

# Your Juniata Balance Sheet

**Kathy Baughman**

*Opening Convocation Address, August 27, 2015*

Kathy Baughman is the Swigart Associates Assistant Professor of Business & Economics at Juniata College.

**P**resident Troha, Provost Bowen, platform party, faculty, staff, and friends—please join me in welcoming the Class of 2019 as the newest members of the Juniata College community. I am very excited to welcome the Class of 2019 and look forward to meeting you! Some of you came from far away, and some came from nearby. But regardless of your path to Juniata, today is the first day of your journey together. And this is going to be great.

I was thinking about what I wanted to share with you; I realized that I could organize my thoughts using a financial statement structure – the balance sheet. Given my chosen profession—which, if you remember from the introduction, is accounting—I guess this might not be a surprise.

Okay, so here is a brief description of the balance sheet. Businesses use a balance sheet to report three types of information: the assets they own, the debts they owe others, and their ownership interest.

I want to encourage you over the next four years to create your own Juniata balance sheet. Don't worry, I am not talking about earning cash, purchasing items, or running your own business. (Although feel free to see me later if you are interested in talking about those items because I like to talk about those items, too.) I am talking about deliberately and purposefully engaging in the experiences and opportunities that you will find at Juniata in the next four years. To create your Juniata balance sheet, you will use your Juniata experiences to build your assets, understand the debts you owe to others, and take responsibility and ownership.

Let's look at each of these categories and what they mean as you create your own balance sheet.

## ASSETS

First up are assets. In the corporate world, assets are economic resources that a company can use in the future to create income. In our definition of assets for today, we are not worried about future income, but instead on how the next four years will change you and prepare you for the future and for your future goals.

How can you get these assets? What should you do to acquire these assets? I am going to talk about three opportunities to identify and build your assets.

Your first opportunity for growing assets is your coursework. Today was your first day of classes. I don't think this is going to be a surprise, but you are going to be spending a significant amount of time in class and preparing for class. View this time as an opportunity to build your knowledge and skills that you will use in the future. I may be a little biased, but your professors are going to be huge help in this area. Talk to them! We want to help you achieve your goals; that's why we are here. Of course there will be homework assigned in your courses—prepare it deliberately and purposefully, don't just get it done—and you will build your assets. You will probably notice fairly quickly that you need to spend more time to prepare for your Juniata classes than you did for your high school classes. Sometimes—okay, maybe more often than that—the homework is hard and discussing concepts and theories with others will help. So when you sit in class tomorrow, take a few moments and introduce yourself to a classmate—and you will have started a connection with someone who will help you acquire the knowledge needed for your future goals. You can also decide to take an internship to develop your skills and build your assets.

Your second opportunity to build your assets is through study abroad. I know you just got here, and now I am encouraging you to leave! You will learn so much by studying in a foreign location, and you will take this understanding with you throughout your life. Plus, there are some gorgeous locations to visit: Australia, China, England, France, Ireland, Spain, the Gambia, and the list goes on. For example, I had an advisee who was very interested in tourism management. She had taken several management courses here and then pursued a study abroad opportunity in New Zealand. She was able to take specific coursework in tourism management as well as increase her ability to understand other cultures. She chose this opportunity to increase her skills as they related to her goals, and I have to tell you that the pictures were beautiful—I think we should all go! With planning, you will be able to find a study abroad opportunity that works for you, whether it is for a year, a semester, or a shorter duration.

Your third opportunity to grow your assets is through the Juniata community. Not all of your experiences are going to be related to academic study, and that's a good thing! Our community—and yes it is our community now—has a lot to offer. There are numerous athletic teams, clubs, and campus activities. Get engaged! I am not talking about an engagement that comes with a diamond ring—although that happens. Pick some activities to try. You might be a little nervous to join in these activities, but say “yes.” Juniata has some great traditions—Storming the Arch, Pig Roast, Madrigal, celebrity bartending, community engagement, and one of my particular favorites—Mountain Day, when classes are cancelled and the campus retreats to Lake Raystown for a day of games and picnic food. This is an example of where the Juniata community provides an opportunity for you to create your network, and your network is an asset and will play an important role in achieving your future goals.

Courses, study abroad, and the Juniata community all provide experiences that will help you create and build your assets for your Juniata balance sheet. Remember this is your Juniata balance sheet, so seek out opportunities and experiences that interest you. Your balance sheet will be unique to you.

