

Leadership for the 21st Century:

The Challenge for the 1990s

The key decision before us today:

Should the University of Michigan launch a major fund-raising campaign in the early 1990s?

Key Questions

- 1. Why do we need to launch a major fund-raising campaign?**
- 2. Will the economy be strong enough to sustain such an effort?**
- 3. Could the University meet its needs by simply managing its resources better?**
- 4. What are the particular needs and opportunities to be addressed by such a campaign?**

Forces Compelling a Campaign

Needs

- Base Funding
- Balancing portfolio
- Independence

Opportunities

- Quality x Size x Breadth
- Independence
- Quality of people
- Tradition
- Portfolio balance
- Capacity to take risks
- Unusual characteristics

Challenges

- Demographics
- Globalization
- Knowledge Change
- Competition

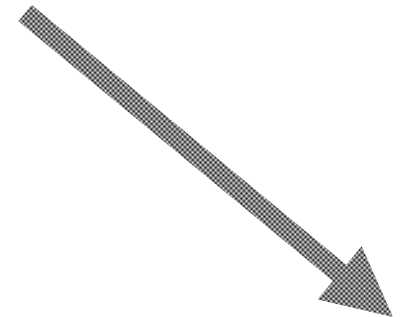
Responsibility

- National need for leadership
- Heritage of leadership
(flagship of public universities)
- Personal leadership
- Social leadership



Needs

- **Inadequate level of base funding for University**
- **Need to balance resource portfolio**
 - ...state support
 - ...federal support
 - ...tuition and fees
 - ...private support
- **Need to achieve maximum flexibility and autonomy during difficult economic transition of midwestern United States**

