



Planning the next campaign

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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.

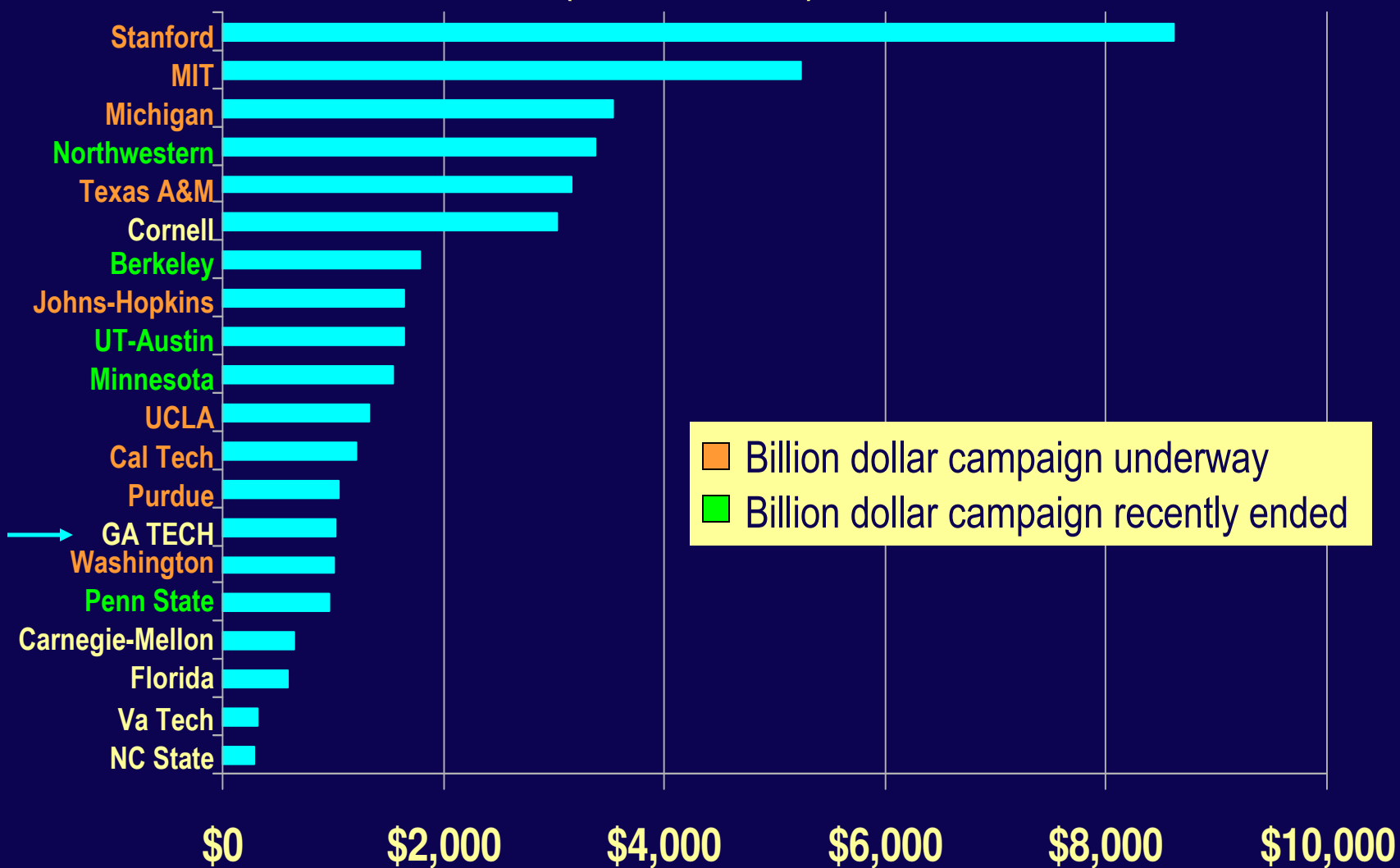
Billion-dollar campaigns now under way

Univ of Virginia	\$3.0 billion	Cal Tech	\$1.5 billion
Univ Michigan	\$2.5 billion	UC San Fran	\$1.4 billion
Illinois	\$2.5 billion	Vanderbilt	\$1.25 billion
NYU	\$2.5 billion	Michigan State	\$1.2 billion
UCLA	\$2.4 billion	RPI	\$1.0 billion
MIT	\$2.0 billion	Stanford	\$1.0 billion
Johns Hopkins	\$2.0 billion	Texas A&M	\$1.0 billion
Washington	\$2.0 billion	Univ Arizona	\$1.0 billion
Univ Chicago	\$2.0 billion	UC San Diego	\$1.0 billion
