

THE COOPER UNION ALUMNI & PIONEER

Trustees Mainly Board Junkies

by Barry Drogin, EE '83

Abstract

An analysis of how 14 of Cooper's 25 trustees are board junkies serving on the boards of several not-for-profits, including 8 at other colleges, how interlocking leads to ongoing escalation of higher education costs, and how the rich people on the Cooper board are unlikely to care about providing a free education to the children of the struggling middle class. Also, the board chairman is cited as saying that most board work occurs in its committees, which elected alumni trustees and CUAA presidents don't get to observe or participate in.

Of the 25 trustees currently listed on the Cooper website <<http://cooper.edu/about/trustees>>, at least 14 are "board junkies," serving on the boards of several not-for-profits, including 8 at other colleges such as Duke, Stanford, Tufts, Harvard, MIT, Prescott, Babson, Eugene Lang, Wooster, SUNY Purchase and even Eton in England.

I was investigating how college administration salaries, compensation packages, and staff sizes had grown so significantly in the past few decades. Was it a monopoly? An oligarchy? I had a discussion with a fellow alumnus, who told me about "interlocking directorates," wherein a member of a corporate board may make decisions about the compensation of an executive at that corporation, and also be an executive at a corporation where that executive sits on the board of his corporation and makes decisions on his compensation. Nothing like that exists at The Cooper Union, where there are conflict-of-interest rules, but there is still a bit of interlocking going on. The alumnus went on to describe what he called "the 75% rule" – if 50% of managers make this salary, we should pay our managers what 75% make, which leads to ongoing escalation. He also cited a recent article in Forbes about executive "pay without performance" (<<http://www.forbes.com/sites/stevedenning/2011/11/16/why-are-fannie-freddie-ceos-paid-so-much/>>), which is worth a read. It bothers me that my alumnus friend reads Forbes, but then, he reads *everything*.

At the Open Forum, Epstein stated that no one board member makes decisions, and that most of the work of the board is made in its committees. Meanwhile, a former Alumni Association president told me that they do not get to observe committee work, only meetings of the full board, where I presume the decisions of the committees are simply rubber-stamped. So I do not know which board members sit on which committees, but it is fairly obvious.

7 board members have careers in investment banking, private equity, and venture capital, 5 have careers in real estate. 3 engineering alumni have careers in product development, 3 are architects (including architect Moshe Safdie, who is a Cooper parent), then we have a famous painter/sculptor/teacher (alumni trustee), an advertising executive, a journalism editor/professor, a CPA, and a young call center CEO. If you've been doing the math, that leaves 2 people, the only women (aside from the elected artist alumni trustee), one who is an estate planner with a specialty in employee benefits, and the other, chair of the development committee, a fundraiser with a career in university research administration at Harvard.

7 are engineering school alumni, 3 are art school alumni, and 1 is an architecture school alumnus. Of those 11, 3 are past alumni council presidents, and 1 is a former alumni trustee – otherwise there is no connection with

the Alumni Council. Aside from the one who is a Cooper parent, the other 13 are not alumni, but the great majority of those are board junkies.

People are also interested in when people came to the board. The website is unclear about a few individuals, but at least 5 have been on the board since before 2000, 10 joined between 2000 and 2007, 6 came in in 2008 and there are at least 2 newbies from 2010. The board junkies love it so much, they recently voted to amend the bylaws to let even more board junkies in.

These rich people are not paid, but they get to come to New York City every three months to hang out with the other rich people and feed their board junkie habit. They may be busy people, as Epstein said, but they certainly are not private people, as Bharucha said, at least not when it comes to serving on boards and attending (if not leading) fundraising events and the like. More than a few think so highly of themselves that they write management books, the most disturbing titled, "Restructuring for Growth."

Any way you look at it, these are not the kind of people who care about providing a free education to children of the struggling middle class who can presumably afford to pay for a college education, while they drive the cost of that college education through the roof. The Cooper Union is their toy, their plaything. These are definitely the kind of people who, like Herman Cain, would say, "If you don't have a job and you're not rich, blame yourself."

These are the trustees of Cooper's future.

The current version of this document can be found at <<http://www.notnicemusic.com/board.pdf>>. Corrections to this document are appreciated and, if based on substantiated facts from legitimate sources, will be implemented by the author. The original version was completed on November 17, 2011.

The Alumni Pioneer, <<http://www.notnicemusic.com/Cassandra/cooper.html>>, is a virtual newspaper with breaking news stories and links to analyses, sources and the media. It is written and formatted in an inverted-pyramid newspaper style to facilitate quick access to what is deemed the most important information. The abstract was added on January 28, 2012.