

Restoring a More Productive College Curriculum

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More and more Americans are recognizing just how inadequate our system of higher education is, in large part because the ever-increasing costs of attending a college or university are accompanied by an ever-decreasing value in the education they purport to give the student. At the venture capital firm I founded, PEI Funds, we interview many candidates with undergraduate degrees in business for our analyst program. The preparedness of these candidates has seriously declined in recent years. While we do interview individuals who can interpret a spreadsheet, we can't seem to find viable candidates who understand what motivates people and who comprehend and embrace the characteristics and values that lead to success. These qualities are critically important to PEI Funds, and we expect to find and cultivate them in those we hire.

At PEI Funds we've come to the conclusion that something must have broken down in higher education—something that sends graduates into the business world ill-equipped for real work and therefore unable to strive for and achieve true success. If our assumption is accurate, how can this faltering system be fixed so that higher education does a better job of preparing young people for the workforce and putting them on the path to success?

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I'd like to focus on three issues:

- the brokenness of higher education
- what works—and what's gone wrong
- how to restore higher education's ramparts

The Brokenness of Higher Education

Part of the problem with undergraduate education is that most colleges and universities fail to teach students what is critically important to succeed in business and in life. According to a 2010 survey, the Association of American Colleges and Universities found that 87 percent of employers believe that higher education institutions have to raise student achievement if the United States is to be competitive in the global market.¹ In an American Council of Trustees and Alumni survey of over 1,000 colleges and universities nationwide, even prestigious colleges received less than stellar grades in their preparation of graduates for real-life success. Princeton was awarded a “C,” for example, and Yale and Harvard each received a “D.”²

The misperception of how business operates is foundational to the problem. For example, in “Evidence on the Growing Profit Disconnect Between the Public’s Views of Corporate America,” a 2012 study of students taking a course in entrepreneurship, the study authors found that 56 percent of students surveyed believe that profit “ultimately represents the amount that a company receives above its cost structure to the disadvantage of its customers without their knowledge”—in other words “stealing.”³

An underlying factor here may be that many business schools still teach Milton Friedman’s “The Social Responsibility of Business Is to Increase Profits,” published in the *New York Times Magazine* on September 13, 1970.⁴

¹Cited in Kathleen Parker, “Our Unprepared Graduates,” Opinions, *Washington Post*, September 30, 2011, http://articles.washingtonpost.com/2011-09-30/opinions/35274722_1_higher-education-basic-skills-college-grads. See Association of American Colleges and Universities, “Employers Seek More College-Educated Workers with Higher Levels of Learning and Broader Sets of Skills, New Survey Reveals,” news release, January 20, 2010, http://www.aacu.org/press_room/press_releases/2010/employersurvey.cfm.

²“What Will They Learn?” American Council of Trustees and Alumni, 2012–13 ratings, <http://www.whatwilltheylearn.com/>.

³Charles F. Beauchamp, William F. Ford, and Douglas M. Tatum, “Evidence on the Growing Profit Disconnect Between the Public’s Views of Corporate America,” *Business Economics* 48, no. 2 (April 2013): 140–42.

⁴Milton Friedman, “The Social Responsibility of Business Is to Increase Profits” *New York Times Magazine*, September 13, 1970, available at <http://highered.mcgraw-hill.com/sites/dl/free/0073524697/910345/Appendices.pdf>.

As a result, an Essentials in Education survey of elite business schools suggests, these schools continue to teach students that the sole end goal of business is profit and wealth creation as opposed to investing in the flourishing of customers, vendors, employees, shareholders, and the communities in which they operate.⁵ Most people who have built great companies acknowledge that profit is a means to success—not an end in itself.