Univ N Carolina	\$1.8 billion	Univ Iowa	\$1.0 billion
Purdue	\$1.5 billion	Univ Miami	\$1.0 billion
Wisconsin	\$1.5 billion	Pittsburgh	\$1.0 billion

■ In Georgia Tech's peer set

Peer endowments

(in millions)



Source: Council for Aid to Education

States are cutting back

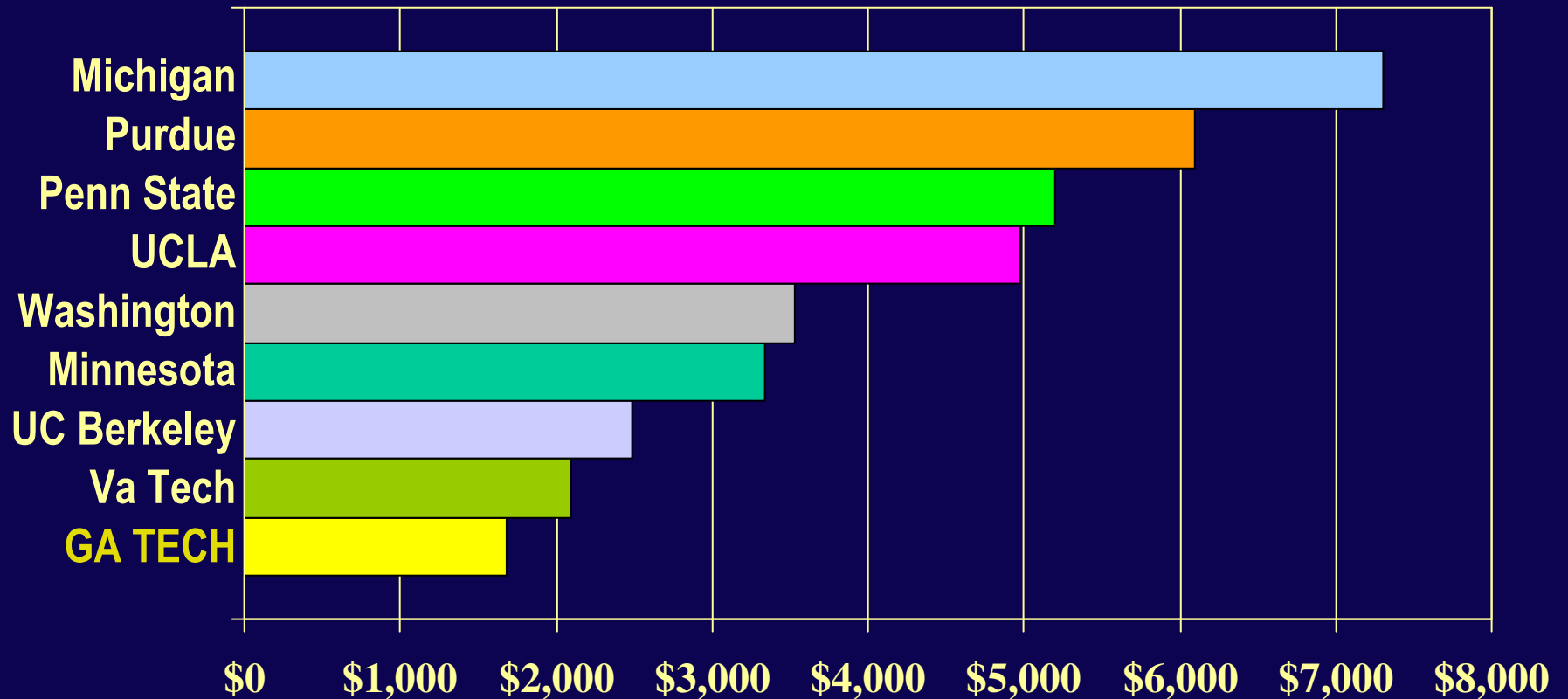
- 23 states cut state funding for higher education for 2003-04.
- 28 states have reduced funding for higher education over the course of the past two years.
- 4-year public colleges increased tuition by an average of 10 percent for the 2004-05 year – the third consecutive year of double-digit increases.

