

Transcript of Mr. McGraw's Speech:

Dean Henry, members of the faculty and administration, distinguished guests, families and friends of the graduates and members of the class of 2010: I am honored to be with you today.

First, and most important, congratulations to the class of 2010. You have made a significant accomplishment and put yourself in position to begin another exciting chapter in your business careers and personal lives. But let's also remember you did not do this alone. You have been supported by so many: parents, spouses, loved ones, friends and family. And to those of you here today – and to those who couldn't be – we all say thank you.

There's a famous and wonderful saying: "If you want to travel fast, go alone. If you want to travel far, go together." Over the past two years, members of this class have chosen to travel far together in pursuit of great goals. Faculty members describe you as one of the closest-knit classes they have ever seen. It is a testament to your character how you came together at a time of unprecedented economic turbulence.

Think back for a moment about just how far you have come. Among the full-time students, most of you began classes in September of 2008. Within weeks, we saw a number of large financial institutions fail. The global financial system teetered on the edge of collapse as events began spiraling out of control. And back at your old offices, many of your former colleagues were beginning to wish they had followed your example when you filled out those b-school applications the year before.

Today, you have once again shown a knack for good timing. You graduate in New York City – the financial capital of the world – at a moment when the great recession has finally given way to gradual recovery. At the same time, I know many of you still have concerns about the challenges ahead. While much uncertainty remains, my message for you today is about confidence, optimism, resilience and relevance.

In the wake of this economic downturn and financial crisis, as in other crises, we all have heard the voices of pessimism who say, yet again, our best days are behind us. If those voices sound familiar, it is because we have heard them many times before. During every economic downturn in our history, there have been those who have predicted America's decline. What they all have in common is that they all have been wrong. One lesson is this: If you get too caught up in the short-term, you will for sure lose sight of the larger and more important long-term opportunities for growth – personal and business.

I learned this lesson as a young business school graduate in 1976. In many ways, those times were very different from today, and yet in other ways, those times were very similar. We certainly didn't have SmartPhones, e-mail and social media, but it was a period of economic challenge when many had lost faith in the future. In hindsight, however, the lasting legacy of the 1970s was not the oil shortages, stagflation and political turmoil. It was the birth of the modern capital markets.

This is not an isolated example. Throughout the course of my career, I have seen time and again how decades end very differently than they begin.

- While the 1980s began with double-digit unemployment, inflation and the misery index, the decade paved the way for a period of unprecedented expansion where companies began shifting from M&A activity toward more organic growth strategies and the need for critical thinking skills, innovation and creativity.
- While the 1990s began with another recession and fears about the impact of technology, the decade laid the foundation for a new digital economy that returned the United States to the forefront of innovation.
- While the past decade began with the burst of the dot-com bubble, it ultimately delivered the Web version 2.0, a world growing up, and the beginning of a global economy that is more connected than ever before.

At the beginning of a new decade, I encourage you to imagine how our country will look ten years from now. In fact, go a step further. Try to imagine how much our country will have changed four decades from today in 2050 – which I want to remind you is a mere blink of an eye – when you are preparing to retire

from the careers that you have embarked on today and you are looking back on the impacts that you will have made on people, markets, and ideas that make you relevant.

This is a topic that well-known author and respected scholar Joel Kotkin has explored extensively. By 2050, he projects that America's population will soar to at least 400 million. This growth will reshape the way we live, work, and think about ourselves. Here are just a few of his predictions:

- America in 2050 will be a country where we make room for one hundred million more citizens while remaining only a sixth as crowded as countries such as Germany.
- America in 2050 will be a country where technology has connected us like never before with at least one in every five Americans working full or part-time from home.
- And America in 2050 will be a country where immigrants from all walks of life still believe you can get ahead with honesty and hard work. In the run up to 2050, we are told that on average each year, two million people will relocate from the developing world to the developed world, and the majority will move to the United States. Incidentally, the message for Congress is clear: Expand the H-1B visa program, so we can keep the cream of America's universities working in the United States.

All these different strands come together to form a picture of a still ascendant country whose values continue to inspire people from around the world, a country which remains the greatest and most noble experiment in human history, and a country whose best days undoubtedly lie ahead. In other words, the demographic deck is stacked in your favor, so I encourage you to play your hand with confidence, with faith, and with conviction.

Perhaps an even greater reason for optimism lies beyond America's borders. While the U.S. economy will continue to grow in the years ahead, we can expect it to shrink as a proportion of the total global economy because emerging markets such as India, Brazil and China are growing so much faster. As a result of their rapid development, a new study predicts that the combined gross domestic product of the G20 will increase fourfold over just the next four decades.

We often hear talk about how the rise of new economic powers somehow foreshadows America's decline. Nothing could be further from the truth. In reality, the rise of new markets signals new opportunities for American workers and businesses, and that is something we should all welcome.

Take the example of China. While it is widely reported that the United States is the largest market for Chinese exports, it is too often forgotten that China has become the third-largest market for American exports. And in the wake of the financial crisis, we cannot afford to close off such opportunities by erecting walls against global trade and investment as we currently have. While protectionist and populist measures can seem alluring in the short run, we know they help no one and hurt everyone in the long run. To travel far, travel together.

Instead of retreating from the world in the years ahead, the United States must engage further. President Obama has set a worthy goal of doubling U.S. exports over the next five years, and we must do everything in our power to meet it. When you consider the numbers, the argument for expanding U.S. commercial engagement is just common sense. Ninety-five percent of the world's consumers live outside the United States. Together, they account for 80 percent of the world's purchasing power. And over the next five years, 87 percent of economic growth will take place outside of the United States.

It's no longer enough to follow that famous 19th century piece of advice to "go west, young man." As you go forth today, you must go west, east, north, south and every direction between. As graduates of Stern, you are fortunate to begin your new careers with a contact list that spans far beyond America's borders. Your classmates hail from more than three-dozen countries from Albania and Argentina to Thailand and Turkey. And the relationships that you have forged at this school will form the foundation for a powerful global network that will last a lifetime.

For all the reasons I have discussed today – and the many more that mercifully for you I will not mention –

I encourage you to have confidence in the opportunities before you both in the United States and around the world. Over the past few years, you have heard your professors talk extensively about the future of the global economy in the wake of the financial crisis. Now this future will be in your hands. And perhaps that is the single greatest reason for confidence.

As you go forward both in your business careers and outside your business careers, be active in every way possible. Volunteer. Get involved. Stay interested. Be a continuous learner. And always be passionate about what you do.

You are the new business leaders. We will depend on your talents and ingenuity to create a world that is not only more prosperous but also fairer and more just for all. When others fall short of standards for integrity, raise the bar higher by pledging to serve a greater cause. When those around you lose their way in the turmoil of today, keep your eyes on the opportunities of tomorrow. And wherever the global economy takes you in the years ahead, never forget that you will always be proud Sternies at heart.

So, if you want to travel fast, travel alone. But if you want to travel far, travel together. Congratulations class of 2010. Good luck, and thank you.