





*“The need of today is not more business, more labor, or more material;
the real need is more men trained to lead.”*

*—Charles M. Schwab
American industrialist*

The Babson Program

Roger Babson had once suggested to President Franklin D. Roosevelt the creation of a new cabinet post—the Department of Character. Nothing came of the suggestion, but that it was made in the first place illustrates the prominent place that character occupied in Babson’s outlook on life. For him, character was destiny; he believed familial traits passed down through the generations set the course of most people’s lives. “We are born,” he said, “with definite characteristics that are difficult to change.” In his own case, Babson attributed his entrepreneurial spirit to genetic predisposition.

The Babson family counted among its progenitors a long line of ship captains, men who had sailed with the tide from the harbors of Boston and Salem in windjammers bound for the far corners of the earth. Young Roger, as befit a son of Gloucester, took special pride in those among his forebears who had first ventured out onto the storm-tossed deep as cabin boys, and who had risen by dint of hard work and skill to the lofty height of captains of clip-

per ships plying the seven seas. It took courage, self-reliance, and initiative, traits that lent themselves to a willingness to brave the perils of the unknown and to cope with the sudden, violent whims of nature, for men to have gone down to the sea in the age of wind and sail. It took skill, too, in the tacking of the vessel and in the setting of the sails to beat against the wind as well as with it.

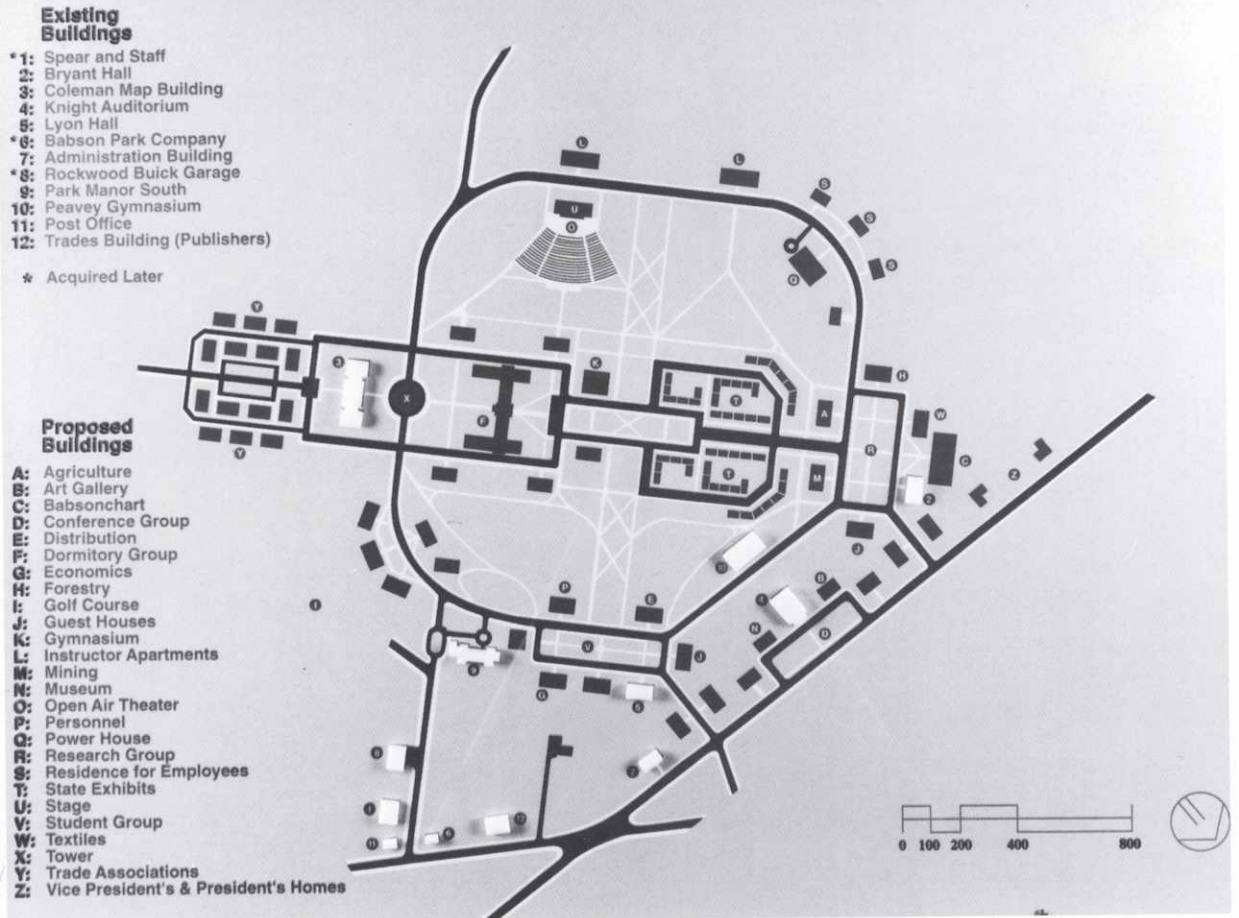
“The sailing-ship carries a constant moral,” Babson recorded in his autobiography. By this he meant that it stood for those who knew their destination and who possessed the skills and daring to reach it. And just as these qualities accounted for the rise of his ancestors from cabin boys to captains, so, too, he believed, did they account for the rise to positions of leadership in business. That is why the clipper ship appears on the seal of Babson College and why the seal bears the inscription:



Left: Babson Institute classrooms were designed to resemble business offices.

*It is the set of the sails, and not the gales,
That determines the way it goes.*

The Babson Institute 1924 Long Range Plan



As early as 1924, Roger Babson had elaborate plans for the college of the future.

Given Babson's assumption that the individual inherits at least 90 percent of his character traits, it followed as an article of faith with him that great businessmen, like great artists, were born, not made. Consistent with this premise was his belief that because heredity had bestowed upon him a natural bent for business, it endowed others with similar leanings. By the same token, no college could turn a student into a businessman where there was no pre-disposition.

Babson envisioned his college having a profound impact on the lives and careers of its students. For one thing, he believed that many young people were not given to reflection and self-examination, and the unexamined life too often was an unfulfilled life. Alerting students to their latent talents and providing sage counsel on how to cultivate that potential could bring the success that otherwise might elude them. For another, experience had taught Babson that in business, hard work and creativity, when joined to a practical goal, obtained the best results. Not surprisingly, he incorporated into the curriculum and classroom of his new school of business management the same qualities—diligence, origi-

nality, and practicality—that best defined his own work and accomplishments. And finally, Babson realized that while self-made businessmen like his father had gotten by on common sense and experience, changing world conditions growing out of the First World War had given rise to a new and more sophisticated way of doing business, which required “positive, practical, scientific thought and study.”

In his youth, Roger Babson had vowed to be different; and he had succeeded through his works. Each of his major business ventures had arisen at the command of an original spirit. Predictably, when it came to launching a new college of business administration, he chose to blaze a new trail rather than follow in the footsteps of others.

Out of a study that Babson had made of the several ways that young people prepared for business, he concluded that business experience in itself was by far the best teacher. If, as he believed, business administration was a profession, then like surgery, sculpturing, or preaching, it would be best learned in the doing. It followed that, even though it had never been tried before, a college of business administration could be run like a business by businessmen for students (whose training combined study and business work) to improve and accelerate the process of producing well-trained, experienced business managers.

The outcome of his reflections was the Babson program, a system of course work and instructional methods, which, like its creator, was unlike any other anywhere in the world.

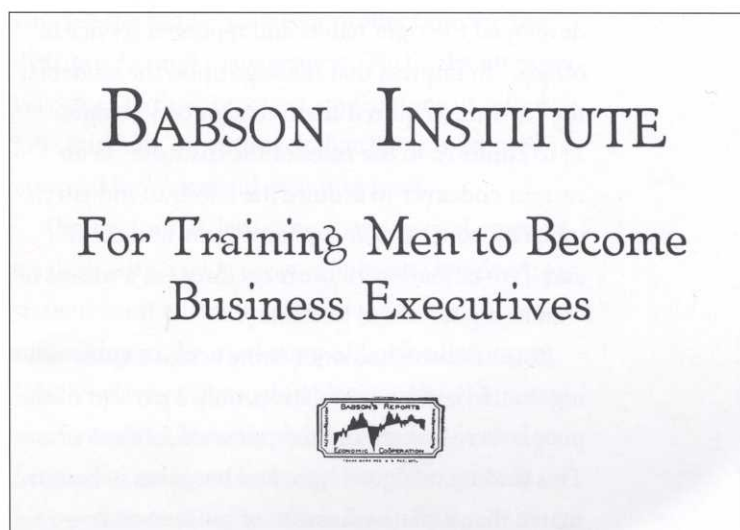
From the outset, the Babson Institute projected itself more as an alternative to other business colleges than as a competitor. In drawing the distinction between the Institute and the four-year business colleges that were sprouting up all over the United States during the 1920s, the founding father noted that while there were “many fine schools to *teach* men business, [there were] none to *train* men for business.” He italicized the words *teach* and *train* to underscore the Wellesley school’s unique approach to business education. The Babson catalogue stated that “The Babson Institute is organized to give an intensive training in preparation for exec-

utive work in industry and finance by methods which are peculiar to this institution.”

