

Statement by William Nordhaus to the FAS Senate on October 15, 2020

Budget and the Pandemic

Since our last Senate meeting on the budget and the pandemic, Yale has faced and weathered an unprecedented shock. It has continued its primary missions of teaching and research – not without struggles and some hardships, but admirably in the circumstances.

But the outlook has changed. The university budget ran a surplus last year, and the central campus ran an even larger surplus. The time is ripe for a bold move to improve Yale's standing among our peers. We have the resources, the liquidity, and the structure to do this.

The opportunities here are ones that come only once in a generation, usually in crises when the fainthearted dive for cover. Universities are hunkering down. Last week's edition of *Science* magazine reviewed academic positions and found, "Faculty job openings at U.S. institutions are down by 70% so far during the 2020-21 academic cycle." More precise data is collected on economists, where the most recent survey found that "job openings for full-time academic positions in the U.S. this year are... down nearly two-thirds (64.1%)." While there are no similar statistics for Ph. D. programs, I suspect that admissions for Ph. D. programs is also substantial.

This drop is foremost a terrible blow to the academy as it means we will lose a cohort of scholars and teachers. Yet the implication for Yale is clear. While the fainthearted are absent, Yale should use this opportunity to invest in the future. We should do it with the highest of goals and the highest of standards. We should recruit the top scholars of today and tomorrow to come to Yale, and we should start right away. Recruit at every level, in every field, at every rank, from every country.

Earlier speakers today have recounted some of the successes and failures of nerve and judgment in times of crisis. We have heard of the success of building the colleges in the Great Depression, of leading other colleges in the admission of women in the 1960s, and of standing firm during the financial crash of 1987. We are at such a turning point today. Yale has the opportunity to use its resources to improve our status markedly and quickly.

Military strategists win wars through bold thinking in times of crisis. A bold strategy today for Yale would deploy our fiscal and reputational strength to promote excellence on all fronts with an intensive flank-speed recruitment program. Let's not waste a day.