University of Chicago president Don M. Randel describes our university as a place where ideas matter. Saul Levmore, dean of the Law School, says further that ideas matter much more to us than to alumni of other schools.

Perhaps the reason is that, as students, we connected with the maverick quality of the university. We came to agree with Walter Lippmann: Where all think alike, no one thinks very much.

From scores of our alumni, I’ve also learned that Chicago traits like curiosity and the willingness to seek new paths are extraordinarily valuable throughout our graduates’ careers. Examples abound: Dennis Keller, ’68, recognized the potential in for-profit education. Mary Tolan, ’92 (XP-61), wanted to chart a different future for energy markets. Vijay Vashee, ’77, figured out how to make Microsoft’s PowerPoint the world standard for presentation software (see page 54). Chicago alumni dominate the hedge fund industry—a field we knew nothing about 15 years ago.

A Chicago GSB education builds a level of comfort in meeting unpredictable challenges. As I’ve gotten to know Andy Alper, A.B. ’80, M.B.A. ’81, working to revitalize New York City, and David Vitale, ’76, improving performance in Chicago public schools, I’m struck by their confidence and grace in the face of problems that others would find daunting.

One of the most dramatic manifestations of our value system is in the area of entrepreneurship and private equity. With stunning quickness, the Michael P. Polsky Center for Entrepreneurship has distinguished Chicago in this important arena. Faculty director Steve Kaplan, Neubauer Family Professor of Entrepreneurship and Finance, and executive director Ellen Rudnick, ’73, clinical professor of entrepreneurship, are developing programs that are providing opportunities for the next generation of Chicago alumni to create, lead, and transform businesses. World-class entrepreneurs and venture capitalists who participate in such programs as the New Venture Challenge tell me that GSB students are now developing business plans superior to those written by students in M.B.A. programs renowned for entrepreneurship. With the terrific support of Michael Polsky, ’87, we are poised to continue our progress and to gain greater recognition for the center’s vital programming (see page 32).

Meanwhile, GSB faculty continue to generate important ideas. Saving Capitalism from the Capitalists, coauthored by Raghuram Rajan, Joseph L. Gidwitz Professor of Finance and recipient of the inaugural Fischer Black Prize, and Luigi Zingales, Robert C. McCormack Professor of Entrepreneurship and Finance, epitomizes Chicago’s focus on big ideas and connectivity with the most important issues of our time. Fifteen years after the presumed transitions from planned to market-oriented economies began for some three billion people, Raghu and Luigi make it plain that the conditions required to promote capitalism are more exacting than many realized (see page 16). In his new role as economic counselor and director of the research department for the International Monetary Fund, Raghu is the right person at the right time to strengthen capitalism around the world.

In closing, I wish you the best for the new year. I know that I’ll find an occasion or two to toast the University of Chicago and our commitment to ideas.
An Employer’s Perspective on Race
I don’t at all doubt the accuracy of Ms. Bertrand’s research, methods, or conclusions. I would say this as a business owner of many years: If I hire a white person who doesn’t work out, I can let him/her go without a high probability of conflict. If it’s a black, I will almost certainly be hearing from a lawyer regarding a discrimination suit and/or offering a substantial settlement proposal to avoid costs of litigation. Bertrand might think about the business person acting in self-defense on this issue.

J. Ottenheimer, ’70 (XP-26)
River Forest, Illinois

Is Affirmative Action to Blame?
That naked prejudice still infects this country comes as no surprise, but still causes a deep sadness and an even deeper determination to combat its insidiousness. Even so, perhaps something else is also afoot. Did companies with nationally recognized strong diversity programs (such as Fannie Mae, for example) or companies with significant African American ownership also display a tendency toward resume name discrimination? I’m speculating that companies may be discounting the achievements of African Americans on resumes owing to the effects of affirmative action. That is, companies may be assuming that the true underlying capabilities of two otherwise on-paper-equal individuals aren’t equal because of the name being tied, by extension, to affirmative action programs. The attempt to compensate for this kind of discounting by slightly increasing certain strengths of African American–named resumes probably is too minimal to make a difference (as confirmed by the study). In any case, to discriminate solely based on a name (and therefore, by implication, race) is a disgusting and illegal practice. If even pro-diversity companies do the same thing, they are just as guilty (and even more so) but might be sending us a subtle message of what happens in the real world’s evaluation of achievements.

David Ochroch, ’86
Arlington, Virginia

Are Candidates Equally Qualified?
Could it be that affirmative action at universities is partly to blame for the disparities found in Ms. Bertrand’s study? Affirmative action is perceived to be a system in which weaker candidates are given preferential treatment over more qualified candidates to compensate for socioeconomic circumstances.

If we take candidates with similar academic credentials, but identify some as potential recipients of affirmative action, are they equally qualified?

Chris Fama, ’91
Chicago

Questioning the Premises
I am sure Ms. Bertrand was well intentioned, but the study appears to be based upon a number of flawed premises.

First, the idea that equivalent education credentials and equivalent job experience should signal equal skill is probably not right. Compare the average SAT scores for black and white graduates of the University of Chicago.

While affirmative action may be laudable, it destroys the signaling value of credentials for minorities. Affirmative action is just as present in corporate America as in educational institutions, so the signaling value of work experience and job titles is diminished as well.

Employers want to make money and they want the best employees they can get for the amount of money that they spend. Create an environment where blacks can accurately signal their value to employers and they will get treated more fairly. If Bertrand’s premise is right, firms that systematically hire more blacks should be able to get better employees at lower cost and generate higher profitability. Prove that that is occurring and you will have results worth publishing.