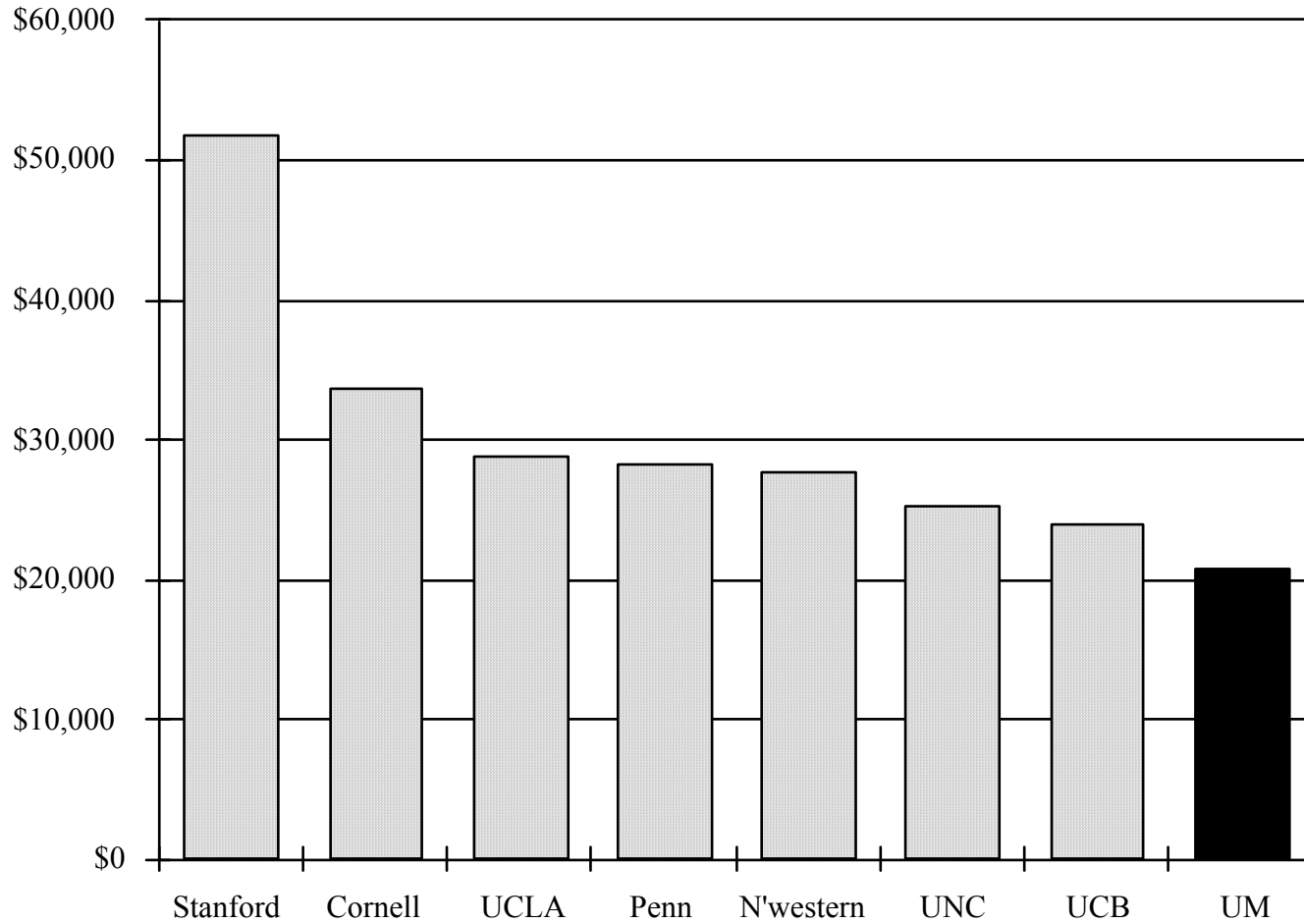


Financial Resources per Student†

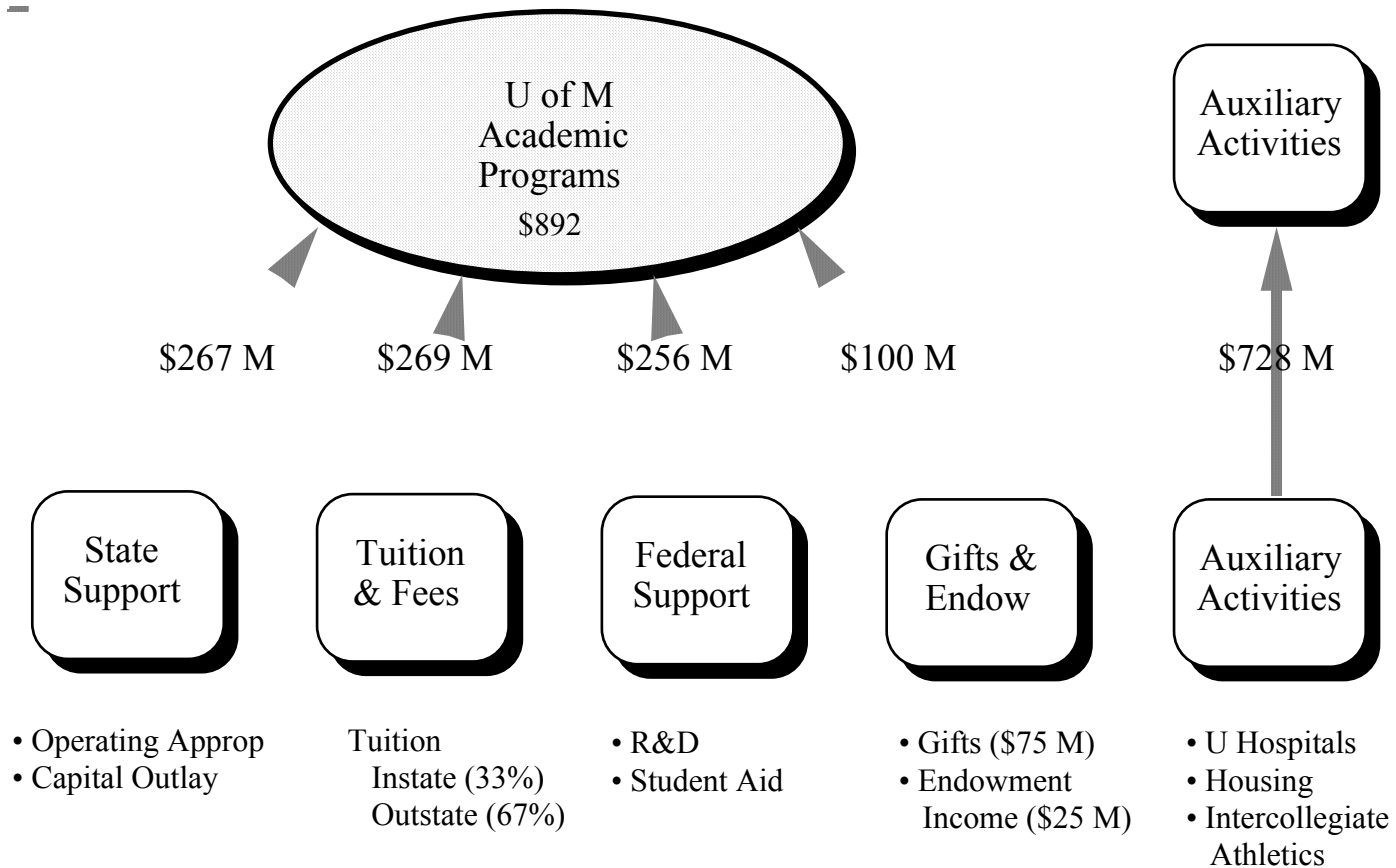
1. Princeton
2. Harvard
3. Caltech
-
10. UCLA
11. UC Berkeley
-
14. U North Carolina
-
20. Duke
-
30. Michigan