## DEBTS

The next category of information on the balance sheet is debts. Simplistically, you create this section by understanding the question, “What do I owe others?” I would suggest you break the question into two subsidiary questions, “What do I owe?” and “To whom do I owe it?” Juniata will provide plenty of opportunities for you to examine and explore these questions. I am going to talk about three of these opportunities.

Of course, your first opportunity is your coursework. That should not be a surprise because I am a teacher. To understand what you owe others will require you to examine questions from points of view that are new to you and to ask questions that you have not yet thought about. You need to identify and break down your assumptions. In your courses, you may find yourself participating in a heated debate, and as you listen to others form their arguments and express their opinions, you will start to break down assumptions. You should also deliberately seek out coursework that will require you to think outside of your comfort zone. There are a lot of interesting courses available to you, as I was reminded when helping you schedule your fall classes these past couple of days, so be daring and take a course that helps you understand what you owe others.

Your second opportunity is to study abroad. Wait, are these opportunities starting to sound familiar? If you study abroad, you will experience first-hand how different cultures identify and address social and environmental problems. Reading, watching films, and discussing different cultures will increase your awareness of how other cultures identify, describe, and solve problems. But that does not compare to first-hand experience. Let me use a sports analogy. I really enjoy watching football games. If I watch the game on TV, I see plays, I know the score, and at the end I understand what happened. If I attend the game, I still see the plays, I still know the score, I still understand what happened; but I have also experienced the game with other people and felt the intensity of their emotions. Being there in person amplifies your knowledge. I traveled abroad during my corporate career, working in Italy, England, Malaysia, and Singapore. This travel helped me to understand the importance of considering the global community and environment when making business decisions. Studying and traveling abroad will help you create your answer to the question of what do you owe others in your role as a global citizen?

By now you’ve probably figured out that your third opportunity is the Juniata community. While at Juniata, you will meet others who are different from you. Maybe you come from a city, and they are from a rural area. Maybe you are from the East Coast, and they are from the West Coast. Maybe they are

from a different country. Maybe they speak a different language. Maybe they have a different economic background. There are lots of ways that you will be different. However, you will get to know each other as you study, attend games or events, enjoy the dining hall, and share living space. As your relationships evolve, there will be opportunities for you to learn from each other. Take these opportunities as a way to understand what you owe others.

Using the opportunities that Juniata will offer you—coursework, study abroad, and community—start to create your answer to the questions, “What do I owe others?” and “What is my debt to society?”

## OWNERSHIP

The last section of the balance sheet is the section where a company reports ownership. You probably noticed that I used the word “opportunity” a lot when encouraging you to create the asset and debt sections on your balance sheet. I did this because while opportunities are available to you to use for the first two sections of the balance sheet, it is the third section of the balance sheet where you must take ownership and responsibility for using these opportunities. If you choose to take advantage of the opportunities that Juniata presents, you will own some pretty fabulous outcomes.

I did say, “*If* you choose...”? Because, in your next four years, you will make a lot of choices and decisions. These are now your decisions. This means that you are responsible for any and all consequences. Sounds scary, but don’t worry. While you are responsible, you will most definitely not be alone. The Juniata community—your professors, advisors, coaches, counselors, other students, and administrators—will support and help you.

## MATERIALITY

So now you are thinking, “She said there were three areas, and she has talked about three, so we are done, right?” Almost, but not quite.

There is an accounting concept called materiality, the idea that financial reports do not have to be one hundred percent correct (an impossible standard for most companies), while ensuring that they do not contain errors of such significance that they would change someone’s business decisions. In applying this idea to your Juniata balance sheet, understand that you will likely have a few errors or undesired consequences related to a decision. Perhaps an exam or quiz won’t go as well as you wanted because you decided to dedicate some time to binge watching *Friends* on Netflix. It will be okay; everything does not need to go perfectly. In fact, you will likely learn more if it doesn’t. View these undesired consequences with an understanding of materiality. You don’t need a 100% on everything; give yourself permission to make some mistakes.

In your next four years, create your own Juniata balance sheet. Build your assets, think about the debt you owe others, and take ownership of your outcomes. And don't forget to apply the concept of materiality and cut yourself a little bit of slack when things don't go exactly as you planned or hoped. Remember, the name of the financial statement is the balance sheet—strive to achieve balance, not perfection.