The special committee of the General Faculty to prepare a memorial resolution for Ernest Winfield Walker, professor emeritus, finance, has filed with the secretary of the General Faculty the following report.

Sue Alexander Greninger, Secretary
The General Faculty

IN MEMORIAM
ERNEST WINFIELD WALKER

Ernest Winfield Walker, Lawrence D. Gale Chaired Professor Emeritus in Small Business Management and Entrepreneurship and director of the Center for Small and Middle-Sized Businesses, passed away on April 2, 2010, in Austin, Texas. He is survived by his wife of sixty years, Margaret, and their two children: Marshall Walker and his wife, Debra of Key Largo, Florida; and Eleldith Falk and her husband, Michael, of Austin, Texas. He will be greatly missed by his grandchildren Mary Margaret Walker, Daniel Walker, Katherine Falk, and Cooper Falk.

Ernest Winfield Walker was born in McComb, Mississippi, on September 14, 1917, the fifth child of Jefferson W. Walker and Ida Brumfield Walker. He grew up on a small farm near Hattiesburg, Mississippi, where his father was a superintendent of a lumber operation. Having graduated from high school at age sixteen, he paid his way through Jones County Junior College in the neighboring county by milking cows twice daily. Upon the start of World War II, he enlisted in the army, attended Officer Candidate School (OCS), and sailed to England on the Queen Elizabeth. He arrived in Normandy in June, shortly after the primary invasion, and as captain led a company across Europe, crossed Ramagen Bridge while it was still standing, fought in the Battle of the Bulge, and was in Pilsen, Czechoslovakia, when the war ended. After being assigned in Nuremberg, his tour of duty ended; upon his return to the United States, he heard about the G.I. Bill and enrolled at the University of Mississippi immediately upon his stateside arrival. Ernest (Ernie) received his bachelor’s and master’s degrees from Ole Miss and subsequently entered Duke to work on his doctorate. While at Ole Miss, however, he met another graduate student, Margaret Marshall, a Yankee, and they were married in June of 1949. At the urging of a former Ole Miss professor, he transferred to Indiana University where he received his doctorate in business administration. Always an excellent student, Ernie was a member of Beta Gamma Sigma, Sigma Iota Epsilon, Delta Sigma Pi, Omicron Delta Kappa, and ATO.

His first academic post was at Drake University, and it was during this three-year stint in Des Moines, Iowa, that their son, Marshall, was born. Ernie returned home from teaching one winter day to find Margaret and Marshall standing at the door with their luggage packed and was told that he was “welcome to come with them if he wanted but they had enough of Midwest winters.” Thus, in 1954, Ernest Walker and his family arrived at the College and Graduate School of Business in Austin, Texas. However, his distinguished career at The University of Texas almost did not happen. When he arrived at the business school to teach financial management classes, he was told by Dean W.R. Spriegel that he had been appointed to the management department and was scheduled to teach a strategic management class. Ernie immediately announced his resignation despite having little money and no desire to return to Des Moines. The dean capitulated and changed his assignment, and Ernie began his fifty years of service to the College and Graduate School of Business and The University of Texas at Austin.

Ernie Walker will be remembered for his many major contributions to the field of corporate finance and the financial management of small and middle-sized businesses, especially those owned and operated by women and ethnic minorities. He was internationally recognized as an expert in small business management and for his research in working capital management and financing of privately-held companies. He created one of the first small business classes that was taught at a major university, long before entrepreneurship became in vogue. Ernie Walker excelled in all the components of academia: teaching, research, and service. Beloved by the
undergraduate and graduate students he taught, Ernie was selected for the Outstanding Educator Award by the Texas Exes Association twice, once in 1979 and again in 1998, and he was inducted into the McCombs Business School’s Hall of Fame in 1993. Over his fifty year teaching career, he taught undergraduate and graduate classes in small business finance and supervised numerous dissertations. During his tenure at the College and Graduate School of Business, Dr. Walker taught over 8,000 students, many of whom are among the McCombs school’s most distinguished graduates and prominent business men and women. He is fondly remembered by his students for requiring them to perform a consulting project with local, small businesses as part of his course curriculum. In 1978, Ernest W. Walker became the first recipient of the Gale Chair in Small Business Management and Entrepreneurship.

Ernest Walker served as chairman of the finance department from 1961 through 1965. He published six books over his career, including Financial Management of the Small Firm (co-authored with William Petty), Financial Planning and Policy (co-authored with William H. Baugh), The Dynamic Small Firm, and Essentials of Financial Management. His books were adopted in many entrepreneurial management classes and his published research in financial journals focused on working capital management, capital formation, investment decision-making, and business valuation of privately held companies. Representative articles he published in the Journal of Financial Management include “Working Capital Management” (1973) and “The Financial Differences in Large and Small Businesses” (1978) with William Petty. He often testified as an expert witness in business valuation cases and performed research with the Texas State Securities Board.

