

May 03, 2001

Address to the Northeastern University Corporation

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Recommended Citation

Freeland (1941-), Richard M., "Address to the Northeastern University Corporation" (2001). *Freeland Speeches*. Paper 8.
<http://hdl.handle.net/2047/d1000192x>

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Northeastern

U N I V E R S I T Y

OFFICE OF THE PRESIDENT

Speeches

**Address to the Northeastern Corporation
May 3, 2001
Ritz-Carlton, Boston**

NOTE: This speech is accompanied by a PowerPoint presentation. Clicking on the slides will open a new window.

I

Good morning. This is the fifth time I have come before you to review our progress. I do so with a heightened sense of both optimism and challenge. Five years in the presidency has deepened my conviction about Northeastern's current quality and future potential, and it has also made clear the work that lies ahead. This is a time of aspiration and ambition and action and change at Northeastern. We have embarked upon a historic quest: to claim our rightful place among the top 100 universities in the nation by the end of this decade. To propel us toward this goal, we have initiated the university's most ambitious fundraising effort ever — the Leadership Campaign: New Pathways to Excellence. In my remarks this morning, I want to discuss these two topics in some depth, providing a status report on our efforts to achieve top-100 status and a summary of the shape and progress of the Leadership Campaign.

Before continuing, however, I want to acknowledge some individuals who deserve special recognition. Chairman [Neal] Finnegan has mentioned several corporators to

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whom we are especially indebted, and I get to add one important name: Neal himself. Our chairman is completing his third year in office and is providing inspired and conscientious leadership. I am deeply grateful for the time, energy and intelligence he devotes to guiding the university. I want also to thank the entire Board of Trustees for your unflagging support and to express appreciation to our overseers for their active participation in university life. To all members of the Northeastern Corporation, from president and campus community, my thanks and our thanks.

I also want to thank the university's administrative leaders, as well as all directors and department heads, who work every day on behalf of our students. This past year, we added impressive talent to our team. I would invite those individuals who are here to stand as I introduce them, and I would ask you to hold your applause until I have read all the names: Dr. Stephen Zoloth, dean of the Bouvé College of Health Sciences; Dan Robinson, dean of the School of Pharmacy; Philomena Mantella, vice president for enrollment management; Sandra King, director of university relations; Mark Putnam, director of university planning and research; Jean Fleischman, executive assistant to the president; Ronnee Patrick, dean of admissions; and Seamus Harrays, director of financial aid. We are also strengthened by the promotion of several long-time members of our community, and I would ask these people to stand as well: Tom Keady is now vice president for government and community relations; Ron Schiller is vice president for development; Pat Meservey is vice provost for faculty and budget; Gilda Barabino is vice provost for undergraduate education; Leonard Brown is associate vice provost for academic opportunity; and Kay Onan is special assistant to the president.

Several members of the university's leadership are stepping down this spring after long records of service, and I ask them to stand also. These include senior vice president for development Dick Meyer; vice provost for adult and continuing education and dean of University College Leon Zaborowski; and Judy Barr, interim dean of pharmacy.

Please join me in acknowledging the work of these important contributors.

II. Progress Report

I have mentioned our determination to join the nation's top 100 universities. This morning I want to discuss what this aspiration involves and also provide you with an update of our position. My account will make clear how much we have accomplished since Jack Curry, George Matthews and the senior leadership of the university framed their vision of a smaller/better Northeastern nearly 10 years ago. My report will also make clear how much work we still have to do. I hope you, like I, will find inspiration both in what we have achieved and in what remains to be done.

I should note at the outset that the whole business of ranking universities is a recent and fluid phenomenon. At the moment, we are preoccupied with the rankings done by U.S. News and World Report because of their visibility, but there are other important rating systems as well, and multiple initiatives are under way to develop alternative approaches. There is no one definitive measure of university stature and no certainty that the rankings we follow most closely today will still be dominant tomorrow. Our focus on reaching the top 100, therefore, does not refer to a particular, well-established yardstick. It refers, rather, to the broad phenomenon of ranking, which will be with us for a long time. Our aspiration is to be among the nation's top 100 universities, especially in the area of undergraduate education, by any reasonable measure of overall institutional standing.