Not bound by tradition, the Institute left the teaching of detailed business courses to others, substituting an intensive one-year training program that immersed students in a simulated business environment, rooted them in the fundamentals of production, finance, distribution, and management, and drilled them in the routines and demands of real (as opposed to theoretical) executive work. Part school and part business office, the Babson Institute, by striking a balance between studying and doing actual business work, managed to condense into a single academic year a complete course in business administration.

Such an achievement would not have been possible if the curriculum had been weighted down with the kind of detailed business courses offered in other colleges. In Roger Babson’s opinion such courses were unnecessary. Any businessman in need of specific details could find the information

The title page from the first catalogue, 1919-20.



in a library or textbook. As for the Babson student, knowing how “to apply his knowledge productively” was far more important than having his head crammed with facts.

In addition, the Babson student enjoyed a head start over the competition, thanks to the Institute’s unique training program. Whereas enrollees in other business colleges faced a difficult period of adjustment from the world of books to the world of business, the Babson graduate had no need for entry-level training, having already gained experience in the duties and routines of managerial work at the Institute. In a word, the Institute promised those completing its program a shortcut to a lifetime career.

There were other, more transcendent reasons for the formulation of the Babson program. Like other devotees of the Gospel of Wealth, Roger Babson viewed wealth not as an end in itself but as the means of advancing a higher cause—the betterment of mankind. He wanted it understood that in founding the Institute he had a higher goal in mind than “helping young men get richer.” Money and material possessions, he wrote, are merely “the scenery of life and not the primary purpose.”

Students enrolling at the Babson Institute were told that the first thing any young man contemplating a career in business should do is disabuse himself of the notion that money is the measure of business success. Profits did follow “as a natural consequence of satisfying needs and wants,” but true business success would come to those who developed the right habits and rendered service to others. To impress that message upon the students, the Institute required them to sign two pledges: 1) to conform to the rules of the Institute “in an earnest endeavor to acquire the habits of industry, integrity, concentration, promptness, and thrift”; and 2) to embark on a business career as a means of “rendering service to humanity.”

Roger Babson had once come across a study citing that, in a given population, only 2 percent of the people were leaders and the rest were followers. This finding intrigued him, and based on it, he estimated that a relative handful of businessmen—

Business Cycles

THE banker, manufacturer, merchant or investor who can even partly anticipate the future, so as to make his purchases and sales accordingly is a business success, while the man who cannot is ultimately a failure.

Men are realizing more and more that business conditions for hundreds of years have gone thru regular cycles of prosperity decline, depression and improvement and that the law of action and reaction running thruout nature, commerce and industry decrees that these cycles shall always exist. In other words, business as well as human beings has “ups and downs” which operate according to definite laws.

The instruction in all the courses considers these fundamental laws and teaches their use as a scientific basis for the forecasting of conditions, because anticipating the future is such a vital part of an executive’s work. The reports and bulletins issued by the Babson Statistical Organization are on file at the school.

Plan of Instruction

THE Institute is conducted on as nearly a business schedule as is feasible. At least eight hours of school work are expected daily except on Saturday, which is a half holiday. The greater part of the morning is given over to classes which are on the order of “conferences” in business. The small classes make practicable this very desirable method.

Variation from the regular course of study is not permitted except in special cases, since the program includes only what is believed to be essential in preparation for executive work. The individual interests of students are provided for by the assigned work of various courses and in the research work expected during the second year.

There are from eighteen to twenty hours of classes each week, which are given up almost entirely to discussion of previously assigned subjects. This method is used to train the students to think clearly and speak convincingly. If business success is based on power to influence men, the ability and

some 20,000 in all—controlled the destiny of American business life. In their hands rested an “enormous power for good or evil and failure or happiness.” It struck him that it would be a relatively simple matter for a college engaged in training the business leaders of tomorrow to dramatically alter the nature of capitalism itself by channeling into the corporate boardrooms of America a steady flow of young crusaders. These leaders, by dedicating their professional lives to curbing the excesses of the free-enterprise system, would moderate the extremes of inflation and depression of the boom-bust cycle and open up the opportunities and benefits of the market economy to all levels of society.

“If we could train a thousand of these young men every year,” Babson reasoned, “we could, in a short time, exert a marked influence over a majority of the leaders of our business world.” The first order of business for the college was to impress upon the students “the fundamental truths of business”; the second was to inspire in them “the will to make business an agent for the advancement of the good of the state.” Men who combined business acumen with this higher purpose “can serve their

Program of Study

First Year

First Semester

BUSINESS ECONOMICS, Dr. Arens	5 hrs.
CORPORATION FINANCE, Mr. Fittz	2 hrs.
INVESTMENTS, Messrs. Fittz and Bancroft	2 hrs.
STATISTICS, Dr. Arens	2 hrs.
PERSONAL RELATIONS, Mr. Gates	4 hrs.
APPLIED PSYCHOLOGY, Dr. Shaw	3 hrs.
SALES MANAGEMENT, Mr. Bryant	1 hr.
ACCOUNTING, Mr. Fittz	1 hr.

Second Semester

BUSINESS CYCLES, Dr. Arens and Mr. Peavey	2 hrs.
BUSINESS LAW, Mr. Fittz	2 hrs.
SPECULATION, Messrs. Fittz and Sweetser	2 hrs.
BUSINESS ETHICS, Mr. Gates	4 hrs.
BUSINESS MANAGEMENT, Dean Wilson and Mr. Fittz	3 hrs.
APPLIED PSYCHOLOGY (Continued), Dr. Shaw	3 hrs.
ADVERTISING, Mr. Huntington	1 hr.
ACCOUNTING (Continued), Mr. Fittz	2 hrs.

(Mr. Babson will conduct frequent informal discussions thruout the year.)

Second Year

First Semester

EVOLUTION OF MODERN INDUSTRY, Dr. Arens	4 hrs.
MONEY AND BANKING, Mr. Fittz	3 hrs.
BUSINESS MANAGEMENT (Continued), Dean Wilson and Mr. Fittz	3 hrs.
SOCIAL ECONOMICS, Dr. Arens	2 hrs.
EXECUTIVE TRAINING, Mr. Babson and other members of the staff	2 hrs.
LABOR PROBLEMS, Mr. MacIlwain	3 hrs.

Second Semester

EVOLUTION OF MODERN INDUSTRY (Continued), Dr. Arens	4 hrs.
DOMESTIC COMMERCE (6 weeks), Mr. Stone	2 hrs.
FOREIGN TRADE (6 weeks), Mr. Wallour	2 hrs.
COMMODITY PRICES AND PURCHASING (6 weeks), Mr. Linnekin	2 hrs.
SOCIAL ECONOMICS (Continued), Dr. Arens	2 hrs.
BUSINESS MANAGEMENT (Continued), Dean Wilson and Mr. Fittz	3 hrs.
EXECUTIVE TRAINING (Continued), Mr. Babson and other members of the staff	2 hrs.
EMPLOYMENT MANAGEMENT, Dean Wilson and Mr. Fittz	2 hrs.
HYGIENE AND SANITATION	1 hr.

An early catalogue lists the courses, names of faculty members who taught them, and the number of hours devoted to each course.

day and generation as vitally and nobly as the greatest statesmen, educators, preachers, and poets." Such was the beau ideal of the founding father.

