Planning the next campaign

Wayne Clough

Faculty Executive Board
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Competitors are on the move

- **Berkeley**: building $162 million Stanley Biosciences and Bioengineering Facility; 145,000 sq ft interdisciplinary technology building.
- **Purdue**: building $100 million Discovery Park that includes $51 million Birck Nanotechnology Center.
- **UCLA**: $200 million unrestricted gift for medical school.
- **MIT**: $50 million gift for brain research.
- **Michigan**: $44 million gift for diabetes research.
- **Stanford**: $20 million to develop physics-based simulations of biological structures.
### Billion-dollar campaigns now under way

<table>
<thead>
<tr>
<th>University</th>
<th>Campaign Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Univ of Virginia</td>
<td>$3.0 billion</td>
</tr>
<tr>
<td>Univ Michigan</td>
<td>$2.5 billion</td>
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<tr>
<td>Illinois</td>
<td>$2.5 billion</td>
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<tr>
<td>NYU</td>
<td>$2.5 billion</td>
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<tr>
<td>UCLA</td>
<td>$2.4 billion</td>
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<tr>
<td>MIT</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Johns Hopkins</td>
<td>$2.0 billion</td>
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<tr>
<td>Washington</td>
<td>$2.0 billion</td>
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<tr>
<td>Univ Chicago</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Univ N Carolina</td>
<td>$1.8 billion</td>
</tr>
<tr>
<td>Purdue</td>
<td>$1.5 billion</td>
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<tr>
<td>Wisconsin</td>
<td>$1.5 billion</td>
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<tr>
<td>Cal Tech</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>UC San Fran</td>
<td>$1.4 billion</td>
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<tr>
<td>Vanderbilt</td>
<td>$1.25 billion</td>
</tr>
<tr>
<td>Michigan State</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>RPI</td>
<td>$1.0 billion</td>
</tr>
<tr>
<td>Stanford</td>
<td>$1.0 billion</td>
</tr>
<tr>
<td>Texas A&amp;M</td>
<td>$1.0 billion</td>
</tr>
<tr>
<td>Univ Arizona</td>
<td>$1.0 billion</td>
</tr>
<tr>
<td>UC San Diego</td>
<td>$1.0 billion</td>
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<tr>
<td>Univ Iowa</td>
<td>$1.0 billion</td>
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<tr>
<td>Univ Miami</td>
<td>$1.0 billion</td>
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<tr>
<td>Pittsburgh</td>
<td>$1.0 billion</td>
</tr>
</tbody>
</table>

*In Georgia Tech’s peer set*
Peer endowments
(in millions)

Stanford
MIT
Michigan
Northwestern
Texas A&M
Cornell
Berkeley
Johns-Hopkins
UT-Austin
Minnesota
UCLA
Cal Tech
Purdue
GA TECH
Washington
Penn State
Carnegie-Mellon
Florida
Va Tech
NC State

Source: Council for Aid to Education

Billion dollar campaign underway
Billion dollar campaign recently ended
States are cutting back

- 23 states cut state funding for higher education for 2003-04.
- 28 states have reduced funding for higher education over the course of the past two years.
- 4-year public colleges increased tuition by an average of 10 percent for the 2004-05 year – the third consecutive year of double-digit increases.
New initiatives respond

- North Carolina: $3.1 billion bond referendum for facilities at state colleges and universities.
- Arizona: $450 million initiative for research infrastructure at state universities.
- 10 states significantly increased need-based student aid as tuition increased to help offset budget cuts.
- Individual university initiatives to meet low-income students’ financial needs: Harvard, UNC-Chapel Hill
- Colorado, Virginia, Ohio exploring new models for support of higher education.
In-state tuition per semester at public peer universities

(2004-2005)

- Michigan
- Purdue
- Penn State
- UCLA
- Washington
- Minnesota
- UC Berkeley
- Va Tech
- GA TECH

Tuition levels:
- $0
- $1,000
- $2,000
- $3,000
- $4,000
- $5,000
- $6,000
- $7,000
- $8,000
Tech’s state funding shortfall

![Graph showing the state funding shortfall for FY 01 to FY 05. The graph compares actual funds with funds without cuts.](image-url)
Budget expenditures

(in millions)


State funds = 34%

12,900 students

16,813 students

State funds = 25%
Warning signs for GT

- Demonstrated student financial need is increasing; other universities addressing this issue.
- Pressure from peer competitors is growing.
- Historical model of state funding is changing; “hope is not a strategy.”
- Increasing number of faculty are being recruited by the competition; our competitive position is weakening.
- Our ability to attack targets of opportunity has diminished significantly.
A comprehensive strategy

- Don’t give up on state funding; fight for our share of resources dedicated to higher education.
- Shape initiative funding that will help the state and Georgia Tech; e.g., GRA, nanotechnology, etc.
- Develop a compact with the state including a commitment to base funding and an ability to use tuition to maintain level support.
- Increase revenues from non-traditional sources.
- Begin the next campaign for Georgia Tech.
The next Georgia Tech campaign

- Generate forward momentum.
- Address areas of growing need.
- Build resources to retain top faculty.
- Support strategic initiatives.
- Improve competitive position.
- Capitalize on new reputational status.
Preparing the way

- Broadening our donor base
  - Global Leadership Identification Program identified over 6,000 alumni as prospects for new campaign.
  - Have been laying the groundwork for major corporate, friends, and foundation support.

- Donors are now anticipating the next campaign
  - 95% of pledges from Campaign for GT are paid off.
  - Have some major gifts now that can be captured.

- Positioning ourselves for a stronger economy
What campaign goal?

- We raised $712 million in the last campaign.
- If last campaign timeframe had stretched 8 years, it would have raised $1 billion.
- The campaigns of our peers and competitors are all in the billion-plus range and last longer than five years.
- We can readily justify needs for a $1 billion plus campaign.
NOTE: The quiet phase of the Campaign for Georgia Tech was unusually brief; the normal quiet phase is several years.