That said, most ranking schemes place a university in a hierarchy based upon a composite of assessments in several areas [**Click [here](#) to see slide**]. Thus, for example, Northeastern is currently ranked 138th by U.S. News and World Report among the 230 institutions that are classified as national universities. This ranking represents substantial progress since 1992, when our position stood at 164, which was the bottom fourth tier of the listings. In the case of U.S. News, our rank is determined by a complex calculation through which the magazine assigns a score to us — and to every other university — in a number of categories, then computes an overall result. While the U.S. News ranking formula has its particular subtleties, it shares with most ranking schemes an emphasis on four basic characteristics of any university

[Click [here](#) to see slide]: first, overall academic reputation among knowledgeable observers; second, student quality and student performance; third, faculty and program quality; and fourth, resources. To improve our overall ranking, and to achieve our goal of top-100 status, we need to assemble a winning combination of scores in these four areas. Thus, to properly understand our current position, we need to know how we are assessed in each of these categories.

In the first category that I mentioned — academic reputation — Northeastern is actually in quite a strong position **[Click [here](#) to see slide]**. In 1992, when Northeastern was still struggling to emerge from the crisis of the early 1990s, we placed 139th among 230 national universities in terms of our academic reputation in the U.S. News survey. Though the number has moved somewhat unevenly over the years, we have now climbed to 105th, a substantial improvement.

There are very good reasons for our strengthened reputation. We have added excellent faculty, including nine senior scholars with national reputations to named chairs, including, during the past year, Matthias Feliason, our new trustee professor in computer science, and Ahmed Busnaina, the Smith chair in mechanical engineering. Individual units, such as the High-Tech MBA and the Center for Subsurface Imaging, have achieved impressive national recognition. We have attracted outstanding students from a widening geographic circle, and these students have carried our colors to new heights, as has CBA's case competition team in winning four of five Business Beanpots, and engineering's team of robot-builders in winning this year's national championship.

So we are closing in on top-100 status in terms of our academic reputation. In fact, our standing is similar to that of a number of universities in the second tier of the U.S. News rankings, representing schools ranking approximately between 50 and 100. This is very good because, of all the measures typically used to rank universities, reputation is one of the most difficult to change.

I mentioned that student quality is invariably used as an indicator of institutional stature, and average SATs of freshmen is the standard measure in this area **[Click [here](#)**

to see slide]. In 1991 our average SATs stood at 1025, only slightly above the national average. By last fall, after much hard work, that number had risen by over 100 points, to 1130. We have closed most of the distance that separates us from our peer competitors. I am particularly encouraged by our increasing ability to attract well-prepared students [**Click [here](#) to see slide**]. We have actually doubled our number of well-qualified applicants in half a decade.

Virtually every ranking scheme pays attention to institutional success in graduating those they admit, and here Northeastern has had a steep mountain to climb [**Click [here](#) to see slide**]. In the early 1990s, our graduation rate was slightly above 40 percent, a percentage commonly associated with public, urban campuses and far below those of most private universities. By this year, after sustained efforts to improve program quality, student housing, campus facilities and academic advising, we have gotten our number into the mid- and upper 50s. I am especially proud of our progress in the area of financial aid. Between fiscal 1992 and fiscal 2002, the amount budgeted by the university for scholarships has grown by 330 percent, from \$23.4 million to \$76.8 million, and we have adopted the policy of guaranteeing a steady level of aid to students across the five years of their undergraduate studies. These commitments go a long way to assure that the gates of opportunity remain open at Northeastern, and that those students we admit are able to complete their education here. So in the area of graduation rates we have made striking progress, though we have a long way to go to reach the 70 percent success rate maintained by our competitors.

