

This Is Berkeley: The Finest Public University in the World

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November 2016-12-01

key: <https://www.icloud.com/keynote/08xK3nq72hgtl4bZ3o-tabvNQ>
html: <http://www.bradford-delong.com/2018/06/lecture-this-is-berkeley.html>

This Is Berkeley!



You Are Lucky to Be Here

- This is the University of California at Berkeley
 - Certainly the finest public university in the world
 - Perhaps the finest university in the world
 - Lots of opportunities here
 - Others could be in your seats
 - They would take advantage of the opportunities here
 - DON'T WASTE YOUR OPPORTUNITY HERE!!



You Belong Here

- We go fast here
- We want to teach you a lot of stuff
- You can—and should—handle it
- We are confident you belong here—can take advantage of the opportunities
- We are rarely wrong



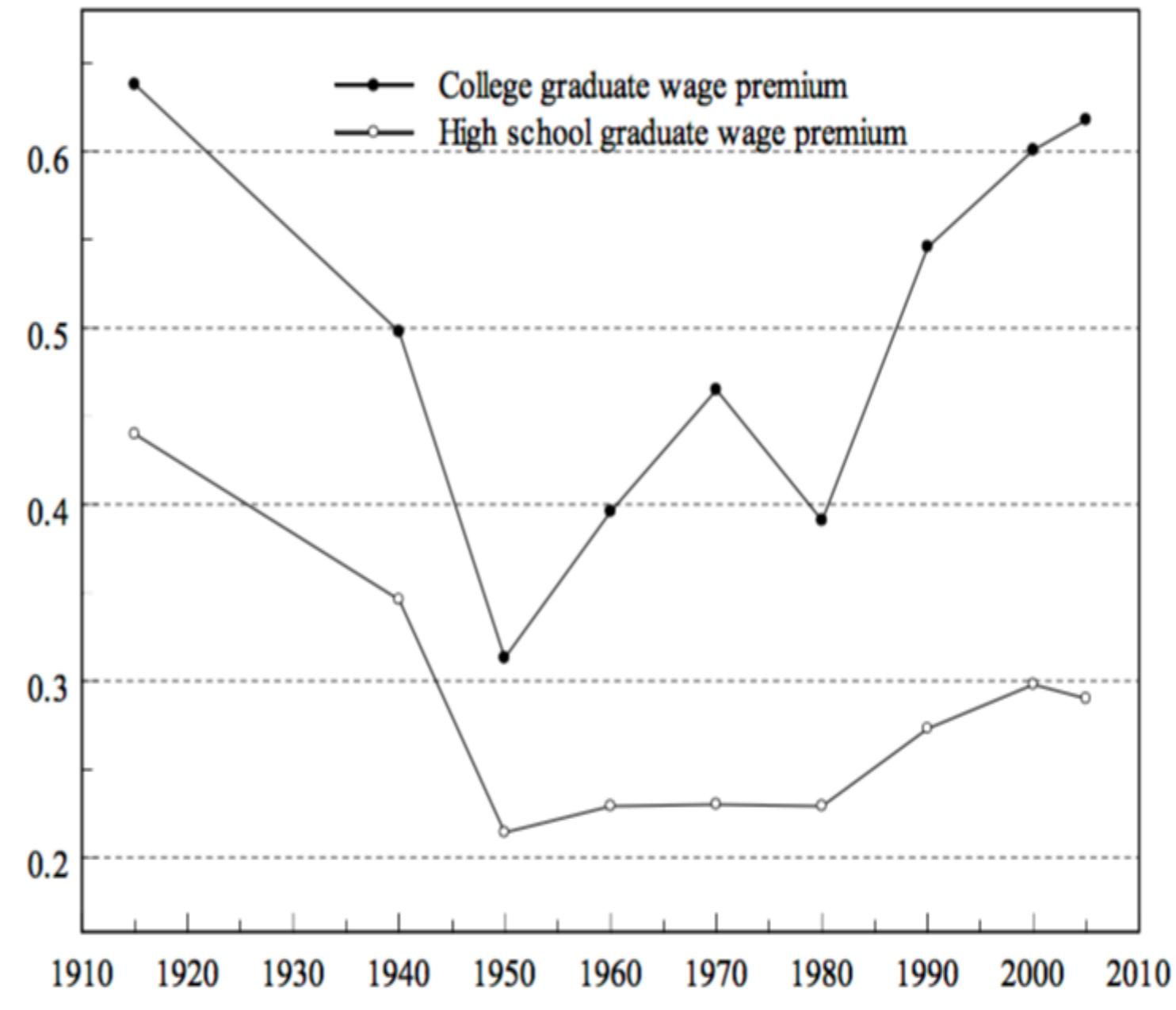