While The University of Texas was his home, he had several visiting professorships at top U.S. Universities, including an appointment at the University of Virginia where he held the visiting chair of banking. He was also very active in teaching management development courses through the business school’s executive education department. Ernie was a fixture in the Graduate School of credit and financial management program and trained many bankers in the area of credit management at Dartmouth, Williams College, and Stanford. He was well known internationally from his lectures at conferences and universities in over forty countries. After a personal interview, he was invited to join a group from thirty-five countries known as the Recontre, sponsored by the University of St. Gallen, Switzerland. In the next fourteen years, he attended seven week-long discussions about small business by professors and businessmen from all parts of the world. Many became lifelong friends. Dr. Walker traveled to South Africa several times to lecture; as a result, President F.W. de Klerk awarded Dr. Walker an honorary doctorate from Potchefstroom University in South Africa, in 1996, and a classroom was named in his honor.

His service work also included consultation twice with the Texas Commission on Higher Education Coordinating Board, where he developed the funding formulae for financing higher education in Texas. He was a founding member of the Financial Management Association (FMA), the leading finance academic association, and served as its sixth president in 1976. Dr. Walker was president of the Austin Investment Association in 1969 and president of the Austin/San Antonio Society of Financial Analysts in 1974. He was a member of the Eastern Finance Association, The American Finance Association, and The Southwestern Finance Association. In addition, he served as economist for the National Association of Credit Management from 1969 through 1972.

In 1994, he retired from teaching degree programs at age seventy-six, but his retirement did not last long. During his acceptance speech at his McCombs School of Business Hall of Fame induction in 1993, he chastised the college and the University for their failure to promote community outreach to small businesses, especially minority and women-owned businesses. While he felt that the University’s executive education classes did a good job of teaching large company executives, he believed the courses being offered were too expensive and too inconvenient for privately-owned businesses. This lecture led to the formation of the Center for Small and Middle-Sized Businesses and his half-time appointment as the center’s director for the next ten years. Dr. Walker, along with other business school faculty, developed and taught the Community Minority Business Advancement Program (CMBA) from 1994 through 2004. Recruiting minority- and women-owned businesses by partnering with local minority and women chambers of commerce, this outreach program was taught twice weekly in the evenings over a seven-week period in Dallas, Houston, Austin, and San Antonio. Corporate sponsors subsidized the cost of the program, and participating business owners paid only a nominal fee for the course. “Graduation” ceremonies from this executive education certificate program were attended by the students, their families, corporate sponsors, dean of the business school, and president of The University of
Texas. He got great satisfaction from working with the 1,700 small business owners that participated in the program and believed that education would solve many of the United States’ social and economic problems.

One of the factors that made Ernie such an effective teacher was his ability to relate practice with theory. He served on the board of directors of many small businesses and provided consulting services for many more over his career, which gave him a plethora of examples for use in the classroom. He was chairman of the Board of Directors of Detectagas Ltd from 1958 through 1961. He also served on the boards of Longhorn Disposal Systems, Inc. and Capital City Savings and Loan in Austin. He advised five engineering professors, who became the founders of Tracor, Inc., the first Fortune 500 Company headquartered in Austin. As a consultant, Ernie worked with firms such as Mesa Instruments; Traders Compress Industries, Inc.; and Pantex Corporation.

Ernest Walker’s passion and commitment went far beyond academia and the field of business administration. He was a thirty-second degree Mason and served as president and was a Paul Harris Fellow of the West Austin Rotary, where he had perfect attendance for over thirty years. Deeply spiritual, he served as a Deacon of Highland Park Baptist Church and brought his passion for teaching to the Sunday school classes at the church for decades. Ernie was a founding member of the Austin Baptist Church. He was proud to be chosen King Brio XXII of the Knights of the Symphony. He loved the game of golf, served as president of Austin Country Club, and took great pride in his six holes-in-one. Margaret and Ernest Walker were lifetime supporters of the Settlement Club in Austin.

Ernest W. Walker passed away on April 2, 2010, and laid to rest in the Texas State Cemetery.

This memorial resolution was prepared by a special committee consisting of Professors James Nolen, Jr. (chair), Beverly Hadaway, and Linda Golden.

Distributed to the dean of the McCombs School of Business, the executive vice president and provost, and the president on November 5, 2010. This resolution is posted under “Memorials” at:
http://www.utexas.edu/faculty/council/.