

## Autumn Quiz Answers

Anderson - **UCLA**, Booth - **Chicago**, Fuqua - **Duke**, Haas - **Cal-Berkeley**, Kellogg - **Northwestern**, Ross - **Michigan**, Sloan - **MIT**, Stern - **NYU**, Tepper - **Carnegie-Mellon**, Tuck - **Dartmouth**.

## Graduate Gifts!

Give us contact information on the quiz card – even if you don't answer the quiz – and we'll send you our delightful lapel pin (one per alumnus/a, please). Answer the quiz correctly for a Wharton t-shirt. For other Society matters, use the card's "comments" line, call 1.215.573.1825, or contact: [emeritussociety@wharton.upenn.edu](mailto:emeritussociety@wharton.upenn.edu)

## Notable News

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books, has his own radio and television shows, is an *Esquire* and *Denver Post* columnist and been on more than 50 "Oprah" shows. His devotion to helping Americans live better, healthier lives is a driving force. He believes two-thirds of health care is tied to illnesses based on lifestyle choices – and that if we make the right decisions, health financing will respond positively. **Mid-Term Financial Report** Lastly, but far from least, as of February 8, Emeritus Society members have reached 54 percent of our Wharton Fund dollar goal. Not bad, but with 61 percent of the fiscal year over, we're a little behind the curve. Bob Natiello, WG'56, and Tom Sebring, WG'55, are working very hard to make sure we close the gap – they've even gotten gifts from alumni in Australia and Singapore. If you haven't yet joined in, please consider it soon. It's a great school and we all play an important part in making it even greater.



**Stand Up for Mentoring:** Members of the Society Steering Committee, at last May's reunion luncheon with Dave Power (center), have signed on with Milt Silver (second from left), on three phases of mentoring: counseling in current careers, career services for MBAs in or just out of school, and specific problems in the field. Interested in knowing more? Just write "mentoring" on the "comments" line of the quiz card and you send it back.

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## Have lunch with travel industry legend Bob Crandall on May 15th.



SPRING 2010 NEWSLETTER

## Our May 15th Reunion Lunch features "the man who changed the way the world flies!"



Robert L. Crandall, WG'60, has been called an airline pioneer and industry legend. Come back to reunion in May and find out why it's true.

Whatever else you're planning for reunion this May, make sure Reunion Saturday at 12:30 pm finds you on the 8th floor of Huntsman Hall. That's where the Wharton Graduate Emeritus Society will honor our newest inductees – the Wharton Graduate Class of 1960 – with a very special reception and lunch for members and their guests.

It will be made extra memorable thanks to one of our newest Society members who will be the main speaker. Robert L. Crandall, WG '60, and former Chairman and CEO of AMR Corporation and American Airlines, will address us on the present status of the airline and travel business, what lies ahead and how to improve it. We'll also have Penn music and hear the latest campus news from Dean Robertson.

In more than 25 years with American, Bob Crandall was a transformational force in changing and improving the way we travel. Suffice it to say that you wouldn't be traveling on mileage programs today or getting special seat fares at certain times, if he hadn't been in the thick of things in the '70s and '80s. But that's just a sample. You'll discover lots more – including how his Wharton education helped his career – on the third Saturday in May, while you enjoy a really great meal and spend quality time with classmates and friends.

We look forward to welcoming you at this very special event. Because seating is limited, we ask you to please register for it now at: [www.wharton.upenn.edu/reunion](http://www.wharton.upenn.edu/reunion). We look forward to seeing you there!

### Emeritus Society Member?

It's simple. If you're a Wharton Graduate alumnus/a for 50 years, you're a member! No dues, no demands, no hidden clauses! But what you make of your membership is totally up to you. Education and fellowship go hand-in-hand through life. We intend to enhance benefits of both while moving through – and enjoying – our later years.

## "Going like 60!"

1960 ushered out the decade of us getting started in the world, and ushered in several remarkable happenings. Here's a look back on some of the most important and remembered events, starting and ending in our own Philadelphia.

- Fifty-star U.S. flag makes its official debut at Philadelphia's Independence Hall
- Willie Mays signs with San Francisco Giants for the record sum of \$85,000



PHOTO: NASA

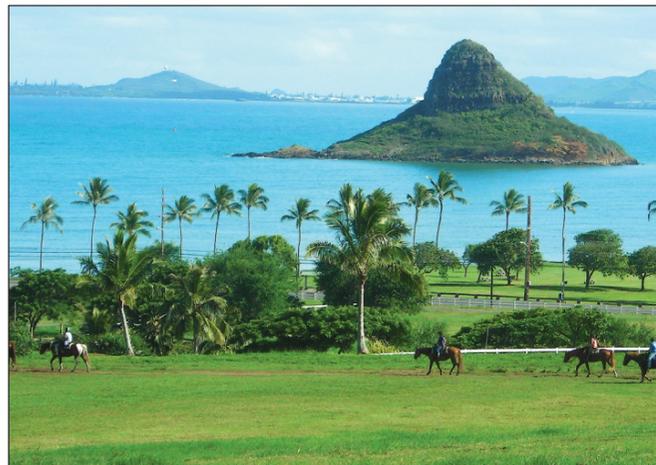
We weren't the only ones working hard from the '50s right into 1960. These seven men were announced to the world as "astronauts" in April, 1959. They underwent highly intensive training and qualification flight tests through 1960, leading to the first manned space flight in May, 1961.

