

NEWSWATCH, the newsletter of the IU Association of
RETIRED FACULTY AND STAFF

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March 2009

**Next meeting: 3 p.m. (note new time!), Wednesday, April 8
IU Foundation, Peterson Room, Showalter House (State Road 46 Bypass)**

IU's first lady follows Abigail's advice

One of Abigail Adams' most famous injunctions was to "remember the ladies." **Laurie Burns McRobbie**, wife of IU President **Michael McRobbie**, will follow that admonition when she relates the stories of various IU first ladies to the IU Association of Retired Faculty and Staff at 3 p.m. Wednesday, April 8. To accommodate Mrs. McRobbie's schedule, the meeting begins an hour later than usual. It will be in the Peterson Room at the IU Foundation's Showalter House.

Laurie Burns McRobbie brings unique skills to her role as IU's first lady. Appointed an adjunct faculty member in the IU School of Informatics in 2008, Laurie has been a technologist for more than 25 years. She was most recently an executive director with Internet 2, where she contributed to the building and governance of the Internet 2 community. For four years she was a faculty member in the Leadership Institute of EDUCAUSE, an association of colleges and universities dedicated to intelligent use of information technology in higher education.

She is committed to advancing science and math literacy among historically underserved populations. She encourages participation by children and young people in STEM (science, technology, engineering, and math) disciplines.

Laurie graduated from the University of Michigan in 1978, with a bachelor's degree in history, with honors and high distinction. While an undergraduate, she helped to establish a major in women's studies. Later she co-chaired the University of Michigan's Commission for Women and served on the President's Advisory Commission on Women's Issues.

When Laurie, a widow, married Michael, a widower, in August 2005, they formed a blended family with six children. When Michael McRobbie accepted appointment as IU's 18th president on July 1, 2007, she stood beside him. "I cannot express how fortunate I feel to have Laurie by my side," he said. "She is my indispensable partner in this great enterprise."

Since moving to Bloomington, Laurie Burns McRobbie has involved herself in the life of the community. She chaired the New Wings Community partnership, Middle Way's fund-raising effort, and is a board member at WonderLab science museum. For her volunteer work on behalf of these agencies, she was named the *Herald-Times*' Woman of the Year in 2008. She also serves on the boards of the IU Center on Philanthropy and the Society of Friends of Music. She is a member of the Bloomington Rotary Club and the Bloomington Garden Club.

Annual meeting to take place in April

Before hearing from **Laurie Burns McRobbie**, the IU Retirees Association will hold its annual meeting at 3 p.m. April 8. The nominating committee, chaired by vice president **Sandy Churchill**, will present candidates for three board positions for the term 2009-2012. Nominations may also be made from the floor, with the permission of the person being nominated.

The three board members whose terms expire are **Marge Belisle**, **Bob Ensman**, and **Don Weaver**. Bob Ensman will continue on the board as past president for one more year. Nominating committee members include **Joe Miller** and **Judy Schroeder** (and possibly a member or two who was out of town on spring break at press time).

Football awaits new facility, talented recruiting class, Lynch tells retirees

At the Feb. 11 meeting of IU retirees, Coach **Bill Lynch** talked to retired faculty and staff about his goals for IU football as it celebrates its 125th year this fall. **Nancy White** introduced Coach Lynch, who lettered in both basketball and football for four years at Butler University. He was the first Butler student-athlete to twice receive the prestigious Tony Hinkle Award, presented by the ICC for outstanding scholastic and athletic achievement. After head coaching positions at Butler, Ball State, and DePauw, Bill became IU's head coach in June 2007. He was inducted into the Indiana Football Hall of Fame in 2005.

"We've got the most talented recruiting class we've been able to bring," Bill told retirees. In the long term, redshirting a player is the best thing for the team, he said, "but you also have to put the best players on the team." The difficulty, he said, is that you just don't know who's going to make the best adjustment to college.