A Word or Two on a Liberal Education

- This is an investment by you in you:
 - A “liberal education”
 - Surprise benefits
 - The value to you of a liberal education
- This is an investment by the state of California:
 - The value to us of your getting a liberal education
- This is an investment by the human race:
 - The value to us of your getting a liberal education
- This carries not just privileges and immunities, but responsibilities and obligations

What Is a “Liberal Education”?

- “Liberal education” ≠ “kinda left-wing education” here
- “Liberal education” here means “appropriate to somebody free”
- Someone with control over their own destiny
- Someone with a share of control over our common destinies

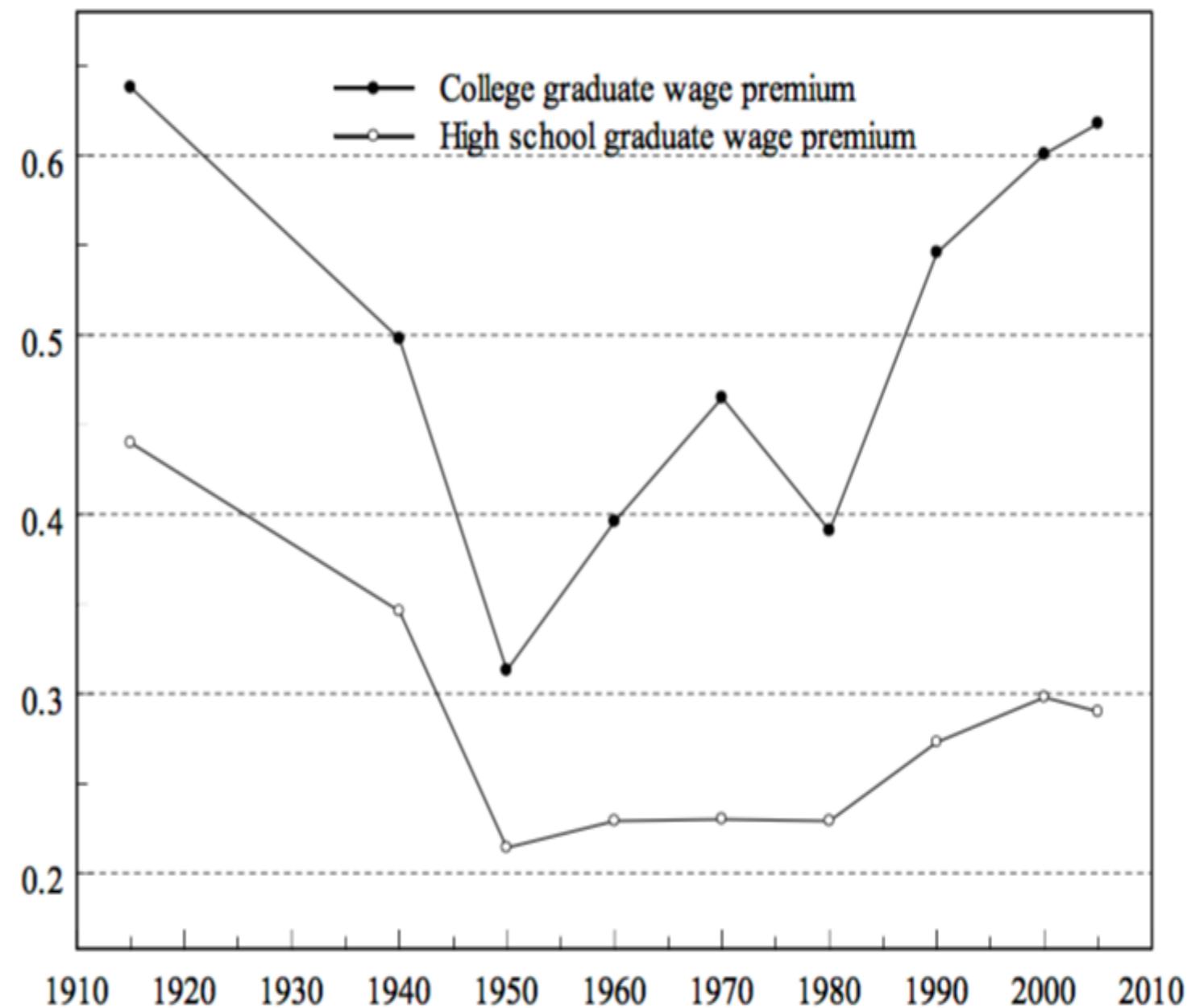
Figure 1
College Graduate and High School Graduate Wage Premiums: 1915 to 2005