- On campaign swing in West Virginia, JFK says "I don't think my religion is anybody's business"
- U.S. finally admits that the U-2 was a spy plane; Pilot Gary Powers is sentenced to ten years in a Russian prison
- Beatles make their first public appearance in a German striptease bar
- Grandma Moses celebrates her 100th birthday at home
- B-52 bomber sets 10,000-mile non-stop record without refueling
- Alfred Hitchcock's *Psycho* freaks out our entire nation
- Philadelphia Eagles beat Green Bay Packers 17-13 for NFL Championship

## Emeritus Spotlight: Robert L. Crandall, WG'60

Many outstanding airline executives have contributed to the growth and success of our country's airline industry. Remember C.R. Smith, William Patterson, Eddie Rickenbacker, Charlie Frey, Harding Lawrence, Don Nyrop and Robert Six, among others? All were visionary leaders, but our own Robert L. Crandall, WG'60, probably demonstrated the greatest vision, imagination and ability to create positive change of any chief who worked in the airlines in the second half of the 20th century.

In a quarter-century with American Airlines, he was intimately involved with extending airline reservations systems to travel agents (American's SABRE), its first frequent flyer program (American's



**Chinaman's Hat, Oahu:** Hawaii is the favorite U.S. vacation destination. Bob Crandall helped create the world's first frequent flier mileage program, aiding many of us in making that special trip.

AAAdvantage), deep discounts for advance purchase tickets (American's Super Saver Fares) and the first yield management system, which helped the airlines and other hospitality industries maximize revenues by matching demand and supply more efficiently.

Bob formulated a strategic expansion program in the early '80s that converted a medium-sized domestic airline into a world leader by tripling American's size and extending its reach worldwide. He accomplished this while managing through a wrenching period of change that followed the deregulation of the airline industry in 1978. When he retired in 1998 he noted that nearly 200 airlines

had come and gone in the years since deregulation. American Airlines was not one of them.

Born in 1935, Bob Crandall went to 14 schools in the 12 years his dad's work took the family all over the country. Eventually landing in Rhode Island, where his father became Manager for Phoenix Mutual in Providence, Bob settled into Barrington High School as a sophomore, where he met Jan Schmults, who became Mrs. Robert Crandall in 1957. While courting Jan and graduating #1 in his high school class, he worked year round in various area grocery stores.

After spending three semesters at William and Mary College in Williamsburg, Virginia, Bob tired of hitchhiking back and forth to Rhode Island to visit Jan, and transferred to the University of Rhode Island, where both his parents and his paternal grandparents had graduated. To pay the bills, he scrubbed the cafeteria floors, cooked for his fraternity brothers and worked various summer jobs, finally graduating in 1957.

In the fall of 1958, after completing his military service, Bob became the first recipient of the Arthur Young Fellowship, which, together with his job as night manager at WFIL and Jan's work as an RN, paid the Wharton bills and put food on the table. In the years after Wharton, which he credits with providing explicit skill sets and opening lots of doors to career opportunities, Bob enjoyed a career that began at Eastman Kodak and progressed through stints at Hallmark, TWA, Bloomingdales and American. Along the way, he and Jan had three children, who have produced seven grandchildren. The family is scattered around the country and the world

in Dallas, Chicago and London. (Good thing he has lots of airline miles.)

Since his retirement in 1998, Bob has served as a director at AIG, American Express, Halliburton, I2, Anixter, Celestica and AirCel and was for several years a member of the FAA's Management Advisory Board. He has also received several awards recognizing his contributions to the aviation industry, including the Wright Brothers Trophy, the Wings Club Award and the Tony Janus Award. In his spare time, he and Jan enjoy bridge, sailing and gardening at homes in Palm City, Florida and Gloucester, Massachusetts.

Never one to mince words, Bob was right up front on Neil Cavuto's January 7th FOX Business News Show. When asked about airline security, he said: "we're paying way too much attention to the things that go on an airplane, and not nearly enough attention to the people... we're not differentiating between low-risk and high-risk, and we're not using technology very well." He derided the use of \$150,000 full body scanning devices as much too expensive, too slow, and inappropriate when used on indiscriminately on low-risk travelers.

