

Major Gifts Address

Introduction

Michigan has a remarkable ability to touch
our lives...

In those short years that each of us
spent on this campus during our
education, we become a member of
the Michigan family for the rest of
our lives...

And Ann Arbor becomes forever our home...
at least in our hearts...

Traditional Images of Michigan

But just what is this institution,
this force that has had such an impact on our lives?

When we hear the words

- "The University of Michigan",
We think of those traditional images of any college...
- Great faculty challenging and exciting students in the classroom..
 - Students studying in our many libraries
 - Scientists toiling away late in the evenings in our laboratories.....stiving to understand the universe
 - Scholars pouring over ancient manuscripts in our collections of antiquity

But there are some very special images of Michigan

Ann Arbor on a Saturday afternoon in the fall...

afternoons in the fall as 105,000 fans cram into
Michigan stadium to watch the Wolverines...
...Remember Leroy Hoard's breakaway 67 yard run that
sealed Michigan's exciting come-from-behind victory
over USC in the Rose Bowl...
(or Bo Derek making a surprising appearance at that
pep rally at the Century Plaza...)
...and who will ever be able to forget Rumeal Robinson
stepping to the line in Seattle with 3 seconds
left in overtime and calmly sinking two free throws to
win the national championship against Seton Hall.
...and the Cinderella story of Steve Fisher and his
team "with a mission"

Or perhaps the Michigan of the Big Chill...

The tradition of student involvement helping to awaken the
conscience of a nation...
The Teachins of the 1960s against the war in Vietnam
EarthDay in the 1970s to raise concerns about the
environment
Our celebration of Martin Luther King Day last month
with an educational experience involving thousands
to highlight the importance of tolerance and
mutual understanding

There is Michigan of the Arts

...or Leonard Bernstein celebrating his 70th birthday
in Hill Auditorium with the Vienna Philharmonic...
...or the visits of Ella Fitzgerald or Toni Morrison or
Jesse Normal Kurt Mazur and the Leipzig Gewandhaus Orchestra
University Musical Society
Schools of Music and Art
...or the scores of spectacular student productions,
plays, concerts, dances, operas, and, of course
demonstrations and protests, that have enlivened this campus
over the past year.

There is also the caring Michigan as seen by the over

750,000 patients a year who are treated by the UM Medical Center,

Or the Michigan as Silicon Valley East, working

closely with Michigan industry and government to build the high-tech infrastructure to create new companies and new jobs to strengthen and diversify our existing industrial base...

...with exotic new technologies such as
integrated manufacturing systems
machine intelligence
optoelectronics
computer networks

...a new \$5 B infrastructure in the southeastern Michigan Michigan area

Or the Michigan which attracts to our state almost

a quarter of a billion dollars of federal R&D each year...not to mention many of the world's leading scientists and engineers

Or the Michigan of the "cutting edge",

which conducts the research that changes our lives... as evidenced, for example, by announcement earlier this month that a Michigan team had identified and cloned the gene responsible for cystic fibrosis, thereby opening up the possibility of saving thousands of lives every year.

Or Michigan as the University of the World...

Long reknown as a truly international center of learning... Whether it be through our great area studies programs the China Center, producing advisors to presidents... Japanese Studies, Southeast Asian Studies Russian and Eastern European Studies Or our alumni throughout the world...

Or the Michigan of outer space...

...Apollo 15...the Michigan mission to the moon...
...which not only established the first UM Club in space...
...but named a crater after Michigan on the moon.

Or Michigan as the unifying force in our families...

Camp Michigania

And, of course, there is the Michigan as the

educator, attempting to provide, in the worlds of one of our first presidents "an uncommon education for the common man" an education as good as any available in the world for all citizens, regardless of race, creed, and socioeconomic background.

to over 340,000 alumni...

150,000 in the state of Michigan alone!

It is important to note these different perspectives of

the University because all too often we tend to think of these marvelous and complex institutions in one-dimensional images that reflect only our particular interests or needs of the moment...

...when we read about student unrest on our campus...
...or see Notre Dame run back two kickoffs against us...
...or open the tuition bill for our son or daughter...

