

Commencement speaker shares thoughts on new jobs-seekers, economy

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Bob Benmosche

College Graduate Media Coverage

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AIG CEO To Struggling College Graduates: 'Don't Cry About It'

By Max Nisen

May 14, 2013

Business Insider

Most business leaders, when asked to advise new graduates, are encouraging, telling them that though things might be rough now, they'll pick up in time. Not AIG's outspoken CEO, Robert Benmosche.

He doesn't have much in the way of sympathy for graduates entering a difficult job market, telling Bloomberg's Betty Liu today that "you have to accept the hand that's been dealt you in life. Don't cry about it. Deal with it."

He added he intends to give graduates some tough but needed advice when he gives the commencement speech at Alfred University, his alma mater, later this week:

"They want me to talk to the students and give them a sense of encouragement, especially with the high unemployment, my advice will be, whatever opportunity comes your way, take it. Take it and treat it as if it's the only one that's coming your way, because that actually may be the truth."

Harsh advice. But it's not without some truth. The job market for recent graduates is pretty grim, outside of a few fields like health care, computer science, and engineering. Nearly half of students can't find a job in their chosen field, and six times more are working in retail or hospitality than would like to be.

Though it's not exactly what you want to hear during what's supposed to be a celebration, this is something new graduates need to keep in mind. With so many people unable to get a job in the area they want right away, the only way in might be through the back door, or by working up through a different job function or organization.

That requires the sense of urgency and realism that Benmosche describes.

AIG CEO Tells Grads Don't Cry About Economy, Deal With It

By Zachary Tracer and Noah Buhayar

May 14, 2013

Bloomberg

Robert Benmosche, the chief executive officer of insurer American International Group Inc. (AIG), has some tough love for college students graduating in the aftermath of the financial crisis.

"You have to accept the hand that's been dealt you in life," Benmosche said in an interview today with Betty Liu on Bloomberg Television. "Don't cry about it. Deal with it."

The CEO is scheduled to give a commencement address May 18 at New York State's Alfred University, where he earned a degree in math and played football. College graduates have struggled to find jobs after the financial crisis sent the U.S. unemployment rate as high as 10 percent in 2009. Joblessness for recent college graduates, ages 20 to 29, was

12.6 percent in October 2011, a Bureau of Labor Statistics review last month showed.

“They want me to talk to the students and give them a sense of encouragement, especially with the high unemployment,” said Benmosche, 68. “My advice will be, whatever opportunity comes your way, take it. Take it and treat it as if it’s the only one that’s coming your way, because that actually may be the truth.”

The CEO said he plans to tell graduates about his own career path, which included a stint as a truck driver delivering Coca-Cola Co. products that helped him pay his way through preparatory school and college.

After graduating from Alfred in 1966, Benmosche served as a lieutenant in the U.S. Army Signal Corps and then worked at Arthur D. Little Inc., Chase Manhattan Bank and PaineWebber Inc. He joined MetLife Inc. (MET) in 1995 and took the insurer public, retiring in 2006.

Hiring Forecasts

Companies surveyed by the National Association of Colleges and Employers plan to hire 2.1 percent more new college graduates this year than last, according to data released last month. That forecast is down from the 13 percent increase respondents projected last year for the Class of 2013.

Benmosche began running New York-based AIG in August 2009, about a year after the insurer’s bailout. AIG received a rescue that swelled to \$182.3 billion after housing-related bets soured amid the financial crisis. The insurer repaid the aid last year, in part by raising billions of dollars from asset sales.

The U.S. unemployment rate dipped to 7.5 percent in April, compared with 8.1 percent a year earlier. Before the crisis, the last time the joblessness measure exceeded 7 percent was 1993.

Benmosche has been weighing whether to move jobs from the New York area to lower-cost locations as AIG seeks to cut costs to boost shareholder returns. He has cited AIG’s facility in Amarillo, Texas, as a location where expenses aren’t as high.

‘Have Courage&

“We’re in a different economy than existed before for college graduates,” Benmosche said. “They’re going to have to think about what they love to do, and do what they love, and have courage to face the future.”

The insurer has about 63,000 employees according to its annual report. That compares with 116,000 at the end of 2007, before the company had to sell units to help repay its bailout.

