, the "stickiest" of the challenges we face. Reputations change very slowly, and only with sustained effort over extended periods of time. Nonetheless, there are some encouraging signs of progress [[click here to see slide](#)]. The dramatic rise in applications for admission, particularly among high-achieving students, is perhaps the clearest indicator of an enhanced reputation. The admissions data is reinforced by our own market research, which tells us that many parents, high school students and guidance counselors see Northeastern as an academically stronger institution than was the case just a few years ago. And we have had some good results directly in the rankings. I am especially proud of our College of Engineering, which has set the goal of achieving top-50 status in its field, and has gone from 71st to 55th in the national rankings of engineering schools with graduate programs in just five years. This shows that our goals can be achieved, and we are looking for similar results from other colleges and programs.

VIII: The Symbiotic Relationship

Student quality. Student success. Expanded resources. Enhanced academic reputation. Our ascent to top-100 status depends upon continued work and progress in these four areas. But that is only half the story. To truly understand our efforts to reposition Northeastern, it is important to see how progress in each of these four areas interacts with our goals in the other areas.

Consider, for example, our goal of increasing student quality. As we increase the academic level of our entering students, we, of course, enhance our standing relative to others on this important criterion [[click here to see slide](#)]. But we also enhance our chances of progress in

student success, since better-prepared students are more likely to complete their studies. As we increase both student quality and student success, we enhance our academic reputation, which in turn helps us attract even better students. Of course, the arrows work the other way, as well. If we lose ground in the area of student quality, we also lose ground in the area of student success and academic reputation; so the stakes are triply high to make progress in this area.

Here is a second example of the interrelationships among our efforts that I touched on earlier **[click [here](#) to see slide]**. An increased graduation rate will have a major direct benefit on our ranking and reputation, but it will also greatly increase our resources, which will enable us to invest more in the kinds of programs that are needed to help ensure further progress in student success. Here, once again, the downward spiral is as highly leveraged as the upward spiral if the trends start to move in the wrong direction.

Another illustration of the system dynamics of our efforts involves our resource goals **[click [here](#) to see slide]**. As we increase our resources, we are able to strengthen our programs of education and scholarship, which in turn enhances our academic reputation, on which basis we will be even more successful in attracting resources in the form of grants, contracts and other forms of philanthropic support.

A final example of how all this works **[click [here](#) to see slide]**: As we build our academic reputation, we are better able to attract top faculty who want to be part of a high-quality university, especially one in Boston. We also increase our ability to attract top students, including top graduate students, who are drawn by an outstanding faculty. And both of these things together further increase our reputation, thus perpetuating the upward spiral.

So we know what we need to do in each of the four areas of institutional performance we are tracking **[click [here](#) to see slide]**. And we also know that our work in each of these areas will fuel progress in the others, so that the set of initiatives I have been describing this morning constitutes an interconnected system of synergistic forces that will provide the energy and impetus for our progress.

IX: The Leadership Campaign

Let me now, in closing, come back to the Leadership Campaign. You have heard me say on more than one occasion that of all the challenges we face, the resource challenge is the greatest. I have no doubt about our ability to achieve our goals of increasing the quality of our students, enhancing their likelihood of success and improving our academic work. But marshalling the resources to support our heightened level of achievement will be a major challenge for this community. I referred earlier to a \$10 million to \$25 million competitive gap in our annual operating budget vis-a-vis our peer comparator institutions. If we were to close that gap through increased endowment contributions, we would need to add \$300 million to our \$500 endowment, an increase of over 60 percent. If we were to close the gap by raising the bar for ourselves in the area of annual giving, we would need to triple the annual results of our development efforts.

We will not, of course, depend on any one source to fully address our budget gap. Improved graduation rates will help. Continued success in sponsored projects will help **[click [here](#) to see slide]**. But the Leadership Campaign is crucial, and so I would like to end this morning by noting the specific ways in which the goals of the campaign relate directly to the steps we must take to achieve top-100 status.

[Click [here](#) to see slide] Here, for example, is a graphic summarizing the links between the Leadership Campaign and the goal of increasing student quality. The dollars we are seeking through the campaign will enable us to support more merit scholarships for top students through such programs as the Legacy Scholarships in engineering, the 21st Century Scholarships in arts and sciences or the Ambassador Scholarships for top international students. It will increase our drastically underfunded program of graduate fellowships, where the competition for talent is especially severe, and continue our impressive program of improving our facilities, including completing the new Behrakis Health Sciences Center, building a new home for the College of Computer Science and enhancing our library and technology resources. Campaign dollars will also be used to support outreach programs to the public schools, especially in the fields of science and engineering, where it

is critically important to build a pipeline of capable students at an early age.

Campaign dollars will also assist us in making progress in the area of student success [[click here to see slide](#)]. Need-based scholarship funds will help assure that those we admit have the resources to complete their education. The Presidential Scholarships will help assure the retention of our most outstanding sophomores. Enriched programming in our academic classes, in co-op, in urban outreach opportunities and in extracurricular life will make Northeastern even more rewarding to those we admit. And continued expansion of residential facilities will address one of our key issues in retaining our students.

The campaign will provide critical resources to enhance our academic reputation [[click here to see slide](#)] by supporting 14 new endowed professorships, including our premier program of Trustee Professorships. It will enable badly needed improvements in our research infrastructure essential to attract, support and retain outstanding faculty scholars. We will enhance the quality and stature of key academic programs through increased budgetary support. And the campaign will help us project Northeastern as a national leader in co-op and practice-oriented education through support for curriculum design and faculty development, and by creating two new centers — one focused on scholarship, the Center for the Study of Practice-oriented Education, and the Corporate Relations Center, focused on improving our links with employers. Finally, the campaign will support our efforts to be one of the nation's premier urban universities through active, constructive engagements with our community and through urban-oriented programs of research and education that have resonance nationally.

X: Conclusion

So that is my report. I have covered a lot of ground this morning, especially in taking you through the programmatic steps we have initiated to advance our overall institutional strategy. But it is important that members of the Corporation understand our situation, the goals we have set for ourselves, the steps we are taking to achieve those goals and the kind of help we shall need to succeed.

[Click [here](#) to see slide] We are pursuing excellence as a national research university that is student-centered, practice-oriented and urban. We seek recognition among the top 100 universities in the country in this decade. We have identified the arenas of institutional performance in which we must make progress. We have launched a range of initiatives to achieve the excellence and stature to which we aspire. Our focus now is on doing it, on executing, on making these things happen.

We are making good progress, but we have a long way still to go. We will need your guidance and help — this year, next year and into the future. With that help, I am confident we shall succeed.