Babson's ideas pertaining to curriculum and pedagogy were more down-to-earth. From his study of the careers of hundreds of America's "captains of industry," Babson culled some eighty common traits that had a bearing on their success. He distilled from these what he judged to be "the few really fundamental laws" of business that accounted for their rise to the top. It required a solid grounding in just a few fundamentals—how to handle money and property; how to influence people; how to control oneself; and how to gear production, purchases, and sales to the business cycle—for these men to have reached the "two-percent class" in business. It stood to reason, therefore, that, by concentrating on them, a college could produce a disproportionate share of the future business leaders.

Babson had designed the Institute's training program with this goal in mind. He fully expected that its implementation would inspire his young charges "to want to pull the cart instead of riding in the

cart." Moreover, he expected them to pull the cart in the right direction.

Curriculum at the Babson Institute came neatly packaged in conformity with that mission, all courses falling into one of four broad subject areas called "departments"—1) practical economics, 2) financial management, 3) business psychology, and 4) personal efficiency. Training in all but the latter department (whose principal function was to make better men of the students by familiarizing them with Roger Babson's creed for a successful life) stressed the fundamentals of production, finance, distribution, and management. Particular attention was given to their practical applications in actual job situations, an approach that Babson deemed essential for successful executive work.

Courses in the department of practical economics dealt with a wide array of subjects, ranging from statistics and business cycles to the buying of raw materials and the marketing of finished products. Where relevant, instructors demonstrated how economic laws such as supply and demand related to business conditions and why companies should base policy decisions on these laws. By the 1930s

the department had evolved into the production division.

Work in the department of financial management was predicated on three premises:

1. Stagnation and failure will dog the businessman who does not know how to finance the seasonal and permanent needs of his company or how to provide for its expansion.
2. Heirs to fortunes or family businesses must know how to care for property and keep it intact, lest they lose their inheritance.
3. Although “almost anyone can save” (clearly a proposition that invites challenge), only the wise investor achieves financial independence.

In addition to courses in finance and investments, the department also offered the principles of accounting. The rationale for joining two distinct disciplines under one departmental roof was that because “many good businessmen have failed through lack of understanding of accounting and by being helpless in the hands of [an incompetent or unscrupulous] bookkeeper,” knowledge of accounting would serve as a tool for the preservation of wealth. It was not long, of course, before accounting branched off on its own into a full-blown area of the core curriculum.

Training in the department of business psychology focused on nurturing leadership skills. Babson recognized that to succeed in business required the ability to influence others or, more specifically, the ability “to get others to do what one wants them to do.” For the business executive to shape to his advantage his relationship with customers, employees, or anyone else with whom he deals, he had to know how to lead. Thus, he needed to master the basics of business psychology, the “science” that specializes in the techniques and skills of leadership. Grouped under the rubric of business psychology were courses such as advertising and sales and labor/management relations where leadership skills had practical applications. An indirect but invaluable benefit of leadership training, the school emphasized, was that to learn how to control others was to learn how to control oneself, bearing

in mind that “unless a man is able to govern himself, his influence on others is either nil or detrimental.” Elements in the departments of practical economics and business psychology provided the foundations for two future divisions—marketing and management.

Woven into the business curriculum at Roger Babson’s insistence was his pseudoscientific notion that the business cycle operated according to the fixed laws of nature spelled out in Sir Isaac Newton’s third law of motion. Babson’s most famous prediction—the October 1929 stock market crash—was based on this idea, but so were his annual forecasts of imminent recovery following the crash, even as the nation slid deeper into depression. Like medieval alchemists who believed in a philosopher’s stone that could turn base metal into gold, Babson retained throughout his lifetime a conviction that Newton’s law of action and reaction provided a blueprint for unlocking the secrets of the waxing and waning of the market economy.

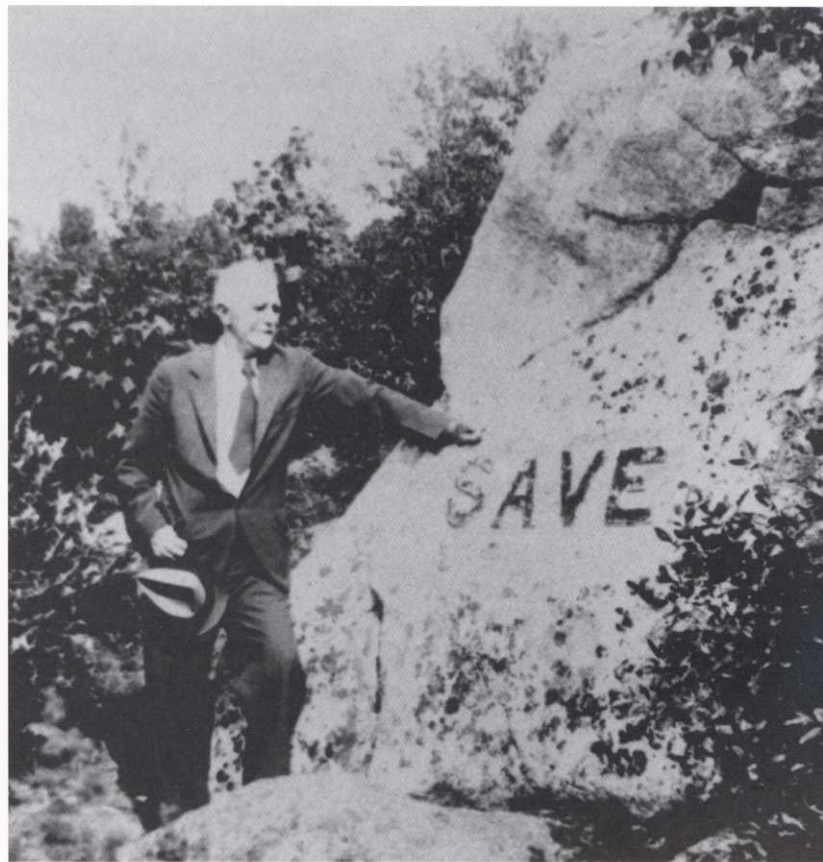
But where the quest for the philosopher’s stone proved barren, such was not the case with training students how to track business trends, even though the exercise was based on the false assumption that cosmic law determined the process. The students followed the same *modus operandi* as analysts at Babson’s Reports—studying current business tendencies and long-term trends carefully and comparing them to similar phases of past business cycles. It was a much sounder basis for economic forecasting than pure guesswork, and, as Roger Babson noted, businesses rose and fell on the ability to gauge future market conditions.

Another article of faith for Roger Babson was his belief that “one of the great secrets of business success is the right kind of personality.” He thought of youthful personality as he did of character, a latent condition that needed nurturing to produce the best results. Thus, to train the student “the better to understand himself, his employer, his employees, the better, in fact, to get along with people” was to help him develop a successful personality. This task was assigned to the department of personal efficiency, but it was by no means that department’s sole mission.

Whereas the function of the three business departments was to present in clear, simple, and understandable terms the basics and practical applications of production, finance, distribution, and management, that of the department of personal efficiency was to administer a strong dose of practical idealism to the students. Rooted in this department were Roger Babson's hopes for promoting a more accessible and humanitarian free-enterprise system by infusing it with better businessmen and better men—that is, with business leaders whose moral sensibilities and sense of civic responsibility matched the vigor of their mental and physical faculties. Thus, to the classical ideal of a sound mind in a sound body, the department of personal efficiency added a third component—a sound character. Students—indeed everyone—would profit if every college were to emulate the Babson Institute and expand its horizons beyond its focus on intellectual performance to include the whole person, for “no man can be at his best who is not sound in character, mind and body.”

Taking as its gospel Babson's observations that “the greatest factor in any man's success is the right attitude towards life and work” and that “a personal philosophy of life will ensure the greatest success and happiness,” the department of personal efficiency strove to set the student on the right path. The department featured a unique blend of courses that combined instruction in ethics with training in personality development, personal hygiene, interpersonal relationships, and practical skills such as how to concentrate, plan ahead, and communicate. Much of the departmental work, especially the debates or formal discussions on topics such as equality and privilege or the responsibilities of wealth, had a threefold purpose:

1. to sharpen communication skills;
2. to heighten awareness of some of the ethical implications inherent in the condition of wealth and in the conduct of business; and, most important,
3. to encourage students to think through clearly “those principles which must be fixed in a man's



Roger Babson hired unemployed stonecutters to carve mottoes on boulders in a large tract of land he owned in Dogtown, a section of Gloucester. These messages reflected the same moral philosophy he tried to instill in Babson Institute students.

mind in order to give purpose, balance and effectiveness to his life's work."