Along with the quality and success of our students, the achievements of our faculty and the standing of our individual programs play important roles in the rankings, and properly so, since these are the most important determinants of the student experience. It is, of course, exceptionally difficult to measure the quality of a faculty, especially with regard to work in the classroom. One common measure of scholarly performance is the amount of sponsored research support that a faculty attracts. While this is a very imperfect measure of faculty achievement, its widespread use commands our attention [**Click [here](#) to see slide**]. This is an activity we have worked hard to improve, and the results are gratifying. Not only have we

made significant headway, rising in rank from 176 to 162 in six years, but we rank much higher than the median 246 for our peer competitor universities that are already in the top 100.

A university's overall reputation is determined by the reputations of its component parts combined into a composite image that has acquired currency over the years. In the end, therefore, our effort to raise the stature of Northeastern University has to involve the efforts of our individual colleges and departments to strengthen their positions [**Click [here](#) to see slide**]. While we are in a solid position, our deans and their faculties need to work very hard to achieve the level of recognition called for by their plans and the university's aspirations.

The final set of indicators by which we are ranked involves resources, a measure based on the reasonable premise that the amount an institution spends to operate its programs is a fair measure of program quality. In this area, the most common indicator is expenditures per student [**Click [here](#) to see slide**]. This measure sounds simple, but it represents a considerable metric complexity, since no two universities look exactly alike and since information on the finances of other institutions is difficult to obtain. Northeastern, in particular, has unusual costs arising from our co-op program. So efforts to compare our costs with others are at best an approximation. Still, we can know enough to make useful comparisons. We clearly face a substantial resource gap compared to our tier II competitors. This should not surprise us. We are, after all, still evolving from a low-cost, no-frills institution into a national university.

So that is a fair summary of where we stand in our quest for top-100 status, given our academic reputation — the quality and success of students, the competitiveness of our faculty and programs and the strength of our resources. How best to summarize our position? To me, these statistics are a source of optimism. I believe the record of achievement over the last 10 years across these categories is remarkable. I doubt that many other institutions have accomplished as much. All who have been involved in these efforts have reason to be very, very proud. These measures and comparisons make it clear to me that top-100 status is within our grasp. We are already very close in terms of academic reputation; our progress in admissions

selectivity and student success has been dramatic; our research productivity is already comparatively high; and we are adding impressive strength to our faculty and programs. These statistics also leave no doubt that there is critical work still to be done, college by college and university-wide, but I am confident that we can get to where we want to be.

III. The Resource Challenge

The hardest question before us, in my judgment, is whether we will continue to make progress on the resources needed to support this effort. We have done a great deal already. We have raised tuition to the point that the cost of a Northeastern degree today is about the same as that of our tier II competitors. We have made progress on key sources of non-tuition revenue, including sponsored research and annual giving, and those who manage our endowment have done an exceptional job. So we need to take a very close look at this matter of institutional expenditures as we plan our efforts over this next critical decade.

A key starting point for such an analysis is the distribution of revenues among various sources [**Click [here](#) to see slide**]. Looking at four key revenue streams — endowment income, private gifts and contracts, sponsored projects and tuition — Northeastern's situation has changed markedly from the early 1990s to today. We have reduced our dependence on tuition revenue by about 10 percent as we have made steady progress in the other categories. This is good news. Reducing our dependence on tuition has been a major goal since the early 1990s. At the same time, we remain significantly more tuition-dependent than the institutions with which we seek to be compared.

How can we make additional progress? It is clear that we are close to where we should be on government contracts, and though we will make additional progress in this arena, these dollars do little to help programmatic costs, since most go directly, as they should, to support faculty research activities. It is also clear that continued improvements in retention, combined with better performance in graduate enrollments and University College, will provide important help. Above all, it is evident that we face big challenges in the areas of endowment

income and private gifts and contracts.

If we look at our endowment on a per-student basis [[Click here to see slide](#)], for example, the remarkable story of our absolute growth and rising rank, of which we are justifiably proud, appears in a different light. We must, of course, continue to build the endowment, but it will be a long time before investment income plays a role in our overall expenditure profile comparable to that of the competition.

