

SHOULD INDUSTRY ASSIST GRADUATE EDUCATION?

The following prepared remarks inaugurated a panel discussion at the 1963 ASEE Annual Meeting. John K. Wolfe of the General Electric Company presided. Members of the panel included George M. Buckingham, Executive Secretary of the Esso Education Foundation; Glenn W. Giddings, Consultant in Educational Relations for the General Electric Company; and C. J. Metz, Trustee and Secretary of the Union Carbide Educational Fund.

Remarks By George M. Buckingham

Education evolves from and feeds upon scholarly study. However, education lives only if it succeeds in motivating young minds to seek the best available learning experience and concurrently works very hard to make the best learning available to the largest number of minds capable of profiting from the experience.

Since all education involves teachers, since some learning is best carried on by individual research, and since we are talking of corporate financial assistance, I have chosen for this brief presentation the title "Educators, Researchers and Shareholders."

In my opinion each corporation management should thoroughly thrash out the reasons why it should consider financially supporting education, before any programs are adopted.

I am sure that many of you own stock in various enterprises and for just a moment I would ask you to look at industry contributions, not as educators or researchers, but as shareholders. A corporation may contribute to institutions such as colleges, hospitals and United Funds as much as 5% of its net taxable income and take an allowable tax deduction under Internal Revenue Service regulations. Since the corporate tax rate gets up to 52% very quickly, since the average business percentage of contributing is less than one per cent of net income before taxes, and since less than half of that flows to educational institutions, it is fairly obvious we are talking of only pennies or less per share. While we know from experience that the majority of shareholders agree with the proposition in general, we also know we must be prepared at all times to give an accounting of our stewardship to the owners of the business. It is for this reason that I believe each management ought to determine whether it should assist education with corporate funds and, if so, what it intends to accomplish by those expenditures.

Justification may be based on a sincere desire to put money to work in an area where it will benefit society and hence benefit the company and its owners, on the premise a business can exist only as long as the society which it serves and of which it is a part permits it to exist. On the other hand, justification may be much closer to a quid pro quo situation, such as establishing close ties with departments that are good sources of topflight manpower for the corporation or a wish to advance a discipline or disciplines closely associated with the business.

One does not have to examine these three rationales for long to see there is no pat answer as to why a corporation considers investing in education at one level or another or in one phase or another.

As Executive Secretary of the Esso Education Foundation, which is interested in the whole spectrum of higher education, I sense some real differences in the present situation as regards undergraduate and graduate areas. When we make a grant to an outstanding liberal arts college, we can be pretty sure it is going to be used primarily to educate those who are probably going to lead future generations. I am not quite so sure we can always be as certain of this when we make funds available at the graduate level.

Before getting on with the reasons for the uncertainty, let me state unequivocally that I most assuredly have no desire to alienate anyone and hope not to do so. If, however, the point to be made is valid, it is a risk seemingly worth taking.

There are just enough cases of smoke to indicate that there are some fires fed by private and public funds intended for graduate training apparently being diverted to personal faculty research and publications; with the result that seemingly playing second fiddle is the education of those upon whom education itself, as well as government, society, labor, and industry, must depend for future leadership.

I am not about to take a stand on the "right" teaching load per professor, nor on teaching methods, nor on the university ideal of being the cradle of new ideas and breakthroughs in knowledge. But, gentlemen, I will take a stand on the importance of every faculty member assuming the responsibility of seeing to it that his masters and doctoral candidates, and post doctorals too, acquire the best possible training to prepare them for becoming the outstandingly competent teachers, researchers, administrators and leaders of the future. If university faculties can convince industry that they are bending their energies in this direction, instead of seeking funds to do research for the sake of research, I think they will wind up with a valid claim on industry, which industry will stand ready, willing and able to pay.

In other words, I think industry should certainly invest corporate funds in graduate education, but only under conditions and for purposes that are compatible with the objectives which the company has previously selected as being worthy of achievement and that are mutually satisfactory to both the donor and donee.

Remarks By C.: J. Metz

"Is the pattern of corporate support of graduate education changing?" To get the best possible answer to this question, I decided to survey my friends in 25 major corporations including the leading chemical and oil companies. All are known to be knowledgeable in their approach to educational support. All are interested in chemical engineering and chemical engineers. I am grateful for their help.

Because of the diversity of their programs, I encountered some difficulty summarizing the information provided. However, it shows rather clearly that the pattern of corporate support at the graduate level, the oldest form of assistance with most companies, is changing.

In the next 10 minutes I should like to discuss how the current practices of these companies evolved and make some predictions regarding future trends.

ORIGINAL PROGRAMS:

The first company to embark on a formal program in support of graduate education did so in 1918. Others followed suit during the next four decades with the largest number starting in the 40's.

During this period the most popular forms of support were fellowships and research grants, particularly in science and engineering.

The expenditure of company-earned dollars was justified for a number of reasons. The principal ones were:

- 1) A recognition that graduate education is necessary in maintaining strong faculties at the collegiate level.
- 2) To help ease the shortage of professionally trained people.
- 3) To expand knowledge.
- 4) A feeling of responsibility for support of academic work in technical fields closely related to a company's interests.
- 5) The desire for closer relations with academic leaders in these fields.

RECENT AND CURRENT PRACTICES:

Corporate support at the graduate level has gained tremendously over the years, and I believe the reasons for giving have remained about the same.

More recently, during the past three or four years, there has been a noticeable shift in the type of graduate assistance. In some cases the changes have been gradual and in others quite abrupt. More than half the companies surveyed have shifted partially or completely from standard fellowships to more flexibly administered departmental grants which can be used by the recipients as they choose.

In some cases existing grant arrangements have been made more general and one company has converted its graduate research grants to unrestricted grants to universities.

Other variations in the pattern are provided by a small number of companies which have diverted fellowship support dollars to other uses, such as professorships, undergraduate scholarships, the purchase of instructional and research equipment, and support of the company's own employees in their graduate studies.