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ECONOMICS

HIGHER EDUCATION

PROFIT

LEAVING THE ACADEMY, STILL DEFENDING MARKETS



ALLEN MENDENHALL



A scholar reflects.

After five years teaching at a business school—following an academic journey through English literature, law, and humanities—I depart with an unexpected observation: many students require convincing that profit serves a legitimate

purpose.

The calculation is straightforward—revenue minus expenses—yet the moral dimension perplexes these undergraduates. They arrive harboring suspicion toward the very economic engine that creates prosperity and opportunity.

Perhaps more revealing is the contrast between students of different backgrounds. Those from modest circumstances—particularly young African American men from rural South Alabama—approached entrepreneurship with refreshing clarity. Having experienced economic hardship firsthand, they viewed profit as a practical necessity rather than a moral compromise. They regarded with genuine puzzlement their more advantaged peers who displayed ambivalence toward commercial success while benefiting from its results.

These first-generation college students understood intuitively what others needed to be taught: that profit enables rather than hinders social good. It finances innovation, creates employment, delivers valued goods and services, and improves living standards. It transforms good intentions into concrete improvements.

This anti-commercial posture is probably more common outside business education. During my doctoral studies in English, I witnessed similar contradictions among fellow graduate students who composed passionate critiques of capitalism while complaining about their meager stipends.

They denounced the profit motive while simultaneously lamenting that society insufficiently rewarded their literary analyses, never acknowledging the irony that they were essentially aggrieved about markets undervaluing their output. These same colleagues drove imported cars, clutched designer coffee, and used technologies developed by the corporate entities they routinely excoriated.

In other words, they desired the material rewards of capitalism while disdaining its mechanisms and confused their professional frustrations with moral superiority rather than recognizing the market's unsparing assessment of consumer demand for radical critical theory, gender studies esoterica, or medieval poetry exegesis.

I'm reminded of a curious episode during my graduate school days, when I participated in a law-and-humanities conference at the University of British Columbia. A particularly earnest doctoral candidate presented what he believed to be his revolutionary business concept: organizations that deliberately eschewed

profit. He stood before distinguished faculty, practically vibrating with intellectual self-satisfaction, explaining this “groundbreaking” paradigm as though he had just discovered fire.

Asked how these enterprises might fund operations, compensate employees, or survive economic downturns without retained earnings, he waved these concerns away as “capitalist thinking.” The audience maintained polite Canadian composure while he elaborated on his concept, essentially reinventing the nonprofit organization while seemingly unaware that such entities had existed for centuries, complete with their own legal classification and tax treatment.

What struck me was not merely his conceptual confusion but his certainty that he had transcended conventional wisdom rather than misunderstood it. It exemplified how academic environments can sometimes nurture theoretical constructs untethered from practical experience, the same disconnect I later observed in business students who required persuasion that profit serves as a force for human flourishing.

For all its imperfections, the American economic system has demonstrated a remarkable capacity to generate broad-based prosperity. Those acquainted with genuine economic struggle recognize this fact without elaborate explanation. Their practical wisdom offers a valuable perspective to classmates from more comfortable circumstances.

As I leave teaching for a new role beyond the university, I carry this paradox with me: the students who grasped the value of profit most instinctively were often those with the least exposure to privilege—and the most experience with reality.

Allen Mendenhall will be writing regular columns for FEE at the relaunched Freeman, on Substack. Subscribe here: <https://thefreemanmag.substack.com>.



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