What Is a “Liberal Education”? II

- Someone with control over their own and a share of control over our common destinies
 - Not someone taught a particular skill to do one thing
 - But, rather, someone whose life will be spent in a wide range of activities
 - And who thus needs a wide range of knowledge

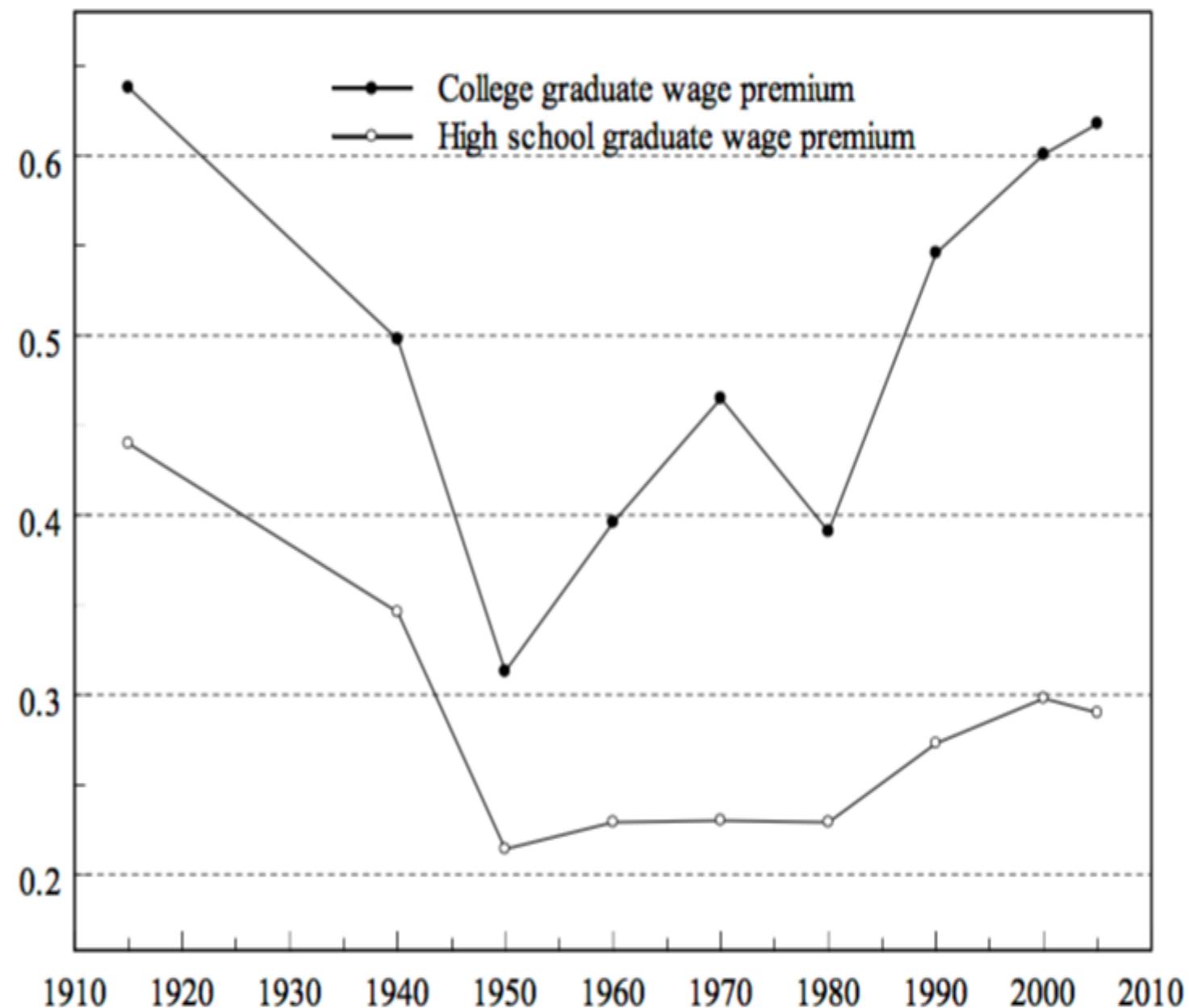
Figure 1
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Privileges and Immunities