One month before its hundredth anniversary, Harvard Business School admitted in its *Alumni Bulletin* that business schools had lost their way and had no idea what to do to get back on track.⁶ One underlying cause for this may be that college students are no longer required *to learn* and therefore college graduates *do not know* history and the lessons it teaches about leadership, prosperity, and civic responsibility. In one study, *Still at Risk: What Students Don't Know, Even Now*, education scholar Frederick M. Hess found that nearly 25 percent of all seventeen-year-olds surveyed nationwide could not identify Adolf Hitler. More than 25 percent believed Christopher Columbus set sail for the New World after 1750. Forty percent could not place World War I as occurring between 1900 and 1950. And nearly 40 percent could not identify the Renaissance as the period in European history noted for cultural and technological advances.⁷ How can today's college graduates hope to face our country's problems, address and overcome them, and find personal and vocational success when they have such a limited understanding of how other countries have overcome issues in the past?

In alignment with the fact that college students no longer learn history, they also don't understand the concept of civic responsibility. In 2008, the Intercollegiate Studies Institute (ISI) surveyed 28,000 college freshman and seniors from over eighty schools. The vast majority failed a civic literacy exam. ISI also tested 2,508 of students in this study of all ages and educational backgrounds. Seventy-one percent of that sample failed the exam, with high school graduates failing at a rate of 44 percent and college

⁵At the request of Essentials in Education's largest donor, I met with the deans and a group of faculty at eight elite business schools in 2009.

⁶Robert W. Bruner, Rakesh Khurana, and Craig E. Moffett, "Building a Better MBA," *Harvard Business School Alumni Bulletin* (September 2008), <https://www.alumni.hbs.edu/stories/Pages/story-bulletin.aspx?num=605>.

⁷Frederick M. Hess, *Still at Risk: What Students Don't Know, Even Now: A Report from Common Core* (Washington, DC: Common Core, 2008), http://www.ub.edu/histodidactica/images/documentos/pdf/still_risk_what_students_dont_know_even_now.pdf.

graduates failing at a more astounding rate of 57 percent. At elite schools such as Yale, Cornell, Princeton, Duke, Georgetown, and Johns Hopkins, freshmen scored better than seniors on the same test. The results are what ISI dubs “negative learning.”⁸

ISI’s research uncovered a disconnect between the college degree and civic knowledge and participation. With regard to the more active forms of civic engagement beyond voting—petitioning the government, reaching out to elected officials, working on campaigns, influencing others, etc.—college was found to have *zero influence*.

An understanding of civic responsibility was shown to be the leading factor in Americans’ willingness to engage actively in the political process. The more a person reads, learns about, and discusses American history and public affairs, the more likely that person is to recognize the relevance and efficacy of his own political engagement. It was precisely the promise of such enlightened citizenship that George Washington articulated in his Farewell Address.⁹

Also at issue is that the examination and discussion of the qualities of *leadership* and *character* are stunningly absent from consideration in the college curriculum. David Gergen, *U.S. News & World Report* editor-at-large, put it this way in 2009:

Indeed, confidence in government plummeted back in the ‘60s and ‘70s and has never really recovered. It was nearly four decades ago that John Gardner first observed that at the founding, with a population of 3 million, the republic spawned a dozen world-class leaders—Washington, Jefferson, Franklin, Adams, Madison, and Hamilton among them—but

⁸American Civic Literacy Program, *Our Fading Heritage: Americans Fail a Basic Test on Their History and Institutions* (Wilmington, DE: Intercollegiate Studies Institute, National Civic Literacy Board, 2008), http://www.americancivilliteracy.org/2008/summary_summary.html.