†US News & World Report

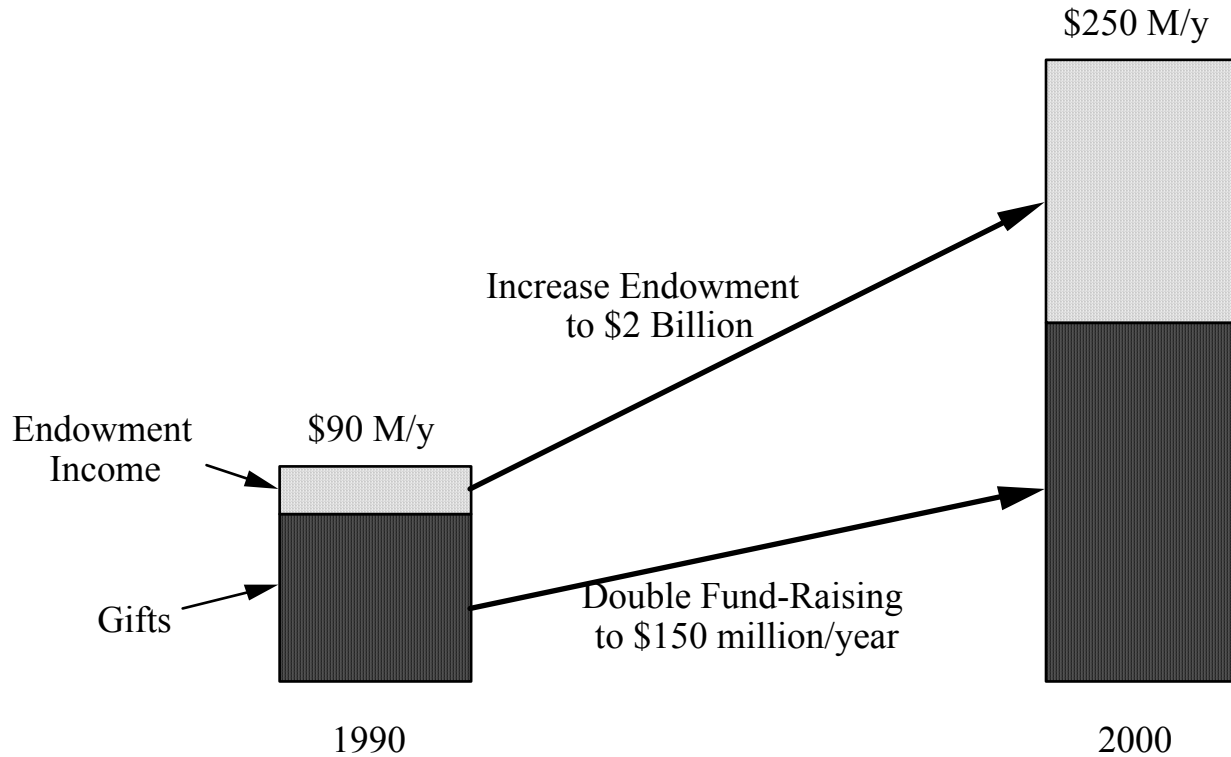
Resources per Student (FY90)