- A liberal education is a very valuable thing
- Difference in the natural log (\ln) of 0.6 means that:
- the higher number is $1 + 0.6 + (0.6)^2/(2!) + (0.6)^3/(3!) + (0.6)^4/(4!)$
+ ...
- = 1.8221 times the lesser:
- is 82% higher.

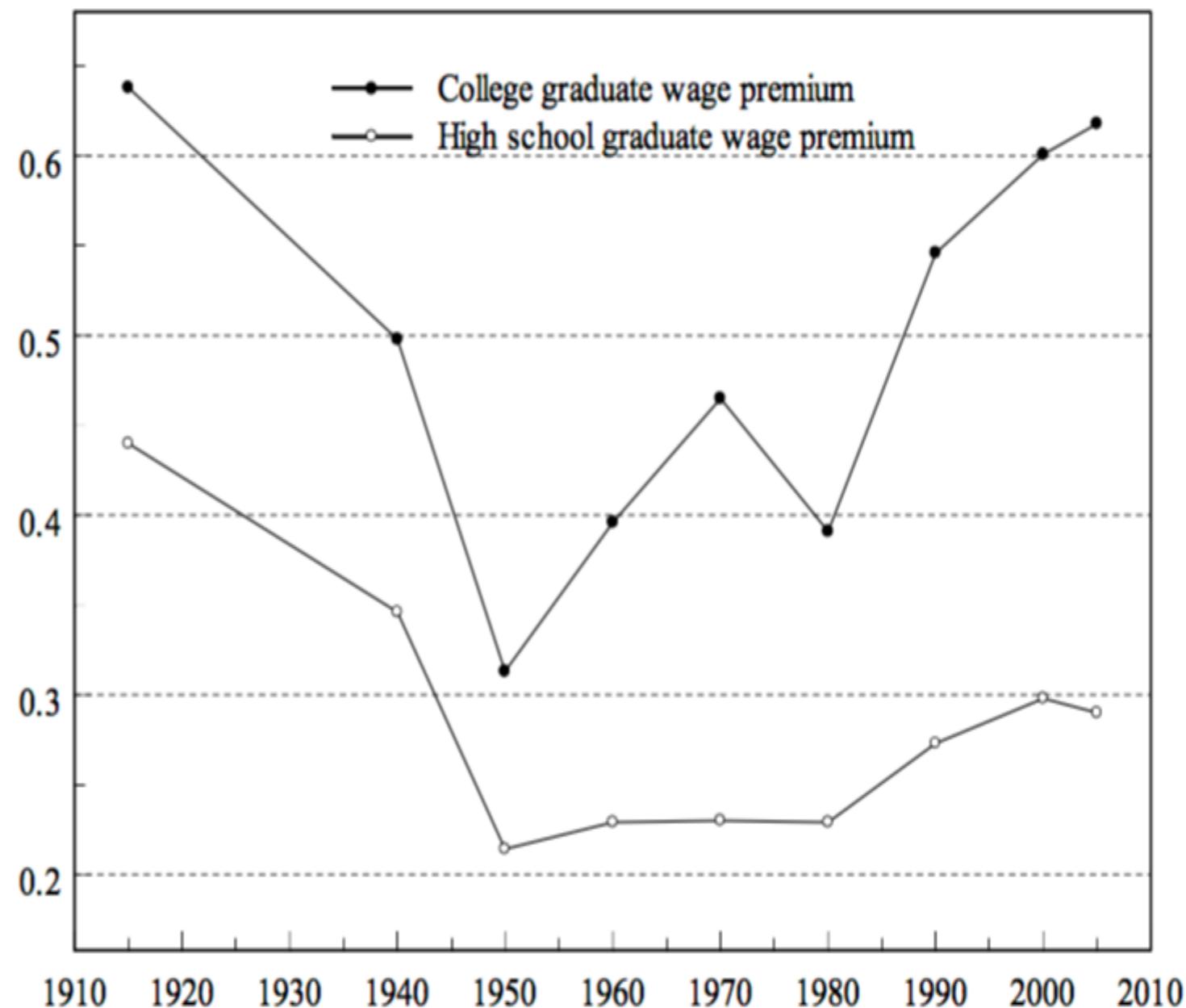
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Privileges and Immunities II