⁹See American Civic Literacy Program, *Enlightened Citizenship: How Civic Knowledge Trumps a College Degree in Promoting Active Civic Engagement* (Wilmington, DE: Intercollegiate Studies Institute, National Civic Literacy Board, 2011), http://heartland.org/sites/default/files/civic_literacy_report_11_0.pdf. Note what Washington warned of in his Farwell Address that few people seem aware of today:

It is important, likewise, that the habits of thinking in a free Country should inspire caution in those entrusted with its administration, to confine themselves within their respective Constitutional spheres; avoiding in the exercise of the Powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power; by dividing and distributing it into different depositories, and constituting each the Guardian of the Public Weal against invasions by the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. (http://www.pbs.org/georgewashington/milestones/farewell_address_read3.html)

today, with a population nearly 100 times that, we struggle to produce even one or two.¹⁰

Is it too much to suggest that the absence of a careful historical study of such great leaders makes it even more difficult for a college student to learn that what forms a sense of civic responsibility is necessary for great leadership?

Practical Consequences

Today, more than 40 percent of college graduates are unemployed and 16 percent have only part-time positions. This shocking situation is made even worse by the reality that 34 percent of graduates carry student loans of up to \$30,000. More than 17 percent owe between \$30,000 and \$50,000. In the face of such debt, fully one third of recent graduates—if they work at all—expect to make \$25,000 or less yearly.¹¹ And with the costs of attending college continuously increasing, a college education as we have traditionally understood it has become an ever-decreasing value.

Business schools, too, are feeling the pinch. Recently, the Thunderbird School of Global Management, one of the world top-ranked business schools, collapsed financially. The *Wall Street Journal* spelled out the cause:

Applications to Thunderbird's two-year, full-time M.B.A. have tumbled by nearly 75% in the past 15 years, and less than half of job-seeking students from last year's class landed positions within three months of graduation. Despite adding a number of short and Web-based programs, the student body shrank by 8% from 2007 to 2012.

Thunderbird's woes reflect the existential crises that many business schools now face as demand softens for full-time, two-year M.B.A.s. Graduate business programs historically fared well during economic downturns as workers sought to beef up their resumes in a tough job market, but the prolonged recession gave many prospective students pause as they worried about taking on debt without seeing clear return on the investment.¹²

¹⁰David Gergen, "The National Deficit—of Leadership," *U.S. News & World Report*, October 23, 2009, <http://www.usnews.com/news/best-leaders/articles/2009/10/23/david-gergen-the-national-deficitof-leadership>.

¹¹Statistics cited are taken from Reuters, "Recent U.S. College Graduates Disillusioned, More than 40% Unemployed: Poll," *New York Daily News*, April 30, 2013, <http://www.nydailynews.com/news/national/college-grads-disillusioned-unemployed-poll-article-1.1331346>.

¹²Melissa Korn, "Struggling Thunderbird Business School Finds a For-Profit Lifeline," *Wall Street Journal*, July 9, 2013, <http://online.wsj.com/article/SB10001424127887324867904578594063496621812.html>.

In a July 1, 2013, *New York Post* article, “So Long to Colleges,” Scott Johnston expanded on the damage higher costs are doing to the value of higher education:

The wind has been at higher ed’s back for a long time. In the business world, such fortune invariably breeds lazy and inefficient practices that get exposed when the weather changes. Not so much for universities.

Well, it’s about to change drastically for the higher education industry. Many won’t survive.

But here’s the kicker: The supply part of the equation is heading into new waters, too. Ever hear of Khan Academy? Coursera? How about iTunes U? These are all free, online options that offer best-practices education—many taught by some of our finest educators. In other words, you don’t have to go to college to learn anymore. Knowledge has been liberated from the ivy-tower oligopoly.

The undergraduate model, in particular, is highly threatened, because frankly, most schools just don’t do a very good job anymore. They are four-year summer camps for kids who got trophies during their childhood just for showing up. Now, they get degrees for showing up. Gone are many course requirements and core curricula—and in their place, useless exercises in things like race and gender studies. Studies show that the amount of homework the average college kid does has been cut in half over the last couple of decades.¹³

What Works—and What’s Gone Wrong

In the eighteenth century, there was almost universal agreement on what should be taught—and therefore learned. Each year graduates of Harvard and Yale had a standard for graduation that defined what an educated man should know. David Hill Scott explains:

Each year before commencement, a list of propositions called “theses” were selected from the various subjects of study and posted for each graduating class. For example, Jonathan Edwards’ baccalaureate commencement from Yale in 1720 included theses from the examination categories of technologia, logic, grammar, rhetoric, mathematics, and

¹³Scott Johnson, “So Long to College,” *New York Post*, July 1, 2013, <http://nypost.com/2013/07/01/so-long-to-colleges/>.

physics. While all students were responsible for being able to defend all the theses posted for a given year, individual students were assigned one or more specific theses to defend before the commencement audience. The thesis category of *Theses Technologicae* first appeared on the bulletin for Harvard's commencement on August 9, 1653. *Theses Technologicae* continued as part of commencements at Harvard until 1791 and at Yale until 1795. The technological theses derived from these sources were the propositions laying out the precepts of the Integrationist method of synthesizing the truth from the various arts. Following the conviction that the integration of knowledge was a prerequisite to all learning, *Technologia* was the first category of theses in the commencement program. Edwards' graduation examination, therefore, began at the broadest integrative level with a technological thesis that stated, "Technologia is the ideal of being able to grasp as a whole the arts and sciences in general." This vision and skill of intellectual integration provided the foundation on which Edwards built his synthesis of theology, science, and philosophy.¹⁴

Scott moves on to present a visual representation of "intellectual integration, "The Circle of Knowledge," a graph that essentially divides this vision of education into four important categories of learning:

1. the art of living well
2. the art of speaking and writing well
3. the art of understanding the world around us
4. the art of quantifying well

But if this was the established approach to acquiring knowledge in preparation for life and work and citizenship embraced by American colleges, how (and when) did higher education begin to depart from this vision?

The concept of the "elective system" originated at Harvard about 150 years ago under the leadership of Charles Eliot. Considered a radical though well-intentioned notion at the time, the "elective system" greatly expanded the range of topics offered and permitted undergraduates unrestricted choice in selecting their courses. Eliot had been elected president of Harvard in 1869

¹⁴David Hill Scott, "A Vision of Veritas: What Christian Scholarship Can Learn from the Puritan's 'Technology' of Integrating Truth," *Academic Integration: Christian Leadership Ministries, A Selected Bibliography*, <http://www.leaderu.com/aip/docs/scott.html>.

(at the age of thirty-five) largely because of an article he published earlier that year in the *Atlantic Monthly*, “The New Education,” which outlined a new vision for education that impressed the businessmen who controlled the Harvard Corporation.¹⁵ Eliot was in favor of specialization and believed, with the Industrial Revolution in full swing, that specialization held the key for contemporary education. He also believed that an electoral system would best permit students to specialize in the fields of their choice.

For decades, core curricula did coexist with a limited panoply of electives in most liberal arts institutions, but over time, the elective curriculum exploded on American campuses. In the 1960s, African American studies and gender studies were added, with many more politically driven “studies” to follow. Specialization became overspecialization—to the fragmentation and decline of the curriculum and thus the loss of what is truly important for every citizen to know in a flourishing society. A recent *Baltimore Sun* article on St. Mary’s College, a small liberal arts school in St. Mary’s City, Maryland, stated:

For tuition of \$14,865 a year, students can graduate without exposure to literature, American history or government, foreign language, or composition. Instead, freshmen can pick from a range of trendy seminars including “Pimp My Ride: Materialism in Human Life,” which examines such crucial topics as “Why do we wear our bling on our sleeves?”; Or “Songs of Protest and Social Change,” which explores songs of the 1960s and 1970s; or “Horror Film: Of Monsters and Monstrosities,” which will not only introduce students to late silent era and vampire classics but will also satisfy a requirement for a minor in women, gender, and sexuality studies. With a mind filled with the knowledge from these courses, who needs literature, composition, foreign language or American history?