UM Revenue Portfolio (FY90)

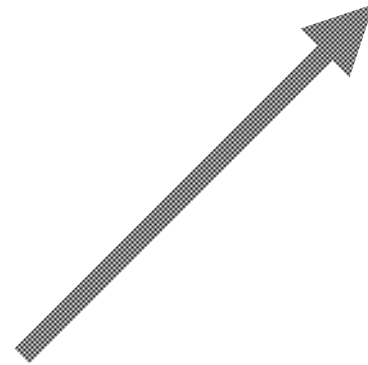


A Fund-Raising Goal for the 21st Century



Challenges

- Demographics
- Globalization
- Age of Knowledge
- Change
- Competition



The Challenge of Change

Driving Forces of 1990s

- Diversity & Pluralism
- Globalization
- Age of Knowledge



The University
of the
20th Century

Change

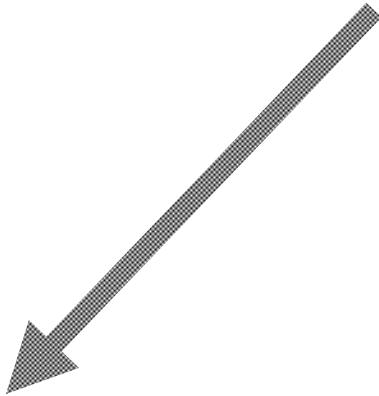
The University
of the
21st Century

The Foundation for Change

- Commitment to Excellence
- Fundamental Values
- Sense of Community
- Daring and Risk-Taking

Opportunities

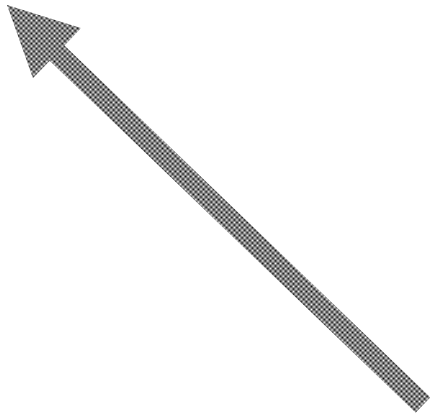
- **Quality...size...breadth**
- **Quality of students, faculty, staff**
- **Tradition of leadership**
- **Constitutional autonomy**
- **Liberal spirit, activism**
- **Capacity to take risks**



What is our market niche?

1. Our "Heritage of Leadership" as the flagship of public universities in America
2. The present quality of our students, faculty, and staff
3. Our unusual combination of quality, breadth, and size
4. Unusual opportunities for attracting resources from the public and private sectors ("a well-balanced portfolio...")
5. Our unusual ability to control our own destiny
6. Our unusual character which combines:
 - the focused quality of the most selective private institutions
 - the diversity, openness, and breadth of academic and professional disciplines characteristic of the best public institutions

Responsibilities



- National need for leadership
- Heritage of leadership
(flagship of public universities)
- Producing leadership for America
- Serving a changing America
and a changing world.

A Heritage of Leadership

In the 1840s and 1850s, the University of Michigan provided leadership in laying the foundation for the modern research university by fusing:

- the German tradition of faculty involvement in research**
- the classical British education stressing moral development**

Michigan was the first public university to introduce professional education (e.g., Medicine in 1850, Engineering in 1854, and Law in 1859)

Michigan, through the leadership of Angell, departed from the elitist tradition of private institutions by providing quality education to students from all backgrounds--"an uncommon education for the common man".