New initiatives respond

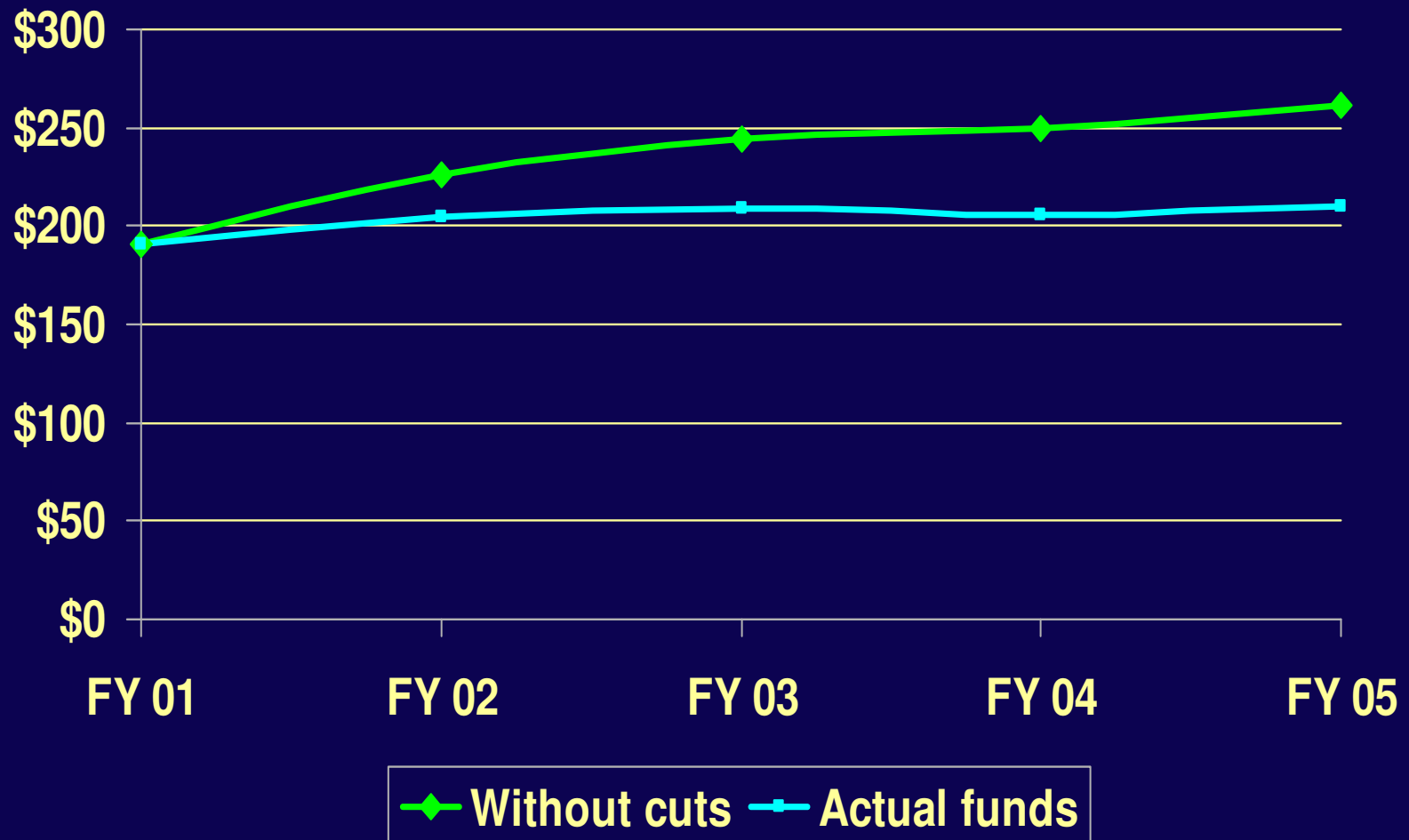
- North Carolina: \$3.1 billion bond referendum for facilities at state colleges and universities.
- Arizona: \$450 million initiative for research infrastructure at state universities.
- 10 states significantly increased need-based student aid as tuition increased to help offset budget cuts.
- Individual 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