As might be expected from a man whose life centered on education, business, family, and religion, Roger Babson took special pride in the department of personal efficiency, hailing it as "perhaps the outstanding contribution of Babson Institute" to business education. For him, the department's central purpose—the development of a strong character and the right kind of personality—was essential for permanent success in business. He pinned his highest hopes on the department of personal efficiency. It proved his greatest disappointment.

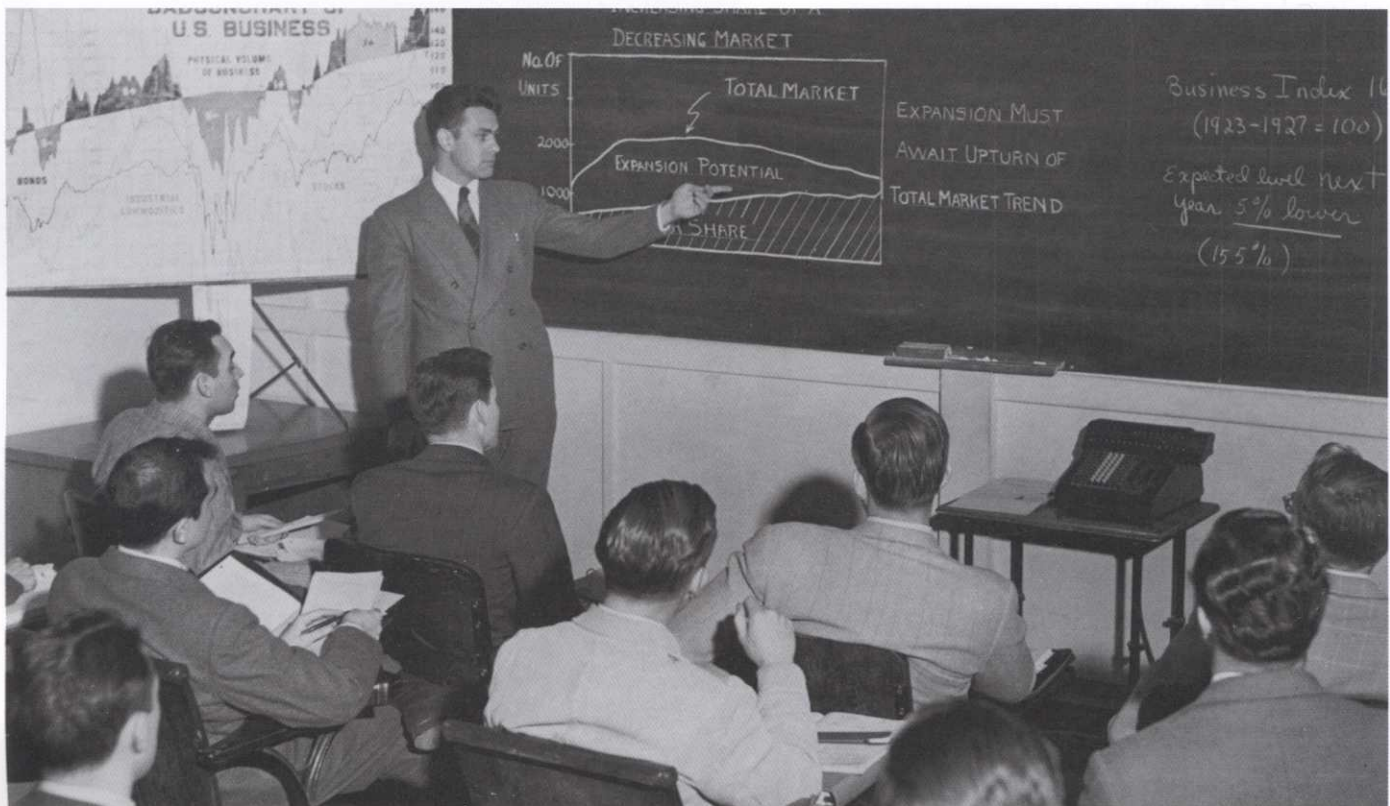
The passing years brought disillusionment, as it became increasingly clear that the crusade to reform the free-enterprise system from within by seeding it with practical idealists was not working. It could hardly have been otherwise. The personal efficiency department's goal—to shape the character of students along lines laid out by Roger Babson—proved

unrealistic. Simply put, no college, no matter how deep its commitment, could produce business leaders in sufficient enough numbers to effect change on the order that Babson envisioned.

Although the Babson Institute was not up to the task of changing the world, it could fulfill its promise to provide solid training in business management. The Institute operated on a trimester calendar, the school year running from September to June. Covered within that nine-month time frame was an academic program consisting of a score of courses. In addition to class work and group study projects, there were regularly scheduled field trips to local industrial plants and service industries, and weekly showings of industrial films. Upon satisfactory completion of the school year, the student received a certificate.

On opening day, the administration divided the student body into three groups, assigning one to the department of practical economics, another to financial management, and the third to business

Roger Babson devised the Babsonchart, a method of forecasting business trends. It was used regularly in Institute classes. Professor Earl Bowen is shown here teaching a statistics class.



psychology. Each group worked exclusively in its assigned area of the curriculum during the first three-month term, then, having fulfilled the department's requirements, shifted to a second business department for the next term, repeated the process, and spent the final term in the third business department.

The department of personal efficiency was exempted from the three-month interval system. The pedagogical assumption was that, although discrete, relatively short bursts of intense concentration lent themselves to the task of absorbing business fundamentals, the mission of the department of personal efficiency—to train students how to think, learn, communicate, and, above all, acquire a moderate or balanced business outlook and lifestyle—demanded repetition and practice spread over an extended period. Consequently, all students attended personal efficiency classes one morning a week throughout the school year.

Acceleration had its price. For one thing, there was no room for what Roger Babson called “frills”—that is, for majors, electives, drop/adds, or liberal arts courses. For another, all courses were required, which forced the student to quickstep across the entire sweep of a varied and extensive curriculum in a single academic year. And, finally, acceleration left little time for make-up work and none for failure: Students had to pass every course to graduate.

Whatever the drawbacks, however, interval training proved popular with the students, who were anxious to get on with their careers. It fulfilled the promise of the college to prepare them within the brief span of nine months to step directly into executive positions, and it accomplished this through its unique approach to the learning process. Total immersion in one department at a time enabled students to absorb the fundamentals of each, free from the distractions and confusion that inevitably crop up when trying to learn everything at once. Thanks to the Institute's learning-through-concentration approach, students finished the school year not only with a better grasp of each unit of the core curriculum than if they had had to absorb the fun-

**For [Roger Babson] the development
of a strong character and the right
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damentals of production, finance, distribution, and management simultaneously, but also with a keener appreciation of their interrelationship.

Department heads also benefited. They could schedule the weekly field trips that were an integral part of the training program without the worry of possible conflicts with assignments from other departments. The same held true for instructors and their outside-of-class assignments. And, thanks to the grouping of students, the department heads and instructors got to know their charges better and could follow their progress (or lack thereof) more closely.

Not the least of the advantages of interval training was that it mirrored the procedure commonly followed in the corporate world, where a fledgling manager in a large company spent several months or longer in a single division, concentrating on the operations of each department before moving to another division, and so on through every branch of the company. Only by following this procedure, it was thought, could the newcomer grasp the interrelationship between the different divisions and their departments and appreciate how the entire



Whenever they entered or left Lyon Hall, students punched a time clock.

operation of the company hinged on that inter-relationship.

Because of admissions requirements, students came to the Babson Institute from other colleges or from the business world. On average, they were in their early twenties, or about the same age as today's seniors. Younger applicants fresh out of high school or (more likely) preparatory school who were eager to embark on a business career but who were not ready for the Fundamentals of Business program could enroll in an introductory class held in the Abbott House, the former residence of Mr. and Mrs. Roger Babson. Satisfactory completion of the course qualified these students for admission to the regular program the following year.

Eventually this arrangement crystallized into a permanent two-tiered system—the regular one-year program for seniors and a two-year program for juniors, who, upon completion of a year of preparatory work, were eligible to join the august senior body.