Bob thinks our ability to move around this country and get things done productively depends on a viable airline industry, and that government policy with respect to both domestic and international aviation has been seriously misguided. He also believes that government agencies should be run by people with a demonstrated ability to run large organizations rather than by political appointees more likely to value loyalty than efficiency.

"We continually put politicians into jobs they know nothing about, instead of selecting experienced managers to run very large-scale administrative organizations. It doesn't seem to matter much to the government whether these organizations run effectively or not. And it should."

Interesting, straight-from-the-shoulder stuff. And you'll hear lots more of the same, from the man the *New York Times* called an "industry legend", on May 15th!

## Insider's Guide to Money When You Need It!

Last year, we dealt with Mortgage Refinancing, Home Equity Lines, Reverse Mortgages, Margin Accounts and Personal Loans. This column will deal with Insurance Loans and Private Loans. We'll conclude the subject in the fall issue with Selling Things and Going Back to Work.

### Insurance Loans

If you have a policy that has accrued cash value over the years, this is one of the best, easiest and fastest ways to borrow money. Most company policies will let you borrow up to 94 percent of the policy's cash value for as long as you need it. You can often initiate the loan with just a call to your insurance agent verifying you as owner. In some cases, you may have to submit a brief request form. A check should be received three to ten business days after you apply.

Interest rates are reasonable and now vary between six and eight percent. You must pay the interest – usually annually, but



### Private Loans

Personal Loans are the bankers' name for what have been traditionally called "installment" loans. Private loans are

sometimes quarterly. You also have to pay the full premium, based on the policy face value before you took out the loan. If you don't pay back the loan, the death benefit is reduced by the loan amount at the time it is paid. On the plus side, any dividends the policy earns are based on the policy's full face value. You can pay back the loan on any basis you choose. It's simple and you're in charge.

agreements you make with friends, family or business partners on a completely personal basis. It's often surprising how the opportunity arises. As an example, a member of our steering committee needed a 90-day bridge loan in order to buy a house before the sale date of his own home.

Mentioning it to a friend, whom he had asked for a bank recommendation, the friend asked how much he needed. When told the amount was \$40,000, the friend offered to lend it to him without interest. Pleasantly shocked, the friend was told he must take eight percent interest to ease our member's conscience.

The deal was sealed with a handshake. No papers were ever written or signed, and the loan was paid off on time. The quality and ease of private borrowing is a direct reflection of trust and respect between two people. A rare and wonderful thing, it also can be very delicate. But it happens more often than you may think.

## Notable News!

### Stimulus Money For Penn Research

The University has just received \$171 million to fund 348 studies in nearly every area of basic science and public health. Announced on the anniversary



The remarkable Dr. Mehmet Oz was awarded his Wharton School MBA and University of Pennsylvania MD in the same year: 1986.

of the American Recovery and Reinvestment Act, also known as the stimulus plan, it will fund almost 700

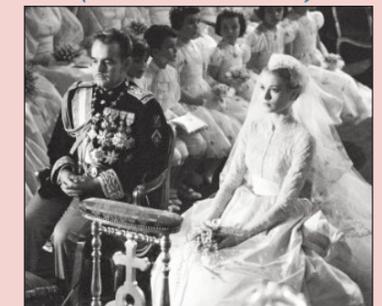
different individuals involved at Penn in gene therapy, robotics, public education, neurological disorders, cardiovascular disease origins and other specialties. Although total funding for scientific inquiry and discovery is less than three percent of the total \$787 billion stimulus plan, this amount (\$21.5 billion) is the largest dollar increase in the history of federally funded scientific research. Penn is the nation's second largest recipient of National Institutes of Health funding and performs basic research across 12 of its schools, including the College of Arts & Sciences. **Two Degrees of Oz** Few college students have the will, brains and interest to pursue a double major in college. Fewer have the ability to pursue two totally different degree programs concurrently. Meet Dr. Mehmet Oz, WG'86, M'86. Although you may have seen him on "Oprah", he's more famous around here for getting his Master's in Business and his MD degree in the same year. This is no mean feat. After an undergraduate degree from Harvard, he came to Penn because it

was the only school he knew of that offered that specific joint degree. Now the Director of the Cardiovascular Institute at New York Presbyterian Hospital and Vice-Chair and Professor of Surgery at Columbia University, that's just the beginning. He's also written five *NY Times* best-selling

*Continued on page 4*

## "Our Decade" Quiz – The 1950s

*(It's on the enclosed card)*



This handsome couple, favorites in Philadelphia, married in 1956. In that decade, where we were just getting started, ten other famous events await your alignment on the enclosed card quiz.