Sadly, St. Mary’s is just one of thousands of schools that have made “anything goes” their educational purpose. Rather than investing in matters of direct value to a student’s education, the administrators have tried to be more like slick ad-men and marketers, offering more boutique courses instead of the fundamentals that characterize a college-educated person, ready for the challenges of career and community. And while an

¹⁵Charles Eliot, “The New Education,” *Atlantic Monthly*, February 1869, <http://www.theatlantic.com/magazine/archive/1869/02/the-new-education/309049/>.

array of over-specialized, niche courses may be attractive to faculty, it is much more expensive to staff than a judiciously constructed core that would serve students better.¹⁶

Is it any surprise that St. Mary's College of Maryland had 150 empty seats for its incoming freshman class this fall?

How to Restore the Ramparts of Higher Education

Online courses are the game changer that is revolutionizing higher education. A new model for education has already arrived in the Kahn Academy, where some three million people a day—six times the number of people who have graduated from Harvard since its founding in 1634—are getting educated for free. When private colleges and universities are moving toward a \$250,000-tuition for four years and not equipping students with what they need to know to be productive citizens, online courses provide a viable, appealing, and far less expensive alternative. While lectures and readings have been organized by a master teacher professor, student interaction is with a teaching assistant, whose salary is much lower than a professor's. Teaching assistants interact with the students and grade their work.

At the moment most online courses do not result in college credit, but on May 15, 2013, Georgia Tech announced that it would offer a master's degree in computer science for \$7,000—an 80-percent reduction in the existing cost of \$40,000 for an on-campus experience. That same day, a personal finance contributor posted on *Forbes*:

Suddenly, masters programs around the country will have to compete with Georgia Tech's \$7,000 program, and that won't be easy or fast in coming. The traditionally taught graduate degree in computer science at Georgia Tech is a very well regarded program that is in high demand and has very positive outcomes in terms of jobs and earnings. Georgia Tech graduates tend to do very well in earnings upon graduation, especially in computer science. Now students from around the world will be able to obtain the same degree online at an 80% discount—which is, no doubt, a

¹⁶Anne D. Neal, "St. Mary's College: A Cautionary Tale for America's Bloated Higher Education System," *Baltimore Sun*, May 29, 2013, http://articles.baltimoresun.com/2013-05-29/news/bs-ed-stmarys-20130529_1_president-joseph-urgo-tuition-college-park.

sonic boom rattling the windows in the offices of college administrators across the country.¹⁷

In *Inside Higher Ed*, Ry Rivard characterized this move by Georgia Tech and Udacity as revolutionary:

Georgia Tech will work with AT&T and Udacity, the 15-month-old Silicon Valley-based company, to offer a new online master's degree in computer science to students across the world at a sixth of the price of its current degree. The deal, announced Tuesday, is portrayed as a revolutionary attempt by a respected university, an education technology startup and a major corporate employer to drive down costs and expand higher education capacity.

Georgia Tech expects to hire only eight or so new instructors even as it takes its master's program from 300 students to as many as 10,000 within three years, said Zvi Galil, the dean of computing at Georgia Tech.¹⁸

Establishing a Solid Core Curriculum: Build the Case and Distribute It

Georgia Tech's solution for computer science is a great answer for computer science, but returning to the interests of PEI Funds, what about business—specifically management? As the founder and a managing director of PEI Funds, I created Essentials in Education, a nonprofit institution, to fill in the gaps in education to teach character and leadership skills and the basics of how businesses and communities flourish. We found in researching various campuses that students don't have very clear ideas about what business is and does. Most are anxious to learn, however, and to network with actual businesspeople to acquire a better understanding of what they will be doing for the forty or so years after college.