The Institute also ran a one-year postgraduate specialty course during the 1920s called Advanced Research for students interested in pursuing a career

in a specific company or industry. It, too, offered a shortcut along the career path by instilling in students the kind of thorough and intimate working knowledge of the industry in which they intended to work that, according to the catalogue description, ordinarily would take years of on-the-job experience to acquire. An applicant for admission had to hold a college degree or be currently employed in the industry or company where he intended to pursue "his lifework." Students spent the entire year engaged in research projects and work assignments that were relevant to their field of concentration. They worked under the close supervision of instructors and research advisors. The emphasis was on the practical. The school enlisted business executives to assign projects that involved the postgraduates directly in solving actual problems in their chosen fields.

Narrow of focus and not a degree-granting program, Advanced Research nevertheless enrolled students who, because of their educational or employment background, were able to shoulder a heavier and more demanding workload than those enrolled in the regular program. In this context,

Advanced Research may be regarded as a somewhat distant ancestor of the Babson graduate school.

Perhaps the most controversial feature of the Babson program was its price tag. Tuition was set at \$2,000 at a time when other business colleges were charging a fraction of that amount and an Ivy League education ran from \$600 to \$750 a year. Criticism notwithstanding, the cost of a Babson education remained well above the norm until the hard times of the Great Depression forced a reduction. Moreover, the opening of the first residence hall (Park Manor South) added a \$900 charge for room and board to the total bill. Roger Babson saw no need to apologize for the \$2,900 sticker price, calling it "a bargain" and "a sound investment." The Institute, he maintained, actually reduced costs and saved time for its enrollees by compressing its program into a single academic year, and it managed this without sacrificing quality.

The school, too, justified the expense by making a persuasive case for the comparative advantages of

a Babson education. The Babson Institute boasted that it was "training executives, not clerks"—and, unlike other colleges, it lived up to this pledge by familiarizing students with the fundamentals and daily routines of managerial work, so that they would be ready on the first day at the office to carry out duties with the dispatch of seasoned professionals. It was this kind of practical preparation afforded by the Babson training program that distinguished the Babson graduate from other newcomers. There was no need to break a Babson graduate into the job.

A young man coming into the ranks of management directly from secondary school or college faced the operational side of business for the first time. For him, it was an encounter with terra incognita, and all too often it proved an unnerving experience. Lacking a background in managerial work, the fledgling manager had, perforce, to spend several years making the painful adjustment from the world of books and theory to the practical

BABSON INSTITUTE



REGULATIONS
1937

STUDENT OFFICES

1. Unless engaged in field trips or other class work, students are required to occupy themselves with the preparation of reports and other assignments in the student offices during the afternoon office hours, from 1:30 to 5:00 p. m. inclusively, Monday through Friday.
2. Students are required to observe the procedures and regulations ordinarily maintained in a business office with respect to quietness, use of business equipment, and care of desks, papers and other materials.
3. Students will be held responsible for the observance of all office regulations and procedures which are posted on the official bulletin boards in the student offices, and also for all rulings on office procedures ordered by the supervisor in charge of each student office.

ATTENDANCE

1. Regular hours are required. There are no "cuts." Student office hours are from 8:30 a. m. to 12:25 p. m. and from 1:30 to 5:00 p. m., except on Saturdays when the hours are from 8:30 to 11:25 a. m.
2. Time cards, provided in racks beside time-clocks in both Lyon and Bryant Halls, must be stamped in the time-clock each time the student enters and leaves the office buildings.
3. Any student who finds it necessary to be absent from any group conference or afternoon hour must secure signed leave of absence from the Personnel Office IN ADVANCE of the expected absence. A student assigned to laboratory work off the campus must obtain a leave of absence signed by the instructor making the assignment. No leave of absence is required from any member of a group making a field trip under the direction of an instructor.
4. No absences on account of illness will be excused unless the illness is reported to the Personnel Office by the nurse.

At \$2900, tuition and board at Babson Institute were far higher than the cost at most U.S. colleges.

Cost of a College Education

Finally: There is the question of expense involved — altho this is least important of all. Four years at the average college costs as follows:

Tuition	4 x \$300	\$1,200
Board and Lodging	4 x \$500	2,000
Allowance	4 x \$600	2,400
Earnings Lost First year	\$1,000	
Second year	1,300	
Third year	2,000	
Fourth year	2,400	
		6,700
Total		\$12,300

An intensive twelve months' course should cost:

Tuition	\$2,000
Board, Lodging, and Allowance	1,000
Earnings Lost	1,000
	4,000
Total	\$4,000

In other words, a four-year course at college really costs about \$12,300; but a one-year intensive course — the very best procurable — should cost only \$4,000 or less.

world of business; and while he was floundering around trying to learn the ropes, his Babson counterpart was advancing steadily along the career path. Thanks to the training that he received at the Institute, the Babson graduate was thoroughly versed in the routines and responsibilities that went with the territory. Thus, he began his career with a two- to three-year head start over those with an ivory-tower education. And all other things being equal, he would never relinquish that lead.

To spare young men aspiring to careers in business the prolonged and "demoralizing" period of transition from ivory tower to business management, the school urged "every father who can afford it" to enroll his son at the Babson Institute. In fact, cost was no object for most of the fathers deciding in favor of Babson. The great majority of them were successful businessmen.

Among the benefits that the \$2,900 charge made possible was round-the-clock dental service. The first resident dentist was Babson alumnus Abner Toothacher Wing '25, whose middle name, for obvious reasons, caught the attention of more than one nervous patient. (A faculty member, after having

made an appointment with "Doc" Wing, thought it the better part of wisdom to check his files to see how Doc had fared in his classes. To his relief, he found that he had given his former student an "A." Thus fortified, the professor kept his appointment, and the session went smoothly.)

The Babson Institute's open appeal to the sons of prominent businessmen earned it a reputation at the outset (that would stick for years) as a college catering to wealthy young men. The costs alone placed a Babson education beyond the reach of all but the sons of well-to-do parents. Yet, as readers of Babson's autobiography know, Roger Babson held no special brief for the rich. Quite to the contrary, his youthful encounters with Gloucester's upper crust had permanently soured his opinion of the idle rich, most of whom he judged too spoiled and indolent to prevail in the rough and tumble of a competitive world. For the wealthy young to overcome the handicap of a soft upbringing, he said, they must first learn how "to scratch gravel."

At the same time, Babson grasped that the sons of prominent businessmen constituted a vulnerable group whose birthright carried a heavy responsi-

bility—the protection of their legacy. Simply put, they had more at stake than most people, because they had more to lose. One's station in life, like life itself, was not immutable. In an uncertain world, there was no guarantee that the successful father could make smooth the path of his son—and the son who rested his plans for the future entirely on an anticipated inheritance was flirting with disaster. Only those “physically, spiritually, and mentally” prepared to seize opportunity when it arose and to adapt to changing conditions could flourish “in the keen competition of the business world.” Even the heir to fortune was subject to the imperative of survival of the fittest.

Roger Babson, ever the entrepreneur, was keenly aware of the need of the offspring of successful businessmen to protect their inheritance, and that no other college in the country addressed that need. He was not one to turn down a chance to corner such a market. A lifetime of work in the investment field taught him that protection of wealth was a form of insurance; and, accordingly, the Institute furnished as “a special object” individual counseling in the care of property “for young men soon to occupy positions of authority, responsibility, and trust—especially those who have inherited or who are to inherit wealth.” Consistent with its general policy of encouraging students to focus on the particular business or line of work they were most apt to pursue, the college sought, where relevant, to stimulate interest in family-owned companies.

The Institute made no effort to recruit from the general population. It had no need to. Its appeal was to the wealthy. Roger Babson himself never passed up a chance to make a pitch to the well-heeled. Each fall at the annual National Business Conference held in Knight Auditorium, he would announce to the audience of prominent businessmen, “If you'll just lend us your sons . . . , you'll reap a handsome return on your investment.”

Shortly after the Institute opened, Roger Babson gave a speech in Wellesley in which he outlined to his fellow townsmen a brand-new approach to business education.

If you want . . . to buy an automobile that has a genuine leopard skin seat, if you [can] pay for it, they'll make it for you. . . . You can buy a lamp that is gold plated, if you want to have it gold plated. But in education, you can't do that. You have to take the curriculum that the college offers. . . . You can take a course in astronomy if a college gives it, but you can't go in and say you want a course in how to make steel. If the college doesn't give that course, you don't get it.

My Institute is going to provide people with anything they want in the way of [business] education, if they're willing to pay for it. . . . I'll teach them anything, because I'll find a person that's an expert in it, and I'll bring him in, and put him on the faculty, and he will then give the course. And that's the basis of my Institute.