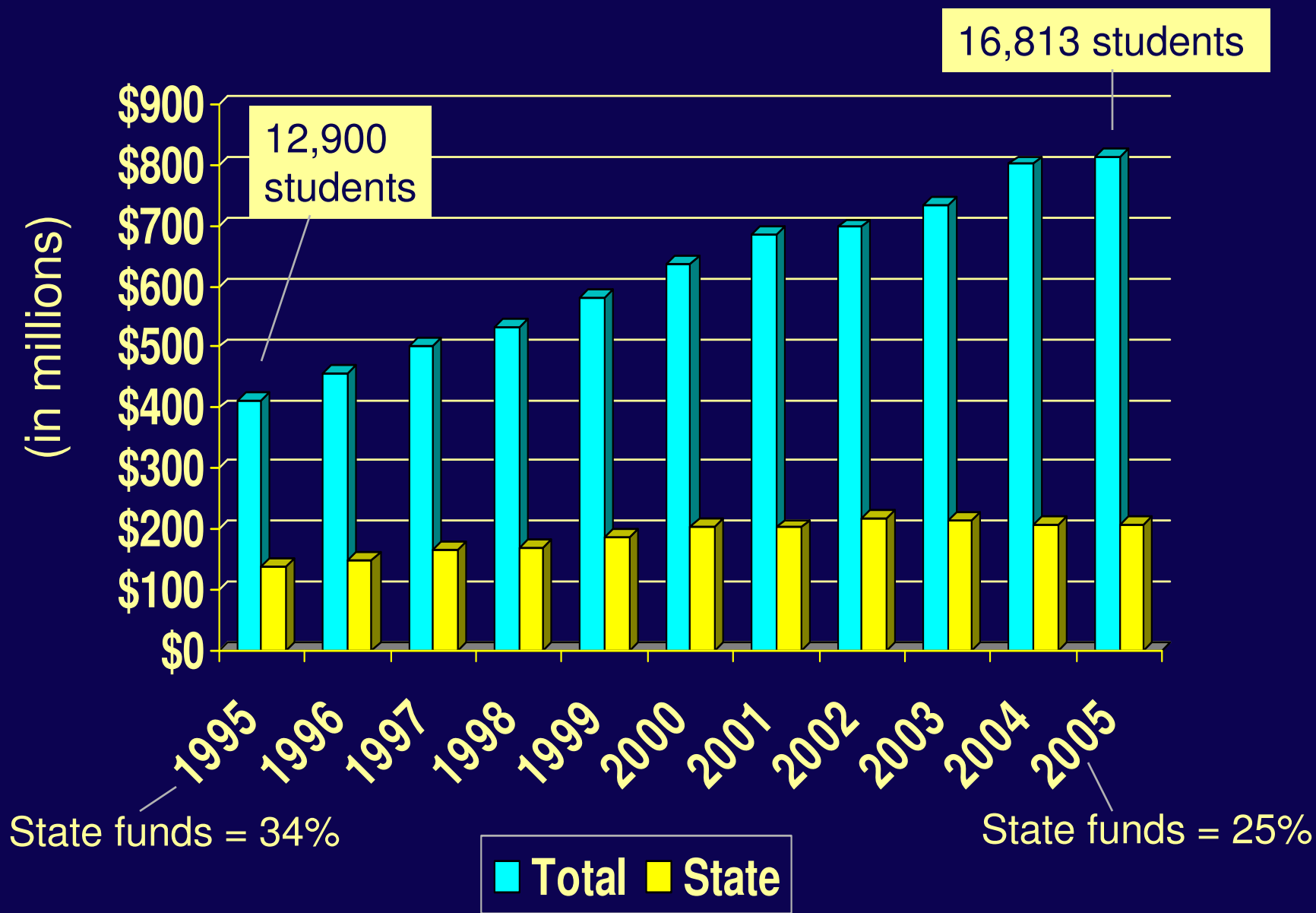
(2004-2005)