In fact, perhaps the best way to think of a university

is to recognize that our primary role is "to invent the future"...

...through the knowledge discovered on our campuses...
...and the graduates we educate that can carry forth this knowledge and apply it to society.

What is Michigan?

The prototype, the flagship, of the large,
comprehensive, public research university which
has served America so well in the 20th Century

With a serious commitment to quality
ranked among the top 10 in virtually everything
it does (not just football and basketball)

Unusual breadth, rich diversity of academic
disciplines, professional schools, social and cultural
activities.....our intellectual pluralism...

Unusual activism of students and faculty
liberal spirit, progressive vision

Extraordinary array of extracurricular activities
performing arts
intercollegiate athletics
Ann Arbor, itself!!!

Well-balanced portfolio
1990 is cross-over year:
Tuition revenue > state support ("private public")
Federal R&D > state support ("national state")

Unusual ability to control our own destiny
The embodiment of the hopes and dreams,
commitment and stewardship of eight generations
of Michigan alumni!

But that is the University of Michigan of
yesterday and today.

What about tomorrow?

Challenges before America

Few realize the the ever-accelerating
pace of change in our nation...and in the world!

Think about it for a moment...
The students we are educating today will spend most of
their lives in the next century...they will be citizens
of the 21st Century...

Our students will inherit a much different America
than you and I have known...

- i) It will be future in which our nation becomes a truly multicultural society, with a cultural, racial, and ethnic diversity that will be extraordinary in our history
In which those groups we refer to today as minorities will become the majority population of our nation in the century ahead...
In which women take their rightful place as leaders of America...
- ii) It will be a future in which America will become "internationalized"...
in which every one of our activities must be viewed within the broader context of participation in the global community...
Whether through travel and communication, the arts and culture, the internationalization of commerce, capital, and labor, we will become increasingly interdependent on other nations and other peoples.
Further, as the destination of roughly half the world's immigrants, the United States is rapidly becoming a "world nation"
with not simply economic and political but strong ethnic ties to all parts of the globe.
- iii) The Age of Knowledge
But there are even more profound changes underway...
Looking back over history, one can identify certain abrupt changes, discontinuities, in the nature, the very fabric of our civilization...
The Renaissance, the Age

of Discovery, the Industrial Revolution
There are many who contend that our society is
once again undergoing such a dramatic shift in
fundamental perspective and structure.
Today we are evolving rapidly to a new post-industrial,
knowledge-based society, just as a century ago our
agrarian society evolved through the Industrial Revolution.
In a sense, we are entering a new age, an age of knowledge,
in which the key strategic resource necessary for our
prosperity, security, and social well-being has become
knowledge--educated people and their ideas.

Knowledge will play the same role that in the past

were played by natural resources or geographical location or
unskilled location...

In the knowledge-intensive future that is our destiny

it seems clear that education in general...
...higher education in particular...
...and the research university most specifically
are rapidly becoming the key ingredients determining
the strength, prosperity, and social-well being
of our nation.

Just think of the challenges which cry out for attention

- the plight of our cities,
the development of an underclass
polarization of American society
- greenhouse effect and global change
- international competition
Pacific Rim or Europe 1992
- health care: cancer, heart disease, AIDS
- new frontiers: outer space
or spaceship Earth

But the greatest need of all is for leadership

and this is the University of Michigan's
great contribution to America...
...through its teaching, research, and service
...through its graduates and their achievements

Indeed, leadership is both

our heritage
and our destiny!

Leadership

Examples of how

we are trying to achieve leadership today:

- Of course, Michigan Wolverines
(Rose Bowl and NCAA)
- Research and scholarship
(cystic fibrosis)
- Academic programs
Humanities
Humanities Institute
Social Sciences
ISR
Education
Social Work
Professional Schools
Law
Business
Engineering
Health Sciences
Performing arts

But what about our response to the

themes of change:

...pluralism
...globalization
...knowledge?