We see a similar comparative pattern in annual giving. We have made impressive strides in recent years [[Click here to see slide](#)]. Since the successful completion of the Centennial Campaign, we have been on an ambitious trajectory of 15 percent-a-year growth, and we have achieved that target, raising a record \$34.6 million last year. Yet, here again, looking at our private giving on a per-student basis puts the situation in perspective. While we have nearly tripled our annual giving per student since the early 1990s, we would need to be raising at least double what we currently raise to be operating at the level of a tier II private university.

And that, of course, brings me to the Leadership Campaign. I have said repeatedly that this is a campaign for the future of Northeastern. I hope you can now see why I feel that so strongly. If our colleges are going to strengthen their positions, if the university is going to achieve the top-100 goal, we need to provide our people with resources comparable to those available to our competitors. That is why the Leadership Campaign is so vital. The improvements we seek through the campaign — funded chairs for faculty, endowed scholarships for students, enhanced facilities — are the improvements we need to attain top-100 status. So let me turn now to our plans for the campaign and then close with a report on our progress.

IV. Leadership Campaign

Work on the Leadership Campaign began more than two years ago. After getting input from across the university, we identified more than \$300 million in needs. That amount was scaled down to fit into a private-source goal of \$200 million. We reduced our initial number, quite

honestly, not because the \$300 million figure was soft — quite the contrary — but because our feasibility study indicated that \$200 million would be a stretch goal for Northeastern. My hope is that we will blow right past the \$200 million mark. The need for the dollars could not be clearer.

The giving targets in the campaign are directed toward four central themes that reflect our overall strategy for institutional progress: to extend our national leadership in practice-oriented education; to maintain world-class standards in teaching and research; to be a model of educational opportunity and urban engagement; and to foster a vibrant campus community.

The most important thing we can do to propel the university into the top 100 is to be the undisputed national leader in practice-oriented education and to heighten public appreciation of the educational power of what we do. We need to intensify the contributions of co-op to student learning by moving the program into closer integration with the collegiate curricula, which we are doing by relocating the co-op coordinators into the colleges and making them part of collegiate organizational structures, and also by charging each of our faculties to create integrated learning models that fully exploit the synergies between classroom and workplace. As we do this, we need to document and proclaim the benefits of practice-oriented education aggressively and widely, as we have begun to do through a wide-ranging marketing effort that included, just last week, a very successful national conference.

The Leadership Campaign will provide critical sustenance for all this. It will help us support our faculty in rethinking their instructional work. It will underwrite our efforts to conduct and publish research that demonstrates the benefits of what we do. It will enable us to intensify our relationship with employers to ensure the highest quality co-op positions for our students. And it will allow us to send our faculty to national conferences to tell our story and to build on last week's success with a continuing series of conferences on this topic.

Our second campaign theme — world class teaching and research — is intimately related to our aspirations in practice-oriented education. To maintain high standards in

our classrooms, we must continue to attract outstanding scholars to Northeastern. Through the Leadership Campaign, we seek a number of endowed professorships as well as additional endowments that support faculty teaching and research. We also seek infrastructure support to ensure that our facilities for faculty and students alike remain on the cutting edge. Finally, we seek support for building new areas of scholarly strength in fields of increasing national importance, such as biotechnology.

As we set our sights on greater national leadership academically, we also want the Leadership Campaign to invigorate our traditional commitments to educational opportunity and urban engagement. We are seeking resources to provide scholarships and fellowships to deserving students of all backgrounds, and we seek the means to strengthen our connections with key urban service institutions, such as the schools and health-care centers.

The last of the Leadership Campaign's four themes speaks to another dramatic aspect of the transformation under way at Northeastern. Our ambitions hinge upon our ability to provide a rich campus life that attracts gifted students both nationally and internationally. The Northeastern experience is increasingly residential, with all the opportunities for extracurricular activity that go with this. Through the Leadership Campaign, we seek resources to support the construction of another residence hall on West Campus and the further renovation of our athletic and recreational facilities. We also seek support to enhance non-academic programming.

