



Is Wall Street Stealing Our Rhodes Scholars?

By HEATHER HORN on November 23, 2009 2:59pm

Is something wrong if the crème de la crème of American undergraduates are going to Wall Street? This is question has long troubled some in the [Ivy League](#), but now it is being asked with reference to a very specific group of élites: the Rhodes scholars. A Saturday [op-ed](#) by Elliot Gerson, the American secretary of the Rhodes Trust, discussed the measurable increase in Rhodes scholars pursuing careers in business and finance, where once they took to medicine, writing, academia, and politics. The piece has drawn considerable comment. Some want to know why Gerson seems to think business is so bad, while others point to the article's relevance for general debates on pay differential.

- Pay Differential Showing Up with Rhodes Scholars, Too** [Elliot Gerson](#), American secretary of the Rhodes Trust, writes that until the 1980s, "relatively few Rhodes scholars" wound up on Wall Street. The change in this trend "coincided with great increases in occupational earnings differentials, which have continued to grow, seemingly exponentially." Gerson rhetorically asks what the problem is with the scholars abandoning the professions of "their idols and heroes" for a better paying path.

Nothing--if one believes that such differentials are necessary for our economic system to thrive. But do many believe that differentials need be this grotesquely large to motivate and reward people adequately, if not richly? No; they are that large today simply because they can be that large, not because of some virtuous working of the market. This is not Adam Smith's capitalism.

- Cut the Anti-Wall Street Snobbery** The Cato Institute's [David Boaz](#) thinks Gerson is suggesting that "our best and brightest can accomplish more good for the world in such fields as writing, law, and bureaucracy than they can by creating, innovating, and improving lives in the world of business," a field he says "not only provides all of us with more comfortable, more interesting lives, and has lifted billions of people out of ... back-breaking labor ... but also makes possible the luxuries of the Aspen Institute," where Gerson works. Boaz is unimpressed by this "elite hostility to business," and suggests it is either an aristocratic "holdover from Europe" or "an unconscious echo of Marxism." That said, he thinks Gerson can keep his Rhodes scholars: business doesn't need them. He points to Bill Gates and others who never graduated college.
- Another Side to the Story: Rhodes Selection** The Atlantic's [James Fallows](#), himself a former Rhodes scholar, points out that while Gerson appears to be lamenting the move away from post-Rhodes paths like Bill Clinton's, the Rhodes selection committee has, in the meanwhile, been selecting fewer alpha male types of the kind Clinton represented, instead aiming for those with a "proven commitment to 'service.'" This, Fallows suggests, makes the trend even more startling: "a group that starts out being more interested in social service ends up being more likely to go to Wall Street."
- Rebuttal from Current Rhodes Scholar** Fallows also posts a [response](#) from a current Rhodes scholar, who finds what he perceives as Gerson's criticism to be unfair. First questioning the math by which Gerson arrived at the notion that there was "fundamental change" in the trend of post-Rhodes careers, he then points out that "the road from Oxford High Street to Wall Street is far less well travelled than the road from Oxford to law school in New Haven or med school in Cambridge, MA." He also notes, from personal experience, that "there is a lively debate in Oxford among Rhodes Scholars (of all nationalities) as to what is an 'appropriate' career path for those who have been fortunate to be given this tremendous opportunity ... To the extent that Mr Gerson's piece implies that we are all unquestioningly interested in, or tempted by, obscene earning differentials, this is unfair, inaccurate and offensive."

- **Another Recent Alum Weighs In** [Nick Anthis](#), though, a 2005 Rhodes scholar writing from *The Scientific Activist*, disagrees. "So many of my colleagues," he writes, "have gone on directly to lucrative jobs in finance (or management consulting)." He "disagree[s] with their choice (especially in light of the greater responsibility that their prestigious scholarship implies," but argues that "it's hard to fault them considering the extreme levels of compensation they are offered." His conclusion? The system "needs to change."

The Debate

[From Oxford to Wall Street](#) *Elliot Gerson*, *The Washington Post*

[Signs of the Apocalypse](#) *James Fallows*, *The Atlantic*

[Rhodes Pushback](#) *James Fallows*, *The Atlantic*

[Rhodes Scholars](#) *David Boaz*, *Cato Institute*

[Draining Our Young Talent](#) *Nick Anthis*, *The Scientific Activist*

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