At PEI Funds we hire college graduates into our venture capital company. We expect our hires to be proficient at math and to write and speak well. We would prefer that they are good at using spreadsheets and to know something about accounting, although a good night school

¹⁷Troy Onink, "Georgia Tech, Udacity Shock Higher Ed With \$7,000 Degree," *Forbes*, May 15, 2013, <http://www.forbes.com/sites/troyonink/2013/05/15/georgia-tech-udacity-shock-higher-ed-with-7000-degree/>.

¹⁸Ry Rivard, "Massive (But Not Open)," *Inside Higher Ed*, May 14, 2013, <http://www.insidehighered.com/news/2013/05/14/georgia-tech-and-udacity-roll-out-massive-new-low-cost-degree-program>.

course can help develop this basic skill. We would also prefer them to know logic, what a syllogism is, and how to use it the way Aristotle did.

There are nine core “areas”—characteristics, academic subjects, habits of mind, habits of being—that we consider vital for success in our business and that we find colleges and universities (with some notable exceptions) rarely teach or foster:

1. Flourishing through Business
2. Character and Leadership
3. The U.S. Constitution and Civics
4. World History and American History
5. Worldview
6. Physics and/or Engineering
7. Speaking and Writing Well
8. Beauty in Art, Music, and Culture
9. Healthy Communities through Marriage and Family

Here is a brief examination of our rationale for the significance to success for each “area” listed:

Flourishing through Business: By this we mean that a college graduate must also understand how business can help a community flourish and that the freedom and the responsibilities inherent in conducting business and commerce are the lifeblood of any economy. A college graduate also understands how governments and nonprofits often feed on the income created by business and do not of themselves create commerce. The college curriculum therefore needs to cover what has made America succeed economically when so many other countries falter and fail, such as the Soviet Union and China under Mao. How is it that GDP per capita has increased so dramatically in South Korea that it has become the fifteenth largest economy,¹⁹ while North Korea would rank around 228th—even though both North and South Korea were equally devastated in 1954? Any study of business must acknowledge that a business needs to serve the customer, vendors, employees, shareholders, and communities exceptionally well for success in the long term. The

¹⁹Ranking as listed by the United Nations in 2011 and the International Monetary Fund in 2012; details are collected at “List of Countries by GDP (Nominal),” *Wikipedia*, accessed September 27, 2013, [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)).

notion that “greed is good” and that the definition of profit is stealing from the customer is preposterous. That a majority of students believe this definition to be true is of great concern.

Character and Leadership: Probably the most important aspect of leadership—good character—is explored in a study of one of the most successful venture-backed companies of then-leading venture capitalist Tommy Davis. Tommy asked me to look at the top ten performing companies (i.e., those that returned in excess of \$15 for every dollar invested) out of the hundred companies he had funded. What Tommy and I found was that each of these top ten had five critically important character traits: integrity, uncompromising principles, focus on the customer, focus on the employees, and shared values.²⁰ These traits demonstrate that good character is important for success. (By the way, Essentials in Education publishes one of the few high school courses that teaches moral leadership and it has positive measurable results.)²¹

The U.S. Constitution and Civics: Very few colleges teach the U.S. Constitution, much less offer it as a required course. Also lacking are courses on civics.²² Yet, to be a productive citizen, one must understand that the core of the economic success of America lies within the U.S. Constitution—now the oldest constitution in the world—and in the Declaration of Independence. It is important to know why the American form of democracy has worked while other forms of democracy have failed. At the same time, it is important to know how the law functions in government, the role of the judiciary, and the limitations of regulation.

Worldview: The importance of worldview was demonstrated to all in the October 2008 testimony before Congress of Alan Greenspan, former

²⁰*Venture Capital Journal* and the *Journal of Business Strategy* published the longer version of the study that Tommy and I authored in 1983. Thomas J. Davis Jr. and Charles P. Stetson Jr., “Creating Successful Venture-Backed Companies,” *Journal of Business Strategy* 5, no. 3 (Winter 1985): 45–58.