John Millea (center), known as “the Dean” to many Babson students, dominated the classroom and encouraged students to do their best, together with Charles Butler (left), a professor of Economic and Social Trends, who made lasting contributions to the extra-curricular opportunities available at Babson Institute.





Professor John Horner prepares for his public speaking course, circa 1936.

“We do not want men who go to college for a good time; and we do not keep men if they do not maintain a keen interest in their work.”

The basis, in other words, was a curriculum tailored to the individual needs of sons who someday were going to take over the family business. And this meant, observed one of Roger Babson’s neighbors who heard the speech, “not only the technical part of the [family] business but how to do the bookkeeping and how to run a [business conference], and how to dictate into a Dictaphone.”

Fortunately, as the school grew and began to attract students with a more general interest in business, the Institute had to concentrate more on the fundamentals of business and less on custom-tailoring its curriculum to suit the needs of heirs apparent to family businesses.

Roger Babson’s reputation as one of the nation’s premier financial analysts and his involvement with the school sufficed to stir inquiries from clients of his financial advisory service company and from businessmen from all parts of the country, and to attract far more applicants than the school could accommodate. The long-term building program launched in 1921 alleviated the situation somewhat as the decade progressed, but even as new facilities came on line, the number of qualified candidates seeking admission continued to exceed the number of available openings.

Formal requirements for admission to the college were almost nonexistent. There were no entrance examinations or standard testing procedures.

Babson was open to any young man of good character regardless of race, creed, or color—subject, of course, to ability to pay. Education at the Institute was for those who could afford it. Absence of adequate provisions for financial aid based specifically on need virtually excluded the poor and the working class.

Another consideration influencing the school’s admission decision was a promising bloodline. A family tree crawling with ancestors who had made their mark in business was taken as a positive sign that the applicant had the right stuff.

But if lineage and station in life weighed heavily on the admission decision, so did ability, character, and commitment. Candidates for admission had to pass through an elaborate screening process designed



In the 1930s, students still had to adhere to the Institute's strict dress code. These students were relaxing between classes outside Lyon Hall.

to identify those who by reason of “inherent traits of character” were most likely to succeed in business. Specifically, the admissions office was looking for evidence of maturity, experience, and commitment. The only stipulated requirement for admission was a minimum of one year of college or the equivalent in business experience, the assumption being that, as a general rule, the more mature the student and the broader his educational background, the easier his adjustment to the rigors of the Babson program and the greater its benefits to him. Many of those entering Babson held college degrees, which was consistent with the school’s preference for students who had obtained a foundation in the liberal arts prior to their enrollment at the Institute.

The Babson program, as the school was quick to point out, aimed at fashioning business executives, not at educating scholars. Prospective students were also put on notice that the Babson Institute was no country club: “We do not want men who go to college for a good time; and we do not keep men if they do not maintain a keen interest in their work.”

That was the official line put out by the college. A neighbor of the Babsons, who went to grade

school with their daughter, Edith, remembered it differently. Babson Institute, he said, had “kind of a bad name” in town in the early years because it attracted an oversupply of playboys.

Their fathers had plenty of money. They weren't smart enough to get into some of the colleges, or they didn't want to work hard enough to get in. But they could justify their existence by saying they were enrolled in Babson Institute. . . . So he [Roger Babson] got some of these playboys in there and . . . some of his boys had automobiles [which was rare for college students in those days]. . . . And the fact that they were quite close to Wellesley College and Dana Hall was an attraction to the boys, so it made [Babson Institute] a nice place for them to spend a couple of years before they faced the business world.

The word at Wellesley College at this time about their Babson neighbors lends some credence to this side of the Babson story. Some of the Wellesley women claimed that a high percentage of Babson men—“Babson babies” they called them—had flunked out of other colleges. Their parents

enrolled them in Babson as an alternative so that they could acquire the thorough grounding in business fundamentals that the Institute specialized in.

The truth probably lies somewhere between the school's version and that of outsiders. On the one hand, most of those matriculating to Babson undoubtedly had it pretty easy before their arrival; but on the other, Roger Babson was a no-nonsense sort of man who made it clear from the outset that every student had to measure up academically and had to conform to the Institute's rules and regulations governing conduct or be sent home.

As was the case with curriculum, so, too, with pedagogy—emphasis was on the innovative and the practical. At the Babson Institute, the cardinal rule of instruction was, "We believe the best way to learn is to do." Every effort was made to distance the Institute from the traditional lecture and note-taking method of instruction practiced in other colleges, and adopt instead a system favored by the founder, which he called "laboratory work."

Hailed by the Institute as a radical departure from the standard instructional practices pursued at other business colleges, laboratory work combined study, experimentation, and actual business work. The aim was to enable students to build a knowledge base in the fundamentals of production, finance, distribution, and management through study and research, while simultaneously accumulating experience in how to apply this knowledge by wrestling with real business problems and situations and by making policy decisions that applied to real companies. To obtain the best results, it was necessary to strike the right balance between study and work.

Competence and skill in business—as in any profession—are the offspring of training and experience. As Roger Babson noted, just as it is necessary to get into the water in order to learn how to swim, so, too, is it necessary to get hands-on experience in the workplace to learn how to manage. "It is all right," Babson added, "to talk about taking a rich

Edith Babson Mustard (front row) shown here with the class of 1923.



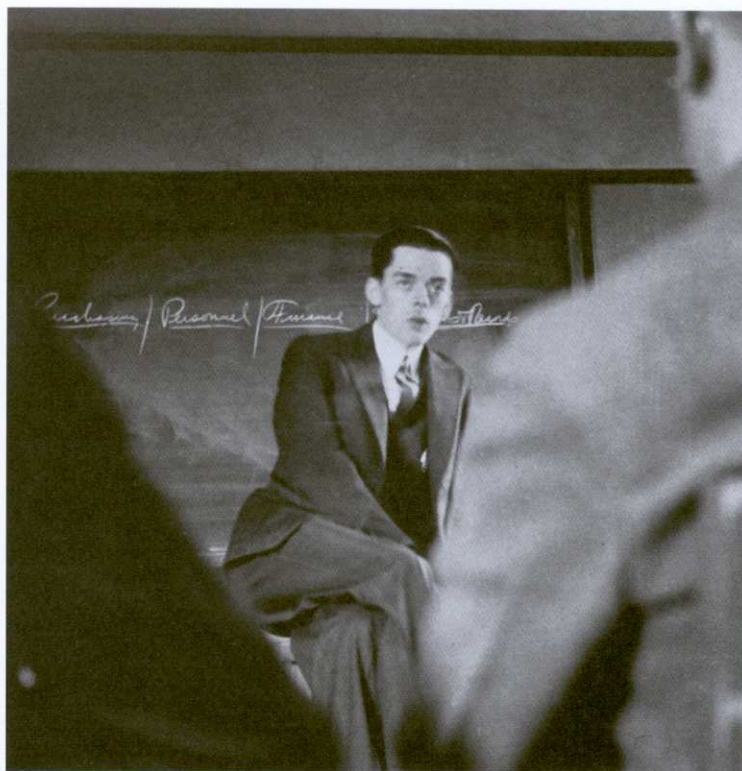
boy . . . and putting him into overalls in a factory, but it is demoralizing both to the young man and to the wage workers," because he lacked the experience to function at that level. By the same token, "it is just as demoralizing to take a young man out of a school or college and put him at once into an executive position."

Instruction at the Institute took many forms: reading and discussing case studies, presenting class demonstrations (such as making a sales pitch), showing industrial films weekly, working on the school's financial books (surely a first), taking field trips, holding tutorial sessions, even attending an occasional lecture. But what typified instruction at the Institute was the group conference, a precursor of today's Policy course.

The quintessence of the work/study ethos, the group conference consisted of a team of fifteen to twenty students gathered like a board of directors around a conference table in a boardroom. The team's assignment was to analyze and try to solve actual problems confronting real companies. In some instances, Babson's Statistical Organization assigned a significant problem or operational quirk perplexing a client company to students; in others, students had to research the operations of a local firm in preparation for a forthcoming field trip.

It was an exercise that compelled students to summon up relevant points they had learned about business fundamentals, and apply them. Volleying ideas and insights back and forth to forge a consensus, and kept on track by their instructor (who, as chairman of the board, sat at the head of the table), the students gradually worked as a team toward a decision on what, in their collective judgment, held the greatest promise for a successful resolution of the company's difficulties.