1) The Michigan Mandate

Making UM the model of a multicultural
community by learning to link
diversity with unity

2) International Activities

Current strengths in Asia and Europe
Commitment to Latin America and Africa
(oh, yes,...even Washington)

3) “The Electronic University”

> 30,000 computers
(Mac, IBM, Apollo, Sun,...)
Manager of NSFnet
EDUCOM

Re-Inventing the University

But we have an even more ambitious

mission of leadership:

To re-invent the university for the 21st Century

The winds of change are blowing...
stirring the cauldron of higher education
to create a new model of the university
for the future.

Hence, is it not appropriate to question whether our
present concept of the research university,
developed largely to serve a homogeneous,
domestic, industrial society...must also evolve
rapidly if we are to serve the highly pluralistic,
knowledge-intensive, world nation that will be
America of the 21st Century.

Who will determine the new paradigm for the research?
university in America?

Who will provide the leadership?

Why not the University of Michigan?

After all, in a very real sense, it was our University
that developed the paradigm of the public university
capable of responding to the needs of a rapidly
changing America of the 19th century...
as American expanded to the frontier...
as it evolved through the industrial revolution...
as it absorbed wave after wave of immigrants
a paradigm that still dominates higher education today.

In a sense, we have been throughout our history the
flagship of public higher education in America.

In a very real sense, it was the University of Michigan
which invented the University of the 20th Century.

Perhaps it is time that we once again played that role...
re-inventing the nature of the university once again...
...a university capable of educating the citizens
and serving the society of not the 20th,
but rather the 21st Century.

Let's do it again, as America evolves

into a highly pluralistic, knowledge-intensve
world nation of the 21st Century!

Role of Alumni

And, of course, this is where you come in!

For a university achieves leadership...greatness...

...through its people...
...through their talents and abilities,
...through their involvement and commitment.

The Michigan family extends far beyond those

on our campus for the moment, our students, faculty, and staff

It includes that army of maize and blue,

our 340,000 alumni, one of every thousand Americans!

Indeed, you have been...

...and will continue to be even more...

...the most critical factor in achieving and sustaining
the greatness of your University.

For that reason, this evening I would like

to take this opportunity to issue a request...

..."a call to arms"

to activate and energize you as our
alumni and friends

A Call to Arms

We call for your

- your commitment
- your involvement
- and, most of all, your loyalty
to your university, the University of Michigan.

A call for help...

- 1) Of course we need your financial support
which provides our capacity of excellence
--while it provides you with an
opportunity to have great impact
not just on your university, but
through your university, on this
nation and the world.
- 2) We also seek your influence
Michigan produces leaders...
and many of you are in positions of influence
in the public or private sector and capable of
helping your university
- 3) Your help in telling the Michigan story to the nation
We are among the most visible universities in America
(CBS Morning News, Steve Fisher, activism)
...let your Michigan pride show a bit!
- 4) Help us make new friends and enlist new supporters!
- 5) And most of all, become involved...
...providing to our students a sense of the
potential of a Michigan education
...providing to our faculty and staff
encouragement and support

In a very real sense, you as alumni and friends

play the key role in passing the torch...

in passing from one generation to the next

the Michigan traditions of excellence and leadership
which we all cherish so deeply

Concluding Remarks

You know, Michigan is really a very special place....

It is one of only a handful of universities capable

of truly changing not only higher education,
but the nation and the world.

A personal note here:

It was just about 20 years ago that Anne and I left
the warmth and sunshine of Pasadena to come to
Michigan.

We did so, in part, because Michigan had what was
clearly the best department in the world in my
particular field of interest, nuclear engineering.

And throughout almost two decades on this campus,

I have found myself surrounded by faculty and

students who have arrived on this campus because they wanted to be associated with the very best...
...the world leader...in education and research.
These linked themes of leadership and excellence are what have kept me here...and what make this University so very special.

We believe the challenge of re-inventing

the American university for the 21st Century
...is not only an exciting and
challenging mission for the 1990s
...but it is also a mission befitting
UM's long heritage of leadership
...and it is also a challenge worthy of
the army of maize and blue alumni
across the nation and around the world

Indeed, I'd be very surprised if you

settled for anything less from your university!

The 1990s will be a time of great challenge

opportunity, and responsibility for your university.

