



What Is Williams For?

Economists of higher education often analyze colleges in terms of the price charged, the cost of providing an education and market share. That doesn't mean we think that every organization behaves as if it were a for-profit company. It means we think that the "queen of the social sciences" (a phrase I strongly prefer to "the dismal science") can help explain almost all forms of human activity. The difference between a company and a nonprofit college is fundamental, especially to an economist, and understanding that difference is important for all who work at colleges and all who guide, regulate and support them.

A company exists to make a profit for its owners by providing a product or service and charging for it a price higher than the cost of production. The focus is on generating a profit for each owner and a good or service for each consumer. There's certainly nothing wrong with this. Companies produce the wealth that supports society and the goods and services that people need and want. While these activities often promote the common good, a company's goal is to serve the private good, with the greater social benefit a happy by-product.

For a nonprofit college, it's the reverse. An institution like Williams exists—and has its standing in the law—to serve the public good, with provision of private goods to its students a welcome, but secondary, outcome. There are no profits for management to disburse as it sees fit. As it is, we actually charge students less than we spend on them. It's a lousy business model but a great way to serve the public.

Williams and colleges like it contribute to the public good in many ways. We pass on from one generation to the next the best that has been thought and said. Our faculty continually expand human knowledge and artistic expression. In our local communities we provide rich cultural resources and serve as potent economic engines, generating stable jobs, spending and quality of life.

By far our greatest effect on the public good, however, spreads through our alumni. As students, they develop a vision for themselves and for society and the skills needed to pursue them. Our graduates are not only better informed but also

better able to serve as citizens and professionals. And their opportunities to serve will have been expanded—for many students greatly expanded—since education remains the most powerful source of social and economic mobility.

In the case of Williams alumni, a disproportionate number of them will take on leadership roles in their communities and professions. The arts, business, education, government, law, medicine—everywhere you look, Williams alumni are helping to lead the way forward.

I am most struck by this each year when we award Bicentennial Medals. Since 1993 the College has presented almost 100 of them to alumni who make me so proud to be a part of Williams. These are people who prosecuted war criminals at Nuremberg, fought AIDS in Africa, pioneered the treatment of infectious diseases in children, produced or presented great art, led innovative corporations, fought for ethics in business, fed refugees, inspired students, and on and on. They have saved lives and improved all our lives.

I know there are many more like them, because it's so difficult each year to choose whom to honor. Few if any of our medalists could have done what they did without a college education—many of them would say without a Williams education.

Most of the people who work at Williams could earn more money elsewhere. We may love the work and the students and being able to live in this wonderful community, but an added incentive for investing our careers at the College is knowing that what we do here betters the world.

The many people who support Williams with their valuable time and money also do so for several reasons. These include gratitude for what they received as students and knowing that in supporting Williams they also are fighting AIDS, feeding refugees, advancing the arts, promoting justice.

The good done in this beautiful valley ripples out, through our alumni, around the world. It's a powerful model, before which this economist stands in awe.

—Morty Schapiro