Laboratory work, involving as it did a combination of study and work on real business problems facing real companies, marked a breakthrough in business education and provided a viable alternative to the typical lecture-and-textbook approach to instruction dispensed at other colleges, a fact that the Institute did not let pass unnoticed. "Doing practical things while studying the theory," the

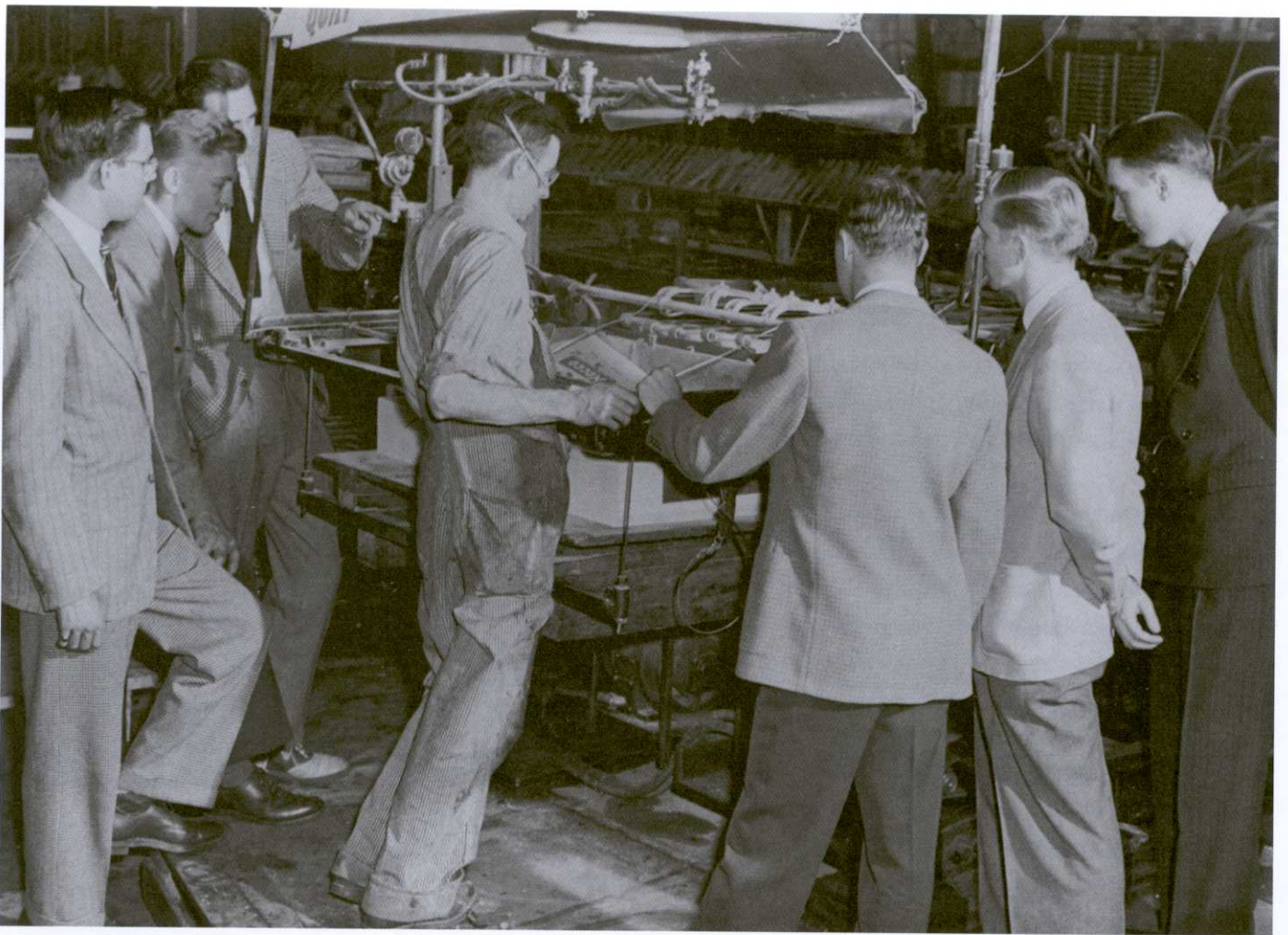


Instruction at the Institute took many forms: from traditional classroom lectures to field trips.

Institute claimed, "not only enables the student to complete in one year the course work of a certificate-granting program in business administration, but at the same time enables him to acquire the kind of hands-on experience in all phases of business that ordinarily would take at least a decade on the job to accumulate."

Not the least of the advantages accruing from laboratory work was its positive impact on the confidence of students. Roger Babson believed that in business, self-confidence, not silence, was golden. Problems in business, as in life, he said, come in legions—a fact that pressed home the need for faith in one's ability to cope with the myriad crises that confronted the businessman from time to time. Anyone contemplating a career in business, Babson said, should bear in mind that it was doing business, not studying it, that enabled one to assess his potential as a businessman and gain the confidence necessary for realizing that potential.

Toward that end, instruction at the Institute, whether class discussions and demonstrations, one-on-one tutorial sessions, or round table conferences, encouraged active participation by the student in



The ultimate confidence-builder was the field trip, such as this visit to the Wellesley Press.

the learning process. Working on actual business problems was an attention-grabber, because it gave students a taste of the real thing and added zest to the assignment. Even more significantly, out of the give-and-take of the team approach (in which everyone was expected to contribute) blossomed the student's confidence (if he was up to snuff in the first place) in his capacity to handle managerial work.

A member of the class of '38 remembered a classroom encounter in which the ideal and real parted company: "My sales project was to sell [Professor] Canfield an Esso dealership. After I was halfway through my presentation he butted in, saying, 'I hate Rockefeller and all the big oil companies.' I didn't do so well that quarter."

The ultimate confidence-builder was the field trip, an exercise that brought students and knowledgeable businessmen and specialists together for an open exchange regarding the problems or operational techniques of a specific company. The Institute judged these meetings important enough to set aside one or two afternoons a week for visits to local businesses. (An exception was the annual visit to the floor of the New York Stock Exchange, a

**One or two afternoons a week
were set aside for
visits to local businesses.**

unique privilege extended to Babson students, which enabled them to observe firsthand the operations of the Exchange.)

Touring a bank, a factory, or any other business afforded students the opportunity to observe the nuts and bolts of every facet of its operations. But this was not the primary purpose behind the exercise. Having researched the company and analyzed it in a group conference prior to the visit, the students came prepared to ask questions and to engage in dialogue with the company executive who accompanied them on their tour. In summing up the value of its version of a field trip, the Institute asserted: "The man who does his work here and finds he can go into a strange office and gain a favorable hearing on things he is sent out to do . . . is equipped for business. . . . [Conversely,] until he learns from actual experience, he is not so equipped."

Another instructional method employed by the Institute in lieu of lectures and textbooks was the Saturday morning showing of industrial films. Such films, from the administration's point of view, afforded the student the advantage of observing in

the minutest detail intricate facets of manufacturing and distribution processes that "he could not acquire in a dozen years in the classroom." Left unrecorded was any mention of the eager anticipation with which the students awaited the gift of knowledge that they were about to receive first thing Saturday morning.

More so than at any time since, the culture of business reigned supreme at Babson during the first quarter of a century of its existence. The entire curriculum was business-oriented. Faculty drawn from the ranks of business brought a business perspective and years of business experience to the classroom. Outstanding business leaders addressed the student body at assemblies held in Knight Auditorium. Others came regularly to the campus to discuss the fine points of business with student groups. The renowned National Business Conference, which held its sessions in Knight Auditorium each September, was open to students. The student was enveloped in a business atmosphere. It was as if the founding father expected students to eat, drink, sleep, breathe, and even dream business. Certainly, it was Roger Babson's intention to make a day at the school seem like a day at the office.

To familiarize students with office routines and to instill in them a positive outlook and positive work habits, the school immersed them in a business environment in which the same standards and discipline observed in the workplace prevailed on campus. Students kept business hours, the school day, like the workday, beginning at 8:30 a.m. sharp and ending at 5 p.m. on weekdays and at noon on Saturdays. They had to punch a time clock upon entering or leaving the classroom building (Lyon Hall), a ritual that registered an accurate record of attendance and punctuality. Whenever the student left the building during regular hours, he had to leave word at the office before clocking out, just as he would on the job. These constant assaults on the time clock were anything but mindless exercises, according to Roger Babson. Punching the clock as a matter of routine helped foster "the habits of regularity and promptness," which counted for much in the daily conduct of business.