Edward E. Maran, ’87
Santa Fe, New Mexico

A Quantitative Approach?
The Bertrand and Mullainathan study purports to measure racism in business hiring in general and “how discrimination continues to affect the corporate landscape” in particular.

Actually, it does no such thing. The professors could not identify most hir-
ing organizations. When they could, they failed to investigate the organization’s decision-making process. And they made no effort to understand and quantify the importance of the want-ad channel compared to other employment channels (employee references, walk-ins, fairs, etc.). Therefore, they cannot conclude that most want ads represented corporations. They cannot conclude they understand the role of race or social background in hiring. They can do no more than pile on anecdotes offered by self-interested individuals.

The study was qualitative and impressionistic in the guise of an unbiased quantitative survey. There may, in fact, be racial and social background bias in corporate hiring, but this study does not show it.

Craig Elderkin, ’78
Park Ridge, Illinois

Editor’s note: Bertrand and Mullainathan were, in fact, able to identify several of the companies used in the study but focused their research only on statistics about the firms.

What’s in a Name
Professor Bertrand’s research sends a poignant reminder to us, as parents, that using our children as icons for our causes is fraught with potential hazards. It is difficult to look into the face of an infant and picture discrimination, but it is clear that many parental decisions, e.g., the choice of a name, or a desire to preserve the mother tongue, can cause that same infant, 20 years later, to face rejection. However, this study confirms that this discrimination occurs, and from it we can only conclude that a parental focus on providing our children with all the competitive advantage we can afford may be the answer.

Perhaps the experience of Polish Americans might provide some ray of encouragement. Earlier in the 20th century, many of these families Anglicized their names in an effort to escape the Back of the Yards neighborhoods of Upton Sinclair’s time. We are now seeing a resurgence of people of Polish ancestry reclaiming their names in a later era when discrimination against Polish Americans decreased dramatically. Possibly, the acceptance of names like Jamal or Aisha must simply await the passage of time and continued erosion of the discrimination that makes employers discard their resumés.

Fred C. Grunwald, ’98
Prairie Village, Kansas

No Irish Need Apply
I found it somewhat amusing—and certainly indicative of the way times change—that eight of the nine “white last names” were Irish, or at least Celtic in origin. Indeed, these surnames abundantly populate the alumni lists of Notre Dame, Fordham, Boston College, and other Catholic universities in the United States where our “ethnic” progenitors received their undergraduate degrees. I would remind author Bertrand that there was a time in which “No Irish Need Apply” signs were displayed in employment offices throughout the eastern United States, a time in which Irish immigrants were caricatured by no less an artist than Thomas Nast as the “simian lout,” and that nativists were allowed to burn churches.

Fortunately, the way up the economic strata for the Irish and their similarly situated brethren was paved by a love of education, politics, family, and religion—traits which have been followed by so many successful immigrant peoples to the United States. In a way, the University of Chicago is the outstanding example in which things that must be changed are changed.

Jack Walton, ’74
Short Hills, New Jersey

What do you think? Keep the conversation going with a letter to the editor. Send it to editor@gsb.uchicago.edu or Editor, Chicago GSB, 6030 South Ellis Avenue, Room 236, Chicago, Illinois 60637.

Correction
In “Dean’s Trip to Europe, Asia Raises GSB’s International Profile,” (Summer/Fall 2003), we misspelled Generalitat de Catalunya, an autonomous government whose then president, Jordi Pujol, met with dean Edward A. Snyder last year. Chicago GSB regrets the error.
Generous Gifts Give GSB Momentum

In any fundraising campaign, the real key to success is sustaining your momentum. Despite recent economic challenges, GSB alumni and friends continue to support the campaign in many ways. While we had reached more than $161 million by December 1, 2003—well beyond the midpoint of the campaign’s $250 million goal—there is still a great deal each of us can do, and we look forward to working with you to meet our target.

Elizabeth K. Cochran made a gift of $1 million to establish the permanent Robert Greenwell Knight Scholarship in memory of her father, Robert Greenwell Knight, Ph.B. ’25, one of the first executives at Walgreens. Merrick “Rick” Elfman, ’83, and Terri L. Wareham, ’82, contributed $500,000 to establish the Merrick M. Elfman and Therese L. Wareham Private Equity Lab Endowment to support the Private Equity Labs at the Michael P. Polsky Center for Entrepreneurship. And H. Brooks Dexter Jr., A.B. ’79, M.B.A. ’84, made a $60,000 pledge to the campaign, $50,000 of it for unrestricted endowment and the remaining $10,000 to the Chicago GSB Fund.

Dinner with the Dean
Members of the GSB Campaign steering committee hosted two gatherings last spring, generating support coast to coast. Alumni and friends of the school who attended a dinner with dean Ted Snyder at the New York home of Andy Alper, A.B. ’80, M.B.A. ’81, and his wife, Sharon Sadow Alper, A.B. ’80, J.D. ’84, included Cheri and Steve Friedman, A.B. ’76, M.B.A. ’77; Bob Kiernan, ’87; Venetia Kontogouris, ’77, and Zoran Djokic, ’77; and Jeanette and Jack Walton, ’74.

An Evening in Los Angeles
Those who attended a dinner at the Los Angeles home of David Booth, ’71, with the dean and his wife, Kim Snyder, were Barbara Abercrombie and Bob Adams, ’61; Rosemary and Wally Booth, A.B. ’48, M.B.A. ’48; Patrice Daniels, ’84; Faye and Bob Davidson, ’69; John Mutch, ’97 (IXP-2); and Kim Pfeiffer, ’97 (IXP-2).

We look forward to engaging more alumni at small events like these.

To learn more about the GSB Campaign and how you can help, go to gsbwww.uchicago.edu/campaign/home.htm.