- At a \$40,000/year average earnings level...
- $82.2\% \times \$40,000/\text{year} = \$32,884/\text{year}$
- Go to college: invest \$15K/yr (tuition and fees) + \$20K/yr (earnings not made) for 5 years = \$175,000
- Get an extra \$32,884/year for 40 years if you're the kind of person who can graduate
- Plus: freedom, depth of experience...

Figure 1
College Graduate and High School Graduate Wage Premiums: 1915 to 2005



It is Not the “Technical” Training That Is the Most Valuable



Updated List of Distressed Debt Hedge Funds

Thank you to all who helped me add a few names I missed on our [list of distressed debt hedge funds](#). Some of you also suggested I sort the list alphabetically. Here is the new list of distressed debt hedge funds. If I missed anyone or you would like to be added to the list, please email me (hunter [at] distressed-debt-investing.com). Going forward, I will use this post to keep a list of all distressed debt / event driven hedge funds I come across, combining with linking these to relevant websites and 13Fs.

Taconic Capital Partners (Taconic Capital Advisors / Taconic Capital Management)



Wellman – Lord Pro

- This process consists of the following
 - Flue gas pre-treatment.
 - Sulfur dioxide absorption by sodium sulfite
 - Purge treatment

A black and white photograph of a man in a tuxedo and a woman in a wedding dress holding a bouquet, standing next to a large industrial pipe.

- In my extended family, three people who were, are, or look like they are headed for not the top 1% but the top 0.1%...
- Industries:
 - construction and chemical engineering (ultimately pollution control)
 - “smart money” on Wall Street managing the flow of financing of investment,
 - “the industry” as they call it in LA...

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A black and white photograph of a man and a woman in wedding attire, standing together. The man is in a suit and the woman is in a wedding dress with a floral headpiece.

- What was valuable?:
 - learning how to deal socially as a (relative) outsider at Harvard in the 1920s,
 - historical-critical source analysis in the 1980s,
 - messing around with Dartmouth AV in the 1990s

Catch Our Breath...

- Comments?
- Questions?
- What's next?