Other UM Firsts

- **Geology (1853)**
- **Civil Engineering (1853)**
- **Modern History (1857)**
- **American Literature (1867)**
- **Pharmacy (1868)**
- **To own and operate a hospital (1869)**
- **Education (1879)**
- **Forestry (1881)**
- **Sanitary Science (1883)**
- **Marine Design (1883)**
- **Speech (1886)**
- **Bacteriology (1889)**
- **Journalism (1890)**
- **Automotive Engineering (1913)**
- **Aeronautical Engineering (1913)**
- **Public Health (1915)**
- **Transportation Engineering (1922)**
- **Data Processing (1929)**
- **Modern Linguistics (1941)**
- **Phoenix Project (1948)**
- **Nuclear Engineering (1952)**
- **Engineering Meteorology (1959)**
- **Computer Engineering**

(...and first to win a Rose Bowl and national basketball championship in the same year!!!)

Who will determine the nature of the University of the 21st Century?

Stanford???
Cornell???

Michigan???
UCLA???

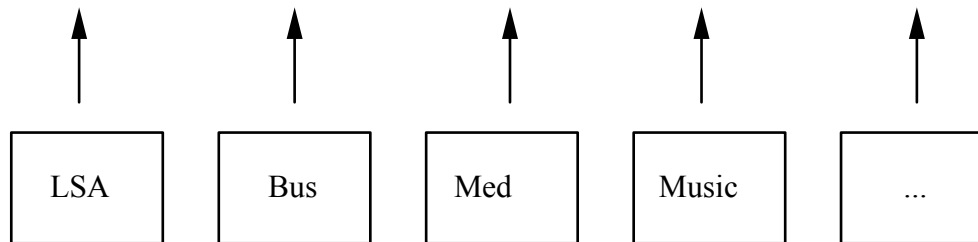
The Campaign

**A Heritage
of Leadership**

**The Challenge
of Change**

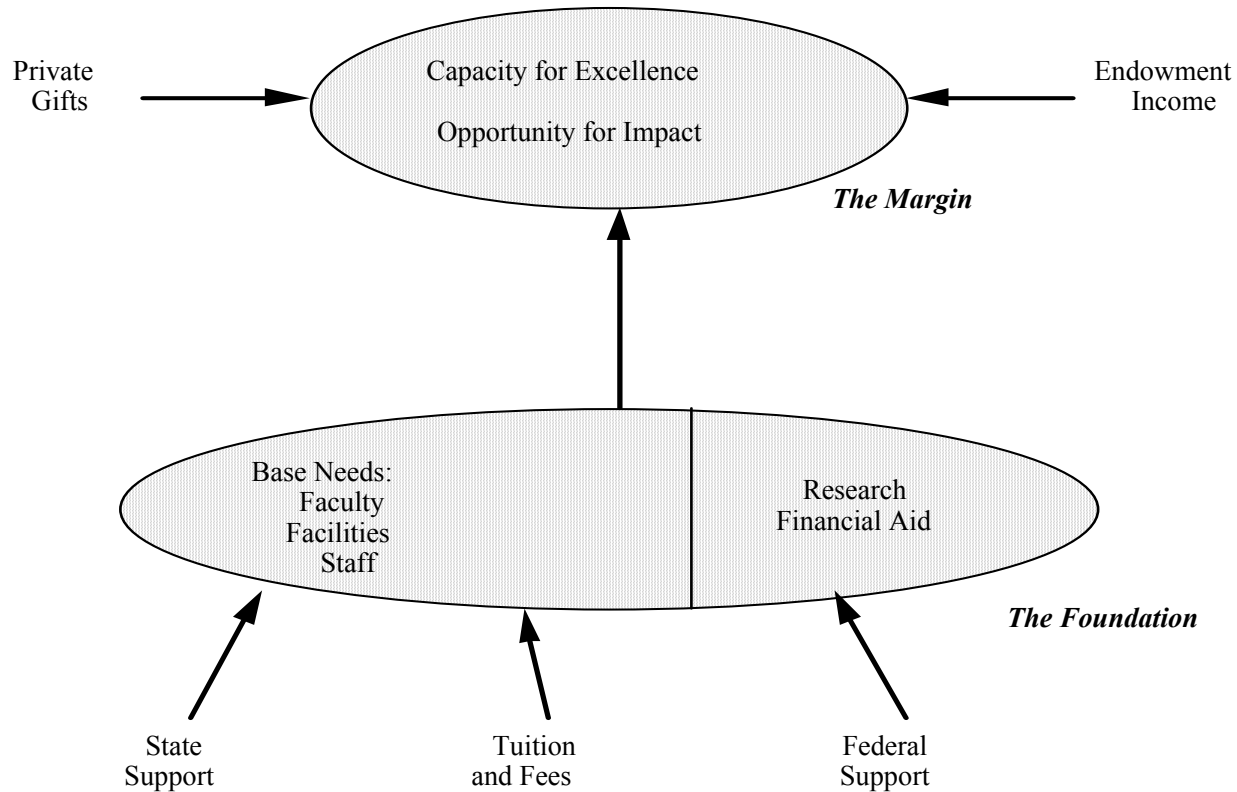
Different ways to look at the Campaign:

1. An synthesis of the critical needs (and opportunities) of the schools and colleges:



Different ways to look at the Campaign:

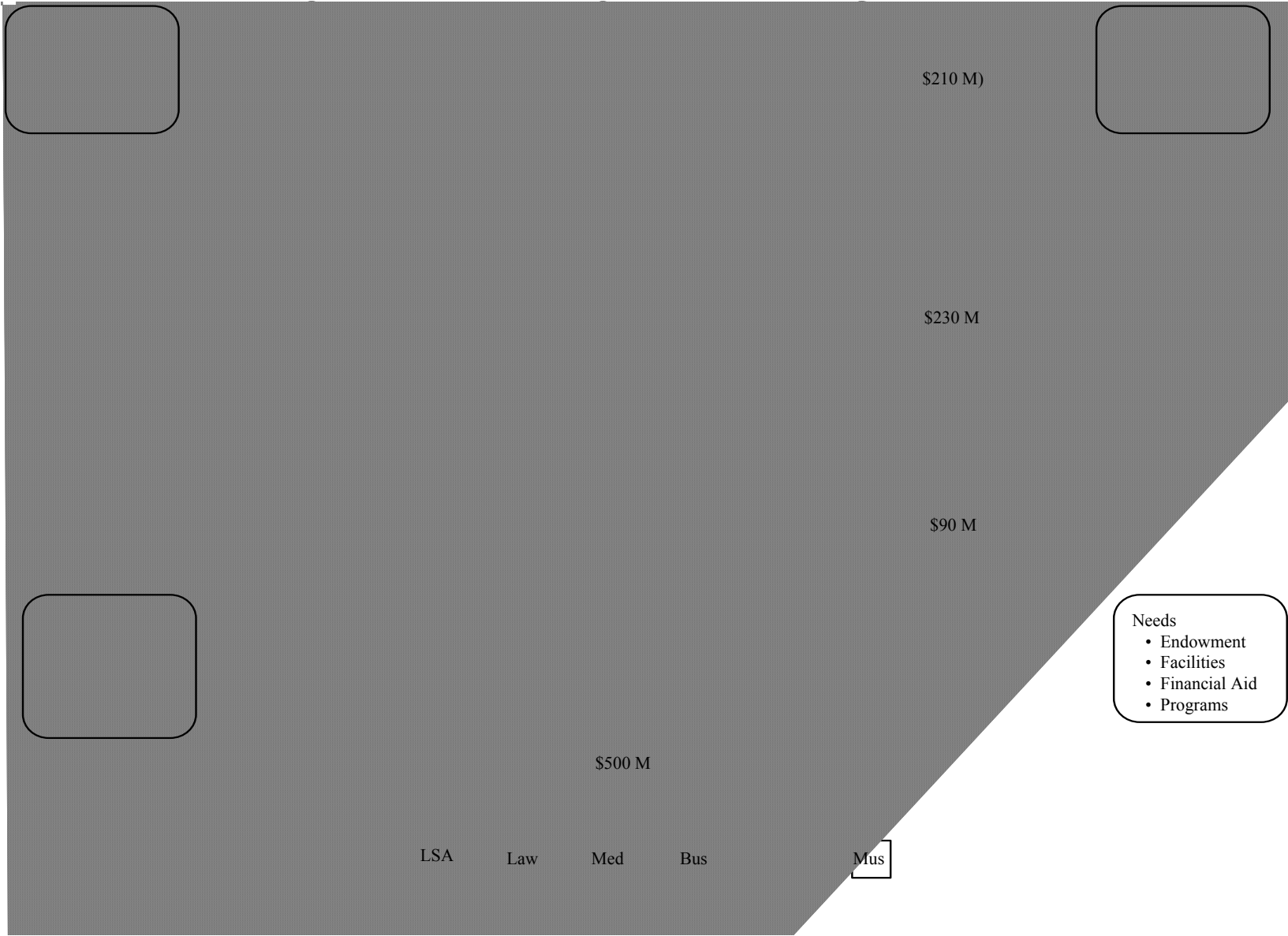
2. Provide the margin for excellence and opportunity for impact:



Different ways to look at the Campaign:

3. Traditional components of a campaign...

- Endowment**
- Facilities**
- Financial Aid**
- Program Support**
- Other**
 - Cultural programs**
 - Campus beautification**
 - Extracurricular activities**



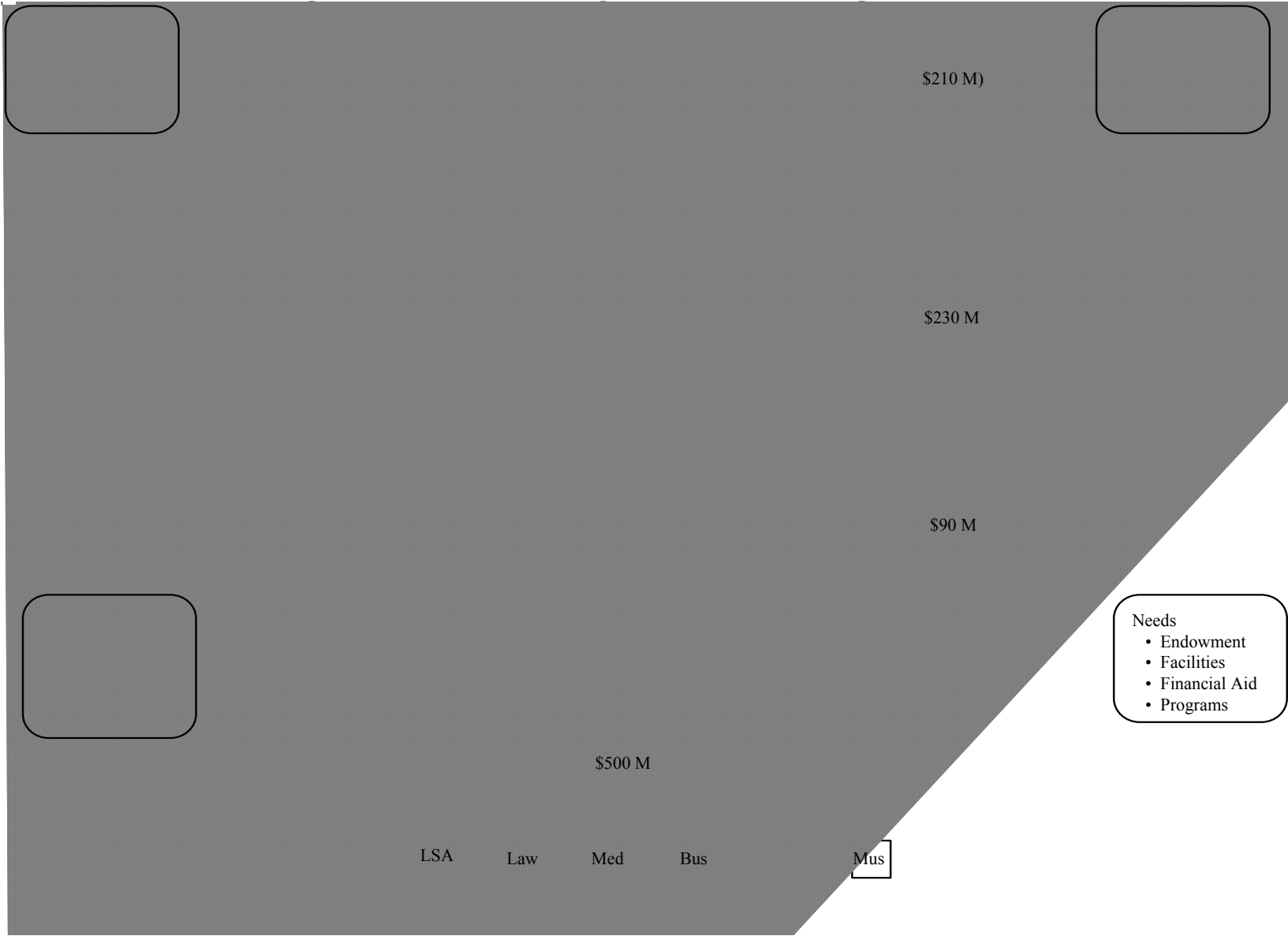
- Needs
- Endowment
 - Facilities
 - Financial Aid
 - Programs