AIG delayed a deadline for the sale of its plane-leasing unit to a group of Chinese investors because the insurer hadn't received approval from regulators in the U.S. and China, Benmosche told Liu. AIG said yesterday that either party can terminate the deal for International Lease Finance Corp. (ILFC) if it isn't completed by June 14. The earlier deadline was May 15.

“Over the next month we should be able to receive the approvals that we're expecting,” Benmosche said. “We believe that we'll have plenty of time in which to close during this quarter.”

Dimon's Hand

Benmosche also said shareholders of JPMorgan Chase & Co. (JPM) are wrong to challenge the authority of Jamie Dimon, 57, the bank's chairman and CEO. Retirement plans including the AFSCME pension fund are seeking to separate the chairman and CEO roles at New York-based JPMorgan. Pressure on Dimon increased after losses of more than \$6 billion last year on derivatives trades.

“Jamie's got a tough hand to play,” Benmosche told Liu. “He's playing that hand extremely well.”

JPMorgan's board, which includes former Exxon Mobil Corp. CEO Lee R. Raymond and Honeywell International Inc. CEO David Cote, has been giving proper oversight, Benmosche said. He cited the reduction in Dimon's pay to \$11.5 million for 2012 from \$23 million a year earlier.

Benmosche is eligible for \$13 million this year after getting \$10.5 million in 2012, AIG said in a regulatory filing last month. AIG has rallied about 30 percent this year in New York trading after surging 52 percent in 2012. JPMorgan is up 14 percent since Dec. 31 and climbed 32 percent last year.

Benmosche's message of resilience for graduates echoes comments that Charles Munger, the vice chairman of Warren Buffett's Berkshire Hathaway Inc. (BRK/A), made at the University of Michigan in 2010 about dealing with a tough economy.

“There's danger in just shoveling out money to people who say, ‘My life is a little harder than it used to be,&’”

Munger said. "At a certain place you've got to say to the people, 'Suck it in and cope, buddy. Suck it in and cope.'">

AIG CEO's Commencement Speech Will Offer No-Nonsense Advice To Grads

May 14, 2013

Huffington Post

While happy graduation speeches may be the norm, the class of 2013 at New York State's Alfred University will get some no-nonsense advice from its speaker, AIG CEO Robert Benmosche.

In a recent interview with Bloomberg News, the Brooklyn-born business titan and former Coca-Cola delivery truck driver said that at the May 18 commencement, he'll get right to the point: Graduates who are about to enter a struggling economy need to suck it up and figure it out.

"Don't cry about it. Deal with it," Benmosche said. "My advice will be, whatever opportunity comes your way, take it. Take it and treat it as if it's the only one that's coming your way, because that actually may be the truth."

The wise words shouldn't shock the class, especially since a recent poll revealed that more than 40 percent of recent college graduates are still waiting for that opportunity Benmosche describes. Reuters recently reported that 40 percent of recent grads who participated in a recent poll are underemployed, and already past the rose-tinted view of the world they may have held at this time last year.

Worse, a recent paper from the National Bureau of Economic Research suggests that the 40 percent of graduates who work jobs that don't require a college degree could get stuck with their jobs even if the economy improves.

So listen up, class of 2013. Benmosche's advice probably isn't half-bad.

AIG CEO To College Grads: Take Whatever Job You Can Get

By Chris Morran

May 14, 2013

The Consumerist

If the students graduating from Alfred University on May 18 are expecting a world-is-your-oyster type speech from speaker, AIG CEO and Alfred alumnus Robert Benmosche, then they may want to put on headphones during his

portion of the ceremony. Or they may want to listen to the tough love speech he&s got planned.

“They want me to talk to the students and give them a sense of encouragement, especially with the high unemployment,” Benmosche tells Bloomberg News. “My advice will be, whatever opportunity comes your way, take it. Take it and treat it as if it&s the only one that&s coming your way, because that actually may be the truth.”

And he might be right, with the unemployment rate for recent college grads higher than the overall unemployment numbers.

Benmosche will likely be speaking about his own work experience, driving a Coca-Cola truck to help pay for school and then serving as a lieutenant in the U.S. Army Signal Corps before eventually getting into finance and insurance, eventually becoming CEO of Met Life insurance. He was brought on board a flailing AIG in 2009 when it was bailed out by U.S. taxpayers.

“You have to accept the hand that&s been dealt you in life,” he explains. “Don&t cry about it. Deal with it.”