²¹Essentials in Education’s Bible Literacy Project publishes *The Bible and Its Influence*, now taught in six hundred high schools in forty-three states. The textbook emphasizes character that leads to success in life. For example, using Dante’s *Purgatorio*, the course teaches how to heal the seven broken loves: the perverted loves of pride, envy and anger; the insufficient love of sloth; and the misdirected loves of greed, gluttony and lust.

²²Hillsdale College offers an excellent free online course on the U.S. Constitution: “Constitution 101: The Meaning and History of the Constitution,” <https://online.hillsdale.edu/constitution101/infohttps://online.hillsdale.edu/101/info>.

chairman of the Federal Reserve and an icon in world finance. In his testimony Greenspan admitted the unimaginable, that his worldview had prevented him from foreseeing the worst credit crisis in American history.²³ Henry Waxman, chair of the Finance Committee, pressed Greenspan to clarify: “In other words, you found that your view of the world, your ideology, was not right, it was not working” to which Greenspan responded, “Absolutely... You know, that’s precisely the reason I was shocked, because I have been going for 40 years or more with very considerable evidence that it was working exceptionally well.”²⁴

Greenspan, an Ayn Rand fan, found out that the free market worldview without restraint was very dangerous. Presumably, he came to regard the need for restraint more like what President John Adams described in 1798: “We have no government armed with power capable of contending with human passions unbridled by morality and religion. Avarice, ambition, revenge or gallantry would break the strongest cords of our Constitution as a whale goes through a net. Our Constitution is designed only for a moral and religious people. It is wholly inadequate for any other.”²⁵

Many worldviews today are rife with ideology that is disconnected from reality. For example, the Soviet Union believed for a long time it would “bury” America.²⁶ The opposite happened, because its form of communism led to the economic collapse of the Soviet Union. To successfully invest the monies that we manage at PEI Funds, including our own monies, we need to understand what exists and what is fantasy. We thus must understand worldviews—which are based on reality and which are not. In our direct corporate investments, we have to be able to discern if the management team we are considering working with has a worldview compatible with our own. Fifty years ago, most Americans held a unified worldview. Now, many diverse worldviews exist and compete. It has become a nostrum in most of higher education that “all worldviews are created equal,” yet that flies in the face of reality. At PEI Funds, we can’t afford to fund projects based on unrealistic worldviews.

²³George Packer, “End of an Era (2): Greenspan’s Worldview Fails Him,” *New Yorker*, October 23, 2008, <http://www.newyorker.com/online/blogs/georgepacker/2008/10/end-of-an-era-2.html>.

²⁴Ibid.

²⁵Message from John Adams to the Officers of the First Brigade of the Third Division of the Militia of Massachusetts, October 11, 1798, available at http://www.beliefnet.com/resourcelib/docs/115/Message_from_John_Adams_to_the_Officers_of_the_First_Brigade_1.html.

²⁶Nikita Khrushchev, quoted in “Foreign News: We Will Bury You,” *Time*, November 26, 1956.

World History and American History: We've already discussed the results of the Intercollegiate Studies Institute research on how little college students know about history. One recent candidate at PEI Funds had graduated cum laude from a prominent undergraduate business school program, yet was woefully ignorant about history, mainly because he had not taken a history course since the tenth grade. We find this unacceptable.

Physics and/or Engineering: Technology is critically important to business. However, one has to understand something of the nuts and bolts of technology. A core course in physics and/or engineering really helps a student to understand how technology drives the development of so many new products. Microsoft has six thousand open jobs in the U.S., of which 3,400 are for engineers. Brad Smith, executive vice president at Microsoft, notes that "schools aren't producing graduates with the skills needed in the marketplace."²⁷

Speaking and Writing Well: It is always important to communicate well, both in speech and in writing. Yet it is amazing how deficient the communication skills are of so many of the candidates we interview at PEI Funds. Great rhetoric can truly inspire others in many directions. Young people who seek success in business need to communicate better even in an age of social media, Twitter, Facebook, and all the rest.