Bill is enthusiastic about **Fred Glass**, the new athletic director, and the north end zone facility, which "will make IU a true Big Ten field." The Hall of Champions, atop the addition, "will be the largest banquet facility on campus, a credit to **Rick Greenspan's** vision." The weight room, which is being expanded from 4,500 to 25,000 square feet, will benefit all athletes.

"TV has great power over scheduling," Bill acknowledged. For the next two years IU will have six home games. This season's opener against Eastern Kentucky will be the first Thursday game ever played at Memorial Stadium. Other home games will pit IU against Western Michigan, Ohio State, Illinois, Wisconsin, and Purdue.

"We have three goals for every player, and they are posted on the wall in the team meeting room," Bill told the 48 people in attendance:

1. Earn an IU degree
2. Represent the university in a first-class manner.
3. Win a Big Ten championship.

Earning an IU degree means receiving a degree that's recognized internationally for quality, he said. "We teach student-athletes their responsibility for earning that degree," he said, "overcoming the culture of entitlement" that flourishes among too many athletes. Analysts and the Internet too often make high school athletes bigger than life. "They get a dose of reality when they get to college," he added. Bill is proud that the great majority of IU football players graduate in four and a half years.

Character education and leadership development are part and parcel of representing a first-class university in a first-class manner, he said. Some students who exemplify the program's goals are **Kevin Trulock**, who is in medical school; **Austin Starr**, who's going to dental school; **Jammie Kirlew**, who actively encouraged students to vote in the 2008 election; and **Ben Chappell**, "a Bloomington kid who will leave after five years of football with an MBA in accounting."

As for winning a Big Ten championship, Bill admitted, "Yes, we've done it only twice in 125 years, but that's our goal."

Spring practice begins the Tuesday after spring break. Practices are open, Bill emphasized, and he invited retirees to "come enjoy good weather and IU football."

Following Coach Lynch's presentation, members stayed to talk and sample the delicious refreshments of **Jeanne Overly**, **Harriet Pfister**, and **Nancy White**.

Planning begins for 2010 conference

In 2010, the Indiana University Association of Retired Faculty and Staff will host the Big Ten Retirees Associations Conference. The proposed theme is "Retirement and the Arts," and the meeting will be from Aug. 20-22. Each year the retirement association representatives meet to share program ideas and best practices. The 2009 conference will be at the University of Iowa in August. **Doris Burton** and **Sandy Churchill** will represent IU.

The steering committee is made up of Doris, Sandy, and **Bob Ensman**, with Doris as general chair. Committee chairs have begun work, and volunteers are welcome. Chairs are **Don Weaver**, speakers; **Sandy Churchill**, tours and transportation; **Jim Allen**, facilities; **Judy Ensman**, spouses program; **Eileen Schellhammer**, meals; **Judy Schroeder**, communications and registration; **Gerald Marker**, nametags; **Ted Jones**, entertainment; and **Pat Chase** and **Shirley Pugh**, hospitality bags. You'll hear more about the conference in the coming months.

Art exhibit to open at Emeriti Center

The seventh annual Emeriti House Art Exhibit takes place in April. The opening reception for the art exhibit is Friday, April 3, from 5:30 to 7:30 p.m. The Retirees Association is supporting the exhibit with a \$250 grant. The Emeriti Center is at 1015 E. Atwater. It is generally open from 8:30 a.m. to 5 p.m. Monday through Friday.

The mixed-media exhibit will feature painting, graphic arts, jewelry, pottery, woodworking, and photography.

The Emeriti House also offers special programs of interest to retirees. On April 15 at 4 p.m. **Alex Rabinowitch**, professor emeritus of history, will talk about the origins of the Communist autocracy. On April 22 at 4 p.m. **Rudy Pozzatti**, professor emeritus of fine arts, will unveil his new lithograph series.