School policy covered personal hygiene and attire as well. Dressing for success in those days meant reporting for class each day freshly scrubbed and attired in an ensemble that included a neatly pressed suit, clean shirt with starched collar, necktie (tightly fastened at the neck at all times), and shined shoes. Proper attire was de rigueur not only throughout the school day but also at the evening meal.

Until the opening of the Newton Library in 1939, Lyon Hall functioned as the instructional heart of the Institute. It was there in the entryway that the time clock stood sentinel, monitoring the comings and goings of each and every student, and it was there that the students gathered in the morning for class discussions and group conferences and in the afternoon for work in “the office,” a large room furnished and equipped exactly like a business office.

Roger Babson was a stickler for detail, and it was his intention that time spent in Lyon Hall replicate as closely as possible time spent in a real business office. Each student sat at his own desk, working on

assignments and special projects. At his fingertips were standard business reference materials, a telephone, calculating machine, typewriter, and Ediphone (an early Dictaphone developed by Thomas Edison).

Because it was school policy not to accept handwritten work, no matter how exemplary the penmanship, the Ediphone and typewriter proved mightier than the pen at the Institute. The reason given was that in the office, the businessman does not write. He telephones, confers with associates, issues orders and gives instructions, conducts interviews, and—when he wants his thoughts put to paper—dictates. Accordingly, dictation was built into the training program. The student had to dictate his reports and daily assignments into an Ediphone and his business correspondence to a specially trained secretary who transcribed it and the work left on the cylinder of the Dictaphone. Only when typed up in proper form was the work ready for submission.

In the early years of the Institute, students dictated into an Ediphone. Their letters and reports were transcribed by secretaries.



Even in those distant days of *in loco parentis*, such regimentation and extensive intrusion into the lives of students may have struck some of them as more suitable to a seminary or military academy than to a secular campus college. Indeed, a proposal by the administration in the early 1960s to reinstitute the dress code (which had fallen into disuse after World War II) triggered a blizzard of student protests, including one that made precisely that point.

But Roger Babson had his reasons. He viewed education in puritanical and utilitarian terms—as a means of modifying human behavior. Properly focused, the school—like the family and the church—helped mold character, personality, and outlook on life. Requiring the student to keep business hours, adhere to a dress code, and conform to office routines and procedures during a school day that stretched from 8:30 a.m. to 5 p.m. was calculated to alert him to the realities of the regimen that he would encounter in the workplace, while instill-

Because it was school policy not to accept handwritten work, no matter how exemplary the penmanship, the Ediphone and typewriter proved mightier than the pen at the Institute.

ing the kinds of work habits and attitudes that would serve him best in such an environment. This was but one aspect, albeit a significant one in the eyes of its creator, of the overall design of the Babson program.

To make his case, Babson cited the statistic that, in the early twentieth century, only 15 percent of America's "captains of industry" had graduated from college. Obviously, formal education had little to do with the success of these outstanding business leaders. To explain their success, one need only to look at the record. All of them had to work their way up; and in their long climb to the summit, they acquired "the right kind of habits," such as integrity, industriousness, and initiative, that accounted for their superior performance.

Habit is the child of repetition. Roger Babson was aware of this. He had students punch the time clock to inculcate in them the habits of dependability and punctuality. "It is not mere business knowledge that the successful businessman needs," Babson observed, "but rather business habits and the willingness to do what he does not want to do when he has to do it." Any modern-day freshman rushing off to an early morning class can appreciate the point.

In any event, however intrusive or strange the time clock or dress code might seem to later generations, students and alumni in the 1920s and 1930s registered few complaints. One reason for this was the ingenuity of students in finding ways around school regulations. Homer Denison, who was a member of the Institute's first class, cited one example of Roger Babson's carefully laid plans going awry. The founding father was so caught up in creating a business ethos at the Institute that he failed to anticipate one of the realities of the human condition—the office romance! Several of Denison's classmates married their secretaries during the year, forcing Babson to hike the minimum age for secretaries to 30.

A more important reason why student grumbling was minimal was the exceptionally close association between students and faculty. The tiny size of the student body and the extraordinary amount of time that students and faculty spent together fos-



**ROGER BABSON URGES ENGINES
BE OPERATED BY GRAIN ALCOHOL**

Statistician Thinks Substitute Fuel Would Restore City-Country Economic Balance; Believes Sharp Stock Rise 'Entirely Justified.'

Proceeding from the indisputable fact that farmers can't grow automobiles, Roger W. Babson of Babson Park, Mass., foremost statistician and business expert, proposed in Denver Tuesday afternoon an "alcohol economy" to solve the nation's business ills.

Babson declared that as far as liquor was concerned he would be "even if thrown in a pond." He said he would be "foremost" in the order to restore the balance between the farm and the city.

Altho he urged a reorganization of the American industrial system, he was not pessimistic about immediate prospects of a business upturn.

"STOCK RISE CALLED ENTIRELY JUSTIFIED"

The recent stock market rise he regarded as "entirely justified," and he said business, from now on, would get better every month.

But, he thought, there will be a day of reckoning, and that's where the alcohol comes in.

"Forty years ago," he said, "our farmers had a surplus of grain for their own use and feed for their substantial part of the farm but the automobile has taken that away from the farmer, and given him nothing to replace it. He can't plant automobiles. He can't grow feed for automobiles. More than any other factor in modern life, the automobile has ruined the farm. It has broadened economic systems. It has brought men to the cities, because they can't do any work on the farm and he had no work for them. That's why women follow men. That's why they are in the cities, an excess over the ability of industry to absorb workers."

ATTRACTS AUDIENCE OF TOURISTS AND RED CAPS.

That is the condition which Babson believes alcohol can correct. He expounded the theory with all of his ample nerve, attracting a small and diverse of fascinated "red caps" and tourists at the union station where the interview took place.

Many of the passersby stopped and stared at the strange, dynamic speaker with the closely-cropped white mustache but remained to hear their approach with the unshakable oratory.

"Now, I'll give you figures," he said. "Last year this country consumed 14 billion gallons of gasoline. Of that amount, 25 per cent was used on the farm. That's 3,500 million gallons."

"If you took only the gasoline used on the farm and mixed it with 25 per cent of alcohol, you would have to grow one and a half billion bushels of corn to make the alcohol."

CORN WOULD REQUIRE 2 MILLION ACRES.

"That corn would require 2 million acres of land. The cultivation of 2 acres would put one million persons off the land and take a million persons off the work quite satisfactorily. It's a little more expensive. That's true. The way to take care of that is to reduce your state tax on pure gasoline. Have the same, and a new industry would be created."

"The farms of the country must be returned to condition. There are all sorts of irrigation projects putting millions of acres of land into production. But what will they produce? We already have too much of everything."

"All other measures of relief or re-employment are like trying to build a house with rotten timbers. In fifty years, Babson said, all of America's oil deposits will be depleted. The forests will be cut down. The natural resources will be exhausted."

WILL NEED SYNTHETIC GASOLINE SOME DAY.

"That's a crazy thing to do," he concluded. "It's criminal and mean. What are we waiting for? Don't

tered a camaraderie more typical of a close-knit college community than of one divided against itself. "I liked the small, intimate classes and the close relationship with our professors," recalled a member of the class of '28. No doubt most veterans of the early years shared the sentiment.

Roger Babson was particularly fond of a quotation attributed to the great American jurist and sage Oliver Wendell Holmes: "The greatest thing in the world is not so much where we stand as in what direction we are moving." It was the same kind of thinking that had led Babson to develop a unique and practical educational program to teach young men the fundamentals of business, while at the same time training them how to think analytically, communicate clearly and convincingly, solve problems, and influence others—in other words, how to manage.

The expressed goal of the Babson Institute was to prepare the student to step directly from the campus to a position of command in the business world; and in keeping with that goal it adopted as the school motto: "Training for leadership." Turning the student into a manager was an ambitious promise, especially so because the Institute had but one year to accomplish the metamorphosis. Nevertheless, it was a promise that the Institute, thanks to its unique program, was confident it could keep.

Roger Babson prophesied the use of grain alcohol as an alternative fuel as early as 1936.