



IN MEMORIAM

Frederick E. Balderston
Professor of Business Administration, Emeritus
UC Berkeley
1923 – 2007

Frederick E. Balderston, professor emeritus of business administration in the Haas School of Business at the University of California, Berkeley, died October 18, 2007, at age 84 at his Berkeley home following a long battle with emphysema. He was a widely recognized authority on the savings and loan industry, university administration, and computer simulation research in banking and marketing. In 1961 he published *Simulation of Market Processes*, coauthored with his colleague Austin Hoggatt.

An economist, Professor Balderston wrote a book in 1984, *Thriffs in Crisis*, which examined the radical changes that occurred in the savings and loan industry in the early 1980s. The years 1980-1982 were characterized by a period of extremely high inflation and interest rates. Balderston provided a lucid analysis of these events from the perspective of both regulator and businessman. One of his most important regulatory recommendations was that federal authorities should institute new net worth reserve requirements that would serve to safeguard the financial integrity of savings and loan institutions. Professor Ken Rosen, a real estate professor at the Haas School, called the book "essential reading for every business and government official in the thrift industry." Haas School Dean Emeritus Earl F. Cheit stated that "in the business school and in the business world, Balderston was highly respected for the depth of his scholarship in strategic planning and management." In 1963, Governor Pat Brown appointed him California Savings and Loan Commissioner, a post in which he served for two years. From 1986 to 1991, he was an advisor to Indonesia's Ministry of Finance. In 1991, he testified before the House Banking Committee's Subcommittee on Financial Institutions. Beyond finance, he and his first wife, Judith Balderston, advised Indonesia's director general of higher education on educational reforms. A conference and monograph, *Higher Education in Indonesia: Evolution and Reform*, 1993, resulted from his work.

In addition to teaching and research during his 40 years at the Haas School, Balderston served on every important budget, personnel, planning, and analysis committee, and was also very active in school administration. He was associate dean for the Graduate School of Business Administration from 1979 to 1981 and associate dean for academic affairs for the entire School of Business Administration in 1983. He was the first director of the Center for Research in Management Science, guiding it through its formative years, 1961-1963. He also headed the center (now the Institute for Management, Innovation and Organization) from 1965 to 1966 and from 1970 to 1979. Among his research fund-raising activities, he was principal investigator of a \$1 million grant from the National Science Foundation. The funds were used to build a state-of-the-art computerized behavioral laboratory facility at Berkeley. Existing soundproof lab cubicles were extended and equipped with interactive computer terminals through which subjects could interact. Terminals were controlled by one of the first available mini-computers. In many ways, the facility predated some of today's Internet capabilities.

Professor Balderston was born on August 15, 1923. A native of Philadelphia, he came from a Quaker family that instilled in him values of community service, integrity, love, equality, simplicity, and peace. His father, C. Canby Balderston, a professor at the University of Pennsylvania, was also dean of its Wharton School of Business and a member of the national Federal Reserve Board. Fred Balderston attended Deep Springs College in California and from 1943 to 1945 served as a volunteer American Field Service (AFS) ambulance driver attached to the British Army in Italy, Egypt, Palestine, Yemen and India. With his colleagues at AFS, he was one of the founders of the American Field Service education exchange program. After the war, he returned to pursue his formal education. He earned his A.B. in economics at Cornell University in 1948, and his M.A. and Ph.D. in economics from Princeton University in 1950 and 1953, respectively. During his doctoral program years, he served as a research associate in economics at the Massachusetts Institute of Technology (MIT) from 1950 to 1953. He joined UC Berkeley as an assistant professor in 1953. Over the course of his academic career, he held visiting appointments at MIT, Carnegie- Mellon University, Stockholm School of Economics, University of Amsterdam, and the Netherlands Institute.

From 1968 to 1973, he and then University of California President Charles Hitch were coprincipal investigators of the Ford Foundation Program for Research in University Administration, headquartered at Berkeley. He also served on an advisory committee to the Carnegie Commission on Higher Education. His 1974 book, *Managing Today's University*, became a standard work in the field. A second edition was issued in 1995. The book reported findings of five years of research on university administration based on the Ford Foundation grant. Balderston was a member of the board of directors of the National Center for Higher Education on Management Systems from 1972 to 1977. In 1979, he played a major role in organizing a public policy conference to honor the 80th birthday of Ewald T. Grether, who had served as dean of the business school for 20 years from 1941 to 1961. A book, *Regulation of Marketing and the Public Interest*, edited by Balderston and his colleagues James Carman and Franco Nicosia, was published in 1981 based on the conference papers.

One of Professor Balderston's most important and visible accomplishments was his service for the University of California system. From 1966 to 1968, he was vice president of business and finance and from 1968 to 1970 he was vice president of planning and analysis for UC's then nine-campus system. He continued part-time as special assistant to the president until 1975. For three years, 1966-1969, he chaired the California State Committee on Public Education. Another of his major contributions to the business school and Berkeley campus was his chairmanship of the school's new building committee. A decision was made to leave Barrows Hall and build an entirely new building on the eastern edge of the campus. A building committee was formed, chaired by Balderston, and charged with overseeing design and construction. The new building, which is the current home of the Haas School, was successfully completed and opened in 1995. He was also very active in the campaign to raise funds for the new building. Observed Dean Emeritus Cheit, "administrators and faculty committees relied on his judgment and competence on issues ranging from selecting an architect or siting a large sculpture to structuring a major student aid program."

He had a long and productive relationship with the Bernard Osher Foundation and served on its board of directors from 1979 to 2007. In June 1994, he was appointed executive vice president and executive director. In 2004, the foundation made over \$30 million in grants to dozens of educational, arts, and cultural organizations.

Balderston received the Berkeley Citation, the campus's highest honor, upon his retirement in 1991 and continued to teach for several years. "You could always count on Fred to do not only his part, but also his part as a good citizen of the school," said former colleague Raymond Miles, an emeritus professor and former dean at the Haas School. Leo Helzel, an adjunct professor emeritus at the Haas School, recalled Balderston's "winning personality and absolutely fantastic smile that added to his campuswide popularity as an instructor and as a colleague. He loved people, people loved him, and the students were crazy about him," Helzel said, adding that Balderston "could have made a success out of anything" in either academia or the business world.

He was a lover of the outdoors and owned ranch property in the Sierra community of Loyalton, north of Truckee. He was devoted to building community and peace around the world. He served on the board of directors of the California Nature Conservancy, the Bernard Osher Foundation and the Golden West Financial Corporation. Balderston also was a life trustee of Deep Springs College and the American Field Service international student exchange program.

Balderston is survived by his wife, Elizabeth, of Berkeley; four children, Daniel Balderston of Iowa City, Iowa, Sara Balderston of Columbus, Ohio, Thomas Balderston of Ardmore, Pennsylvania, and Jonathan

Balderston of Berkeley; five grandchildren; and a brother, Robert Balderston of Baker City, Oregon. His first wife, Judith, died in 1993. He remarried in 2001.

John G. Myers
Raymond E. Miles