Tech's state funding shortfall



Budget expenditures



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.

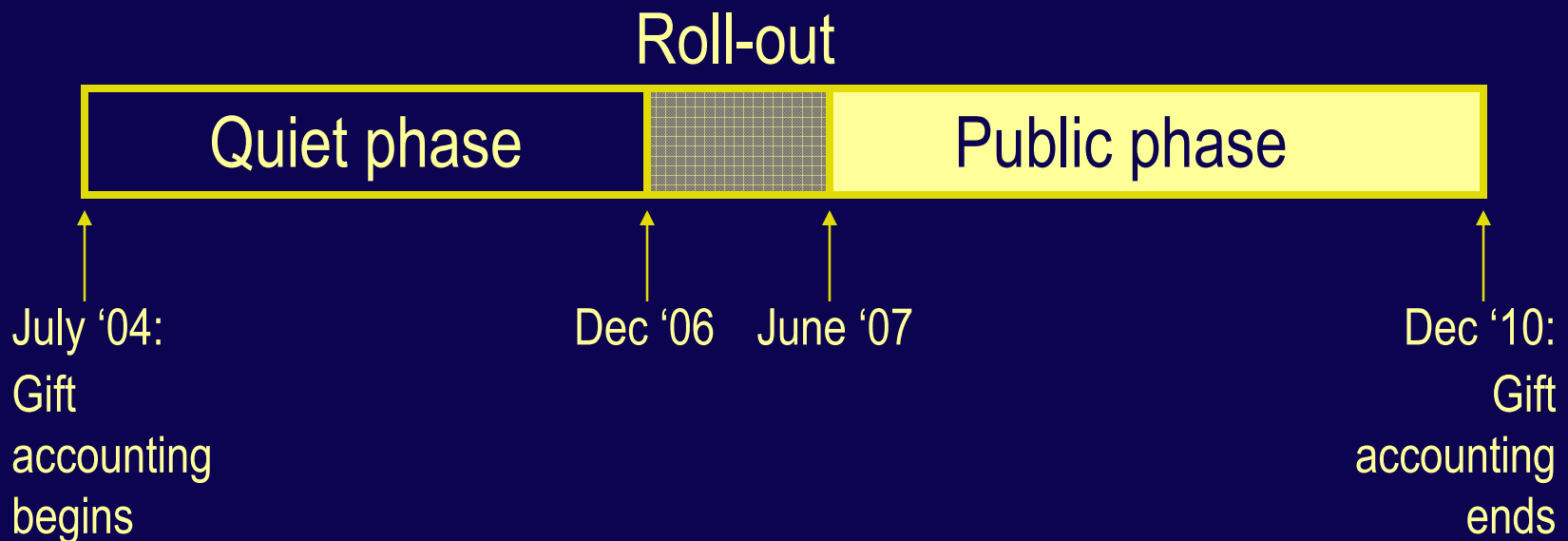
Preparing the way

- 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.

Timetable: New campaign



NOTE: The quiet phase of the Campaign for Georgia Tech was unusually brief; the normal quiet phase is several years.

Questions - Discussion