But they will also be years of great excitement.

As we stand on the threshold of this

great adventure of re-inventing the
University for the 21st Century,

Let me call on you to demonstrate yet

again that extraordinary sense of
loyalty and pride in your University
that has been our key source of
strength...

Let me call on you to show that

"Go-Blue" spirit that is the key
to our heritage and our destiny.

A Special Message to Michigan Residents

An Appeal for Help

We need your help in yet another way...

While it is clear that we are entering a very
critical period in our state's history when higher
education will increasingly be a key factor in our
prosperity and social well-being,

It is also clear that both the quality of and
access to higher education in Michigan is a
subject of great concern.

Without your direct intervention...as alumni,
a taxpayers and voters, and as citizens with a stake in
Michigan's future

Your university, the University of Michigan,
could sustain serious and permanent damage
in the years ahead.

The Need:

It is clear that Michigan is changing today at
a breathtaking pace...

We are becoming more diverse, more pluralistic
as a people. Indeed, almost 90% of the new
entrants into our workforce during the 1990s
will be people of color, women, or immigrants.

Our economy and commerce are becoming every
more interdependent with other nations as
the United States becomes a world nation,
a member of the global community.

And we are rapidly evolving into a new post-industrial
society, in which the key strategic resource
necessary for prosperity and social well-being

has become knowledge itself, that is, educated people and their ideas.

In the pluralistic, knowledge-intensive, global future that is our destiny, it is clear that the quality of and access to

- ...education in general
- ...higher education in particular
- ...and great research universities such as the U of M most specifically of all

are rapidly becoming the key determinants of the strength and prosperity of our state.

The Good news is that Michigan is well-positioned from this perspective, since over the decades we have built not only one of the finest systems of public higher education in the world, but we now possess several of the world's leading research universities.

The Bad News is that a tragic combination of public misunderstanding, short-sightedness, and political opportunism now threatens to permanently cripple Michigan's universities.

Worse, this failure comes at just that moment in our history when we are becoming more and more dependent on these same universities to lead our state into the future.

Dark Clouds on the Horizon

Eroding state support...

Over the past two decades, the State of Michigan has dropped from the position of a national leader (ranked 6th in 1965) in its public support of higher education to among the lowest in the nation (ranked 37th in 1989)

- | | |
|-----------------------|------|
| i) Appro per student | 43rd |
| ii) Appro as % of tax | 37th |
| iii) Two year % inc | 42nd |
| iv) Ten year % inc | 45th |

As a highly industrialized state undergoing a dramatic change to a knowledge-intensive economy, Michigan is critically dependent upon quality higher education. Yet Michigan has now fallen into the bottom ranks of industrialized states in its support of these critical resources.

Tuition wars...

This situation has been compounded by political efforts to force tuition levels to artificially low levels, even as our universities have become ever more dependent on tuition revenues in the face of eroding state appropriations.

This latter effort is ironic, since in reality, tuition levels in Michigan's public institutions (\$2,000 to \$3,000 per year) are quite comparable to those at most other public institutions and quite low compared to private institutions (\$10,000 to \$15,000 per year). Further, these tuitions cover only a small fraction (typically 20% to 30%) of the cost of an education at a public institution.

Further, Michigan public universities have significantly increased their financial aid programs to protect access. Indeed, at the U of M, we have a policy

that all Michigan resident undergraduates are provided with adequate financial aid to meet their needs until graduation.

Since federal funding for financial aid has declined 50% in recent years, tuition revenue has become a primary source of funds for financial aid programs. Hence, political efforts to drive tuitions down also drive down financial aid pools as well. The result is that those least able to afford a quality education are in danger of becoming deprived of this opportunity.

Threats to autonomy...

But political efforts to set tuition levels in Lansing rather than on our campuses raise another even more serious threat.

The traditional autonomy of governance of Michigan's public universities has been the critical factor in sustaining program quality while continuing to serve the state in spite of sharp erosion in public support.

This autonomy allowed Michigan's universities to take strong internal actions, reallocating resources, redefining priorities, and increasing tuition levels to partly compensate for reduce public support.