Needs and Opportunities of the Academic Units

| | |
|--|-----------------|
| Architecture | \$24.4 M |
| Art | 27.9 M |
| Business Administration | 62.5 M |
| Dentistry | 10.0 M |
| Education | 22.7 M |
| Engineering | 70.0 M |
| Information and Library Studies | 4.9 M |
| Law | 67.5 M |
| Literature, Science, & the Arts | 355.6 M |
| Medicine | 115.0 M |
| Music | 22.5 M |

Needs and Opportunities of the Academic Units

| | |
|---|-----------------|
| Natural Resources | \$30.6 M |
| Nursing | 15.7 M |
| Pharmacy | 12.8 M |
| Public Health | 13.3 M |
| Rackham School of Graduate Studies | 31.5 M |
| Social Work | 15.3 M |
| UM-Dearborn | 15.0 M |
| UM-Flint | 15.0 M |
| University Libraries | 22.0 M |
| Other Units | 20.0 M |



\$210 M)

\$230 M

\$90 M

\$500 M

LSA

Law

Med

Bus

Mus

Needs

- Endowment
- Facilities
- Financial Aid
- Programs

Office of the President

June, 1990

Principal Themes of the Campaign

1. Quality

To attract the very best students and faculty to Michigan...

2. Leadership

To provide leadership for American higher education in the 21st Century...

3. Impact

To serve a changing America and a changing world...

Theme 1: Quality: The Tradition of Excellence

- **The Michigan Professors Program (\$50 M endowment)**
- **The Visiting Scholars Academy (\$30 M endowment)**
- **The Michigan Scholars Program (\$30 M endowment)**
- **Undergraduate Financial Aid (\$70 M endowment)**
- **Graduate Fellowships (\$30 M endowment)**

Theme 2: Leadership for the 21st Century

- **The Atheneum (\$20 M facilities, \$100 M endowment)**
- **The University within the University (\$50 M fac, \$50 M endow)**
- **The Environment for Learning**
 - ...**Cultural Activities (\$30 M endowment and facilities)**
 - ...**Leadership Opportunities for Students (\$10 M endowment)**
 - ...**Intercollegiate Athletics (\$10 M endowment)**
 - ...**Integrative Facilities (\$80 M facilities)**
 - ...**Museum Complex**
 - ...**Rackham Renovations**
 - ...**International Center**

Theme 3: Impact: Serving a Changing Nation and a Changing World

- **The Michigan Mandate (\$40 M endowment)**
- **The Globalization of the University (\$30 M endowment)**
- **Outreach Themes (\$20 M endowment)**
 - ...**Global Change**
 - ...**Social Infrastructure (education, poverty, the family)**
 - ...**Economic Transition to a Knowledge-based Society**
 - ...