Practice-oriented education, world-class teaching and research, educational opportunity and urban engagement, a vibrant campus life: these are the four themes of the Leadership Campaign. They embody our aspiration to achieve excellence as a national research university that is student-centered, practice-oriented and urban, and it is that vision of institutional development that will lead us to top-100 status.

So the campaign is critical. We all know that. We are extraordinarily fortunate, therefore, that our effort is being guided by a group of exceptionally able and dedicated volunteers. We are especially indebted to the leadership team: campaign chair and vice chair Ron Rossetti and

Arthur Pappas; leadership chair Neal Finnegan; trustee chair Henry Nasella; overseer chair Lloyd Mullin; corporator chair Billy Cotter. These leaders have been joined by other key volunteer leaders: Fred Brodsky, as chair of the regional task force; Chet Krentzman, as chair of planned giving; Gene Reppucci, as special adviser to the campaign leadership; Bill Fowler, who is leading the retirees and 25-year associates campaign; and Jack Levin and Carol Lyons, who are leading the campus campaign. These individuals, drawn from our governing boards and our campus community, joined by dozens of other volunteers, are leading us toward the future. I would ask them to stand so that we may all extend to them the thanks of the university.

The volunteers who are guiding the Leadership Campaign are all aware of one particularly important fact that informs and inspires our efforts: that is our recognition of the need not just to achieve incremental progress in the development arena but to move fundraising at Northeastern to an entirely new level. The campaign feasibility study summarized the situation in clear terms. While concluding that we are in a very strong position to undertake this effort, it noted a particular dilemma: the inclination of our supporters to make large gifts to Northeastern is not as high as their capability to do so. The feasibility study, therefore, posed a clear challenge to all of us involved in the Leadership Campaign: to help more of our prospective donors move beyond the perception of Northeastern as a low-budget university with modest needs. We need to ask each of our supporters to reach for new levels of generosity as they think about their roles in this campaign. We need to move to a level where seven-figure gifts constitute a larger portion of our total effort, and where mega-gifts are also a significant part of the picture. One regularly reads newspaper reports of gifts to universities no stronger than Northeastern of \$20 million and \$30 million and more, and we need to persuade our supporters that their university is fully worthy of contributions on that scale.

The Leadership Campaign is, therefore, about reaching for new heights and stretching for new levels of achievement, both academically and financially. We are seeking 100 percent participation in the campaign from members of our governing boards, and 100 percent from members of the campus community as well. As we have reached out to our

governing board members during the quiet phase of the campaign, we have found many prepared to respond to this challenge. Here is the record to date: 16 members of the governing boards have doubled their giving levels; 19 members have quintupled their giving levels; and an astonishing 24 members have made campaign pledges equal to or exceeding 10 times their previous giving levels.

All told, 47,885 donors have contributed in excess of \$84 million toward our \$200 million goal, including 17 gifts of \$1 million or more, equal to the number of seven-figure gifts raised during the entire Centennial Campaign.

Since the last annual meeting, 12 Huskies have made commitments in excess of \$250,000 to the campaign. Two of these, from Irving Levine and Charles Hoff, were at the \$1 million to \$1.5 million level. Four others — from Lloyd Mullin, Peter Sarmanian, John and Barbara Lawrence and Tony Manganaro — ranged from \$375,000 to \$500,000. Five others — from John Lowell, Dick and Clare Lesser, Louis Cabot, Peter Ogren and Ernie Henderson — ranged between \$250,000 and \$350,000. In addition, we have received four major foundation grants during the past year, ranging in size from \$500,000 to \$1.8 million. Finally, I am pleased to report good progress on the campus campaign, with commitments in hand in excess of \$1.2 million toward a \$2 million goal.

So we are on our way. We are on our way academically, and we are on our way financially. I believe we will realize all our dreams. We have accepted a great challenge, and we have a worthy purpose. We are taking a great university to the next level of greatness. We are taking our distinctive approach to practice-oriented education to new levels of achievement. We are making sure that the benefits of a Northeastern education are available to future generations of Americans. And we are showing that the men and women of Northeastern can rise to the occasion and get the job done.

Thank you. All Hail.