In recent years, however, even as state appropriations have been declining, the political pressure to restrict tuition levels to artificially low levels has increasingly threatened this autonomy.

While such political efforts have been portrayed as an effort to protect access (affordability) to public education in Michigan, they have had just the opposite effect by slashing financial aid programs.

It is clear that these forces from Lansing are being driven by not by concerns about access, but rather by fears that the Michigan Education Trust program, a prepaid college tuition program developed and financial on the assumption of low tuition levels, will become financial insolvent.

Risks to the U of M

The state's flagship institution, the University of Michigan, is at particular risk.

Despite its critical role, the U of M has been particularly disadvantaged in its efforts to achieve adequate state support in recent years.

Due in part to the intensely political dynamics of legislative process--and to the absence of any public policy in higher education --the University has consistently been given the lowest priority in state appropriations for several years.

- i) It has ranked last, 15th of 15th, in five of the last six appropriation years
- ii) The combination of low priority within the legislative appropriation process and the general erosion in state support of higher education has led to a situation in which state appropriations to the University have exceeded the inflation rate in only four of the last 10 years.
- iii) Over the past two decades, the U of M ranks last among Michigan's public universities in the growth in state appropriation.

- iv) A similar picture of eroding priorities appears in the U of M's share of state capital outlay support for academic facilities, where again it ranks last in state support over the past two decades.
- v) Indeed, during this period the State has provided funding for only two new academic facilities on the Ann Arbor campus... and then only at a 50% participation rate.
- vi) Over the past two decades, Michigan's peer public institutions have been receiving an average of \$25 - \$30 M per year for facilities. In sharp contrast, the U of M has received less than \$4 M per year!
- vii) As a result, the inventory of critical facilities needs of the University has now swelled to over \$200 million.

As with the state's other public universities, the constitutional autonomy of the U of M has been the key factor enabling it to sustain the quality of its programs and its capacity to serve the state in the face of eroding state support.

The University has been able to sustain---at least for the moment---its quality in the face of these declining appropriations only by a combination of extraordinary internal management actions.

These difficult actions were necessary to focus resources on only the very highest priorities, intensified efforts to attract resources from the federal government and the private sector, and the need to increase tuition and fees.

The impact of these efforts is obvious as state appropriations became a dwindling proportion of the University's operating funds. In FY90, state appropriations will have slipped to less than 44% of its General Fund (unrestricted) revenues and less than 15% of its total revenues.

Further, even this strategy of internal prioritization and the development of alternative sources of support has been threatened by recent efforts by Lansing to interfere with the University's autonomy in the areas of tuition, nonresident enrollment, and even curriculum and faculty hiring.

It seems clear that such efforts, if successful in the face of inadequate state appropriations, will cause serious and permanent damage to the University.

What can be done?

As alumni, citizens, and voters, I urge you to insist that...

1. State government cease its efforts to interfere with the capacity of Michigan's public universities to govern themselves--particularly during a period of serious financial stress caused by inadequate state support.
2. State government develop and implement a strategy to restore an adequate level of public support for higher education to raise Michigan from the bottom third to the top third nationally in state appropriations per student (although this is still far below our historical position).
3. State government bring to an end the present freeze on capital outlay appropriations for higher

education (now entering its fourth year) and begin to deal with the seriously deteriorating facilities on our campuses.

Concluding Remarks

Higher education represents one of the most important investments a society can make in its future...since it is an investment in its people...

It is indeed the case that our state and our nation have developed the finest systems of higher education in the world...

But we must also remember this resulted from the willingness of past generations to look beyond the needs and desires of the present and to invest in the future by building and sustaining educational institutions of exceptional quality--

Institutions that have provided those of us in this gathering today with unsurpassed educational opportunities.

We have inherited these marvelous institutions because of the commitments and the sacrifices of previous generations...and it is our obligation as responsible stewards--not to mention as responsible parents--to sustain them to serve our own children and grandchildren.

It seems clear that if we are to honor this responsibility to future generations, we must re-establish the priority of both our **personal** and our **public** investments in education, in the future of our children... and hence in the future of our state and our nation.