Boquist advises retirees on investing

With unprecedented volatility in the market and portfolios sinking right along with our stomachs, what are retirees to do? On Feb. 24 **John Boquist**, Edward E. Edwards Professor of Finance at IU's Kelley School of Business, spoke about "Economic Forecasts for Retirees" at a Meadowood marketing event. Your editor took notes and, with John's kind permission, I'm sharing them here.

John said there are two kinds of recession: the V-shape, characterized by a quick decline and a quick recovery, and the U-shape, where we stay

at the bottom for a while. We're in the bottom of the U, he said, and no one knows how long the bottom will extend before recovery begins.

"How did we get in this pickle?" he asked. He defined the current situation as a balance sheet crisis, with its root in real estate expectations. It began in 1999, he said, when tech stocks were trading at 37 times their earnings. When the tech sector bubble burst, the speculators moved their exuberance to housing. Taxes gave people a motivation to go for a second home, which many people saw as an investment opportunity.

CDOs (collateralized debt obligations), which are valued on a mark-to-market basis, took off around 2000, introducing uncertainty about the underlying value of assets, and subprime loans were made to people who didn't really qualify. "If you want to point fingers for how we got in this mess," John said, "you'll need a couple of extra digits on each hand." Today's price-to-earnings ratio (P/E) averages 13, which means we are where we were in 1997, 12 years ago.

"How bad can it get?" was John's next question. During the Great Depression the P/E was at 4. Today we have a FUD economy, he said, one characterized by Fear, Uncertainty, and Doubt. Approximately 70 percent of the U.S. economy depends on spending. During 2008, 37 percent of U.S. wealth simply disappeared, with 40 percent of that loss occurring in a nine-week period. The stock market's volatility during this recession is unprecedented, John said.

"How should government respond?" is a hotly debated question. The last administration threw a TARP over the problem, John said, and the current administration offers a stimulus plan. A lot of the stimulus is later rather than sooner, however. "Buy American" is the scariest part of the plan. Restraint of trade contributed to prolonging the Great Depression, and today's economy is so international that it's impossible to define what "buy American" means. Cemex, the Mexican cement company, for example, owns many U.S. cement plants. Another scary part of the stimulus is that it adds \$2 trillion in borrowing for this year. The interest rate on the national debt now stands at \$500 billion and is rising.

"What can we predict?" John asked. Interest rates will remain low. Inflation won't be a

problem for at least a year. It's possible that the mortgage-mess solution will be a 4.5 percent rate for everybody, with the government picking up the remainder. The bank sector won't be nationalized, although there will be more mergers. The stock market may not have reached bottom, he said. [*Events already have proven this Feb. 24 prediction on target. – J.S.*]

“So what strategies for investing should retirees adopt?” he concluded. Investing makes sense if you have three to five years, with the emphasis on the five. Review spending plans and make adjustments. Have a diversified portfolio, with investments across different asset categories. Look for fairly safe stocks with good dividends. The bulk of your stocks should be dividend-bearing, he said, because half the money in the stock market is made from reinvesting dividends. Limit yourself to highly rated bonds.

Because the markets lead the economy, we will know about six months earlier whether the economy is in recovery. John believes that change will begin in the third or fourth quarter of this year, but we may have 8.5 percent employment before the turnaround starts. Remember that

bankruptcy law exists for a reason, he says, and that some firms *should* go under.

In answer to a question, John said that we could do worse than national Medicare for a national health-care plan. A lot of people who are working only to get health-care benefits would retire, leaving room in the workforce for younger people, and companies who compete internationally would be relieved of the pressure of providing health-care benefits.

Finally, he says, nobody can time the bottom. If you have trouble with volatility, the stock market is not for you. If you're in the market, you have to commit to the market and recognize that it may very well be a slow dig-out.

Plan for your future now

The Retirees Association ends the academic year with a potluck dinner at the IU Foundation on May 13. After we have grazed to our hearts' (and stomachs') content, **Bob** and **Pat Williams** will bring us the music of Cole Porter.

Why not invite a friend or two to join you and see what the association is all about?

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