Beauty in Art, Music, and Culture: We have forgotten just how important beauty in art, music, and culture is to the human spirit. Conductor and composer Leonard Bernstein once said that when he heard Beethoven's Fifth Symphony, he knew that everything was ultimately well with the world. The absence of beauty in art, music and culture leaves communities impoverished and less attractive to leaders who will seek these resources in other communities—thereby bringing their talent and skills elsewhere. This, of course, has a great effect on business as well, and drains the pool of potential business leaders for the next generation. We need to expose young people to the beauty that exists in art, music, and culture and incorporate it once more into the curriculum.

²⁷Brad Smith, "How to Reduce America's Talent Deficit," Opinion, *Wall Street Journal*, October 18, 2012, <http://online.wsj.com/article/SB10000872396390443675404578058163640361032.html>.

Healthy Communities through Marriage and Family: Many children today are suffering financially from being raised in a culture of divorce and of unwed childbearing. So are American taxpayers: divorce and unwed childbearing costs us at least \$112 billion a year or \$1.1 trillion over ten years.²⁸ Social science tells us that by strengthening marriage and thereby families, children will earn better grades in school, experience higher graduation rates, and have greater financial stability in their adult lives.

A Conclusion: Business to the Rescue

A group of business leaders, of which I am one, and thirteen organizations including Essentials in Education are trying to help rescue students from the failings of the current higher education system by taking advantage of the disruptive technology of the Internet and of online coursework. Our coalition has developed an online course that begins the process of preparing college students and recent graduates for work in firms like PEI Funds. “Flourishing Through Business 101” is available online at www.flourishingthroughbusiness.org.

What is very exciting is that one organization with approximately five thousand member CEOs will launch a summer internship program in 2014 in which the CEO commits to mentoring and overseeing how an intern does in the course. One college has already agreed to grant three course credits for “Flourishing Through Business” and several more colleges plan to do so. (If three thousand CEOs eventually participate and there are numerous applications for the slots, could this program become the next Teach for America phenomenon, which has four thousand slots for sixty thousand applications?) Other colleges are planning to include their alumni in mentoring students taking the for-credit version of “Flourishing Through Business.”²⁹ In our focus groups on campus, mentoring by business leaders topped the list of what students wanted, particularly because they had little idea of the actual workplaces in which they will pursue their careers.

²⁸Benjamin Scafidi, principal investigator, *The Taxpayer Cost of Divorce and Unwed Childbearing: First-Ever Estimates for the Nation and All Fifty States* (New York: Institute for American Values, 2008), <http://www.americanvalues.org/pdfs/COFF.pdf>. I conceived of and provided the initial funding for this report, which has become the standard in the U.S. and has been independently replicated by think tanks in New Zealand, Canada, and Great Britain.

²⁹For the description of the Summer Internship Program with Mentoring and Training from a CEO and the press release, go to <http://www.howcommunitiesflourish.org/fcci>.

“Flourishing Through Business” focuses on how America has succeeded economically through business and prospered like no other nation in history. The course covers the elements critical to this success, including the importance of leadership and character as well as acquiring an understanding of the U.S. Constitution, worldview, and world and American history. Led by Essentials in Education, the group that has developed this course is currently in conversation with ten colleges to offer “Flourishing Through Business” for credit. We are also looking at creating other courses that can remediate what we see as deficiencies in career-readiness of business school and program graduates.

As Charles Dickens wrote in 1859 to open *The Tale of Two Cities*, “It was the best of times, it was the worst of times.” For colleges and universities that continue to fail their students, it will be the worst of times as many smaller liberal arts colleges—followed by others, particularly those without big endowments—are forced to shut down due to shrinking enrollment. But through online education and those colleges and universities that heed the urgent call to reform their methods and revive the curriculum, we’ll be able to help our students experience the best of times by preparing them to be productive and successful in work and in life.