

Presidents' Weekend Finale

A World Transformed

You have all heard me talk often about the themes of this change

...changing population, globalization, age of knowledge.

But this change is more than just talk...

...it has never been more clear that continual change
is the only true constant of our age.

Who would have predicted several years ago

...that communism would be rejected around the world

...destruction of Berlin Wall and

reunification of Germany

...that the Soviet Union, China, together with
most other nation's of the world would act
together to defeat the actions of an
aggressive dictator in the Middle East

...and that the Soviet Union would fly apart from the
centrifical forces of freedom and nationalism

...that the U.S. market share of foreign automobile
manufacturers would rise above 50%...

...or that Bo Schembechler would become
president of the Detroit Tigers

Yet all of these things have actually happened...along
with so many, many other events that have changed
our state, our nation, and our world.

We live in a time of breathtaking change

...at a pace that continue to accelerate even as I speak.

The reality is that we have entered the 21st Century a
decade early...

The 21st Century is here today, in 1991, and we must be
prepared to face a world of extraordinary change
driven by the explosion of knowledge itself...

that is, by educated people...and the ideas they generate.

Yet what remains unchanged in this age of transformation,

as in the great revolutionary ones that preceded it,
is the need to for us to learn and understand ourselves and our world,
to draw on the wisdom and humane values of our cultures and
traditions.
to apply reason to human affairs,

And, of course, this is the job of education
--of our universities--especially of the University of Michigan.
But the role of the University goes beyond this...
it is characterized by something beyond education
...beyond research, beyond service.
The unique character and role of your University,
the University of Michigan, can be captured in a single word...
...the word "leadership".
...leadership through outstanding teaching and research
...leadership through the achievements of our faculty and staff
our students, and most important of all,
...leadership through the remarkable achievements of our alumni

Heritage of Leadership

Leadership has been both our University's heritage and our destiny.
From the beginning, Michigan has been identified
with the most progressive forces in American life.
In fact, Michigan is perhaps the best realization of the
Jeffersonian ideal of the public university...
...an institution committed to providing,
in the words of President Angell
..."an uncommon education for the common man"
This history and tradition are cause for celebration
--they give us strength
But we are not leaders because we focus on the past
We are leaders because we keep our eyes
fixed firmly on the needs of the future.

That Go Blue Spirit is Alive and Well...

That extraordinary energy and vitality that has characterized
your University is very much alive today...
As manifested in
...those extraordinary Michigan students who built and
raced the Sunrunner solar car to the national championships
last year and then went on to finish 3rd in the world in the

...races in the outback of Australia last year...
...or in the work of Francis Collins and his colleagues blazing
a path in the exciting new field of genetic medicine...
...achieving the discoveries destined to eliminate tragic
diseases such as cystic fibrosis and breast cancer from our
world
...or the team of Michigan scientists and engineers that built
and manage the National Research and Education Network,
the principal computer networks managed from Ann Arbor
that now link together over 3 million users throughout the world.
...or the scores of Michigan business students now serving
in Eastern Europe and the Soviet Union, helping those peoples
to make the transition to a free market economy.
...or the faculty of our School of Education who have recently
embarked upon a path breaking teaching certification program
aimed at facilitating those who wish to change careers and
move into primary and secondary teaching.
...or the quiet yet effective effort of several Michigan alumni to
take over the New York sports scene...Nederlander of the
Yankees, Fred Wilpon of the Mets, and Bob Tisch of the Giants...
...all here this weekend, I might add.
...or, of course, our two newest alumni
President George Bush and his wife Barbara...
Clearly that "Go Blue", spirit is alive and well
and stronger than ever.

Changes in University Financing

Yet while the spirit of the maize and blue is
as strong as ever, there are some very important
changes in another aspect of your University.
When most of you attended UM,
state taxes paid 80% of the cost of your education.
Today the state pays less than 25% of the tab for Michigan residents
...and, of course, nothing for students from out of state.

Indeed, in the past two decades, the State of Michigan
has fallen from from 6th to 37th place
in state funding for higher education.

And, while federal support has increased for research,
federal support for student financial aid has all but
disappeared except for the most severely underprivileged
because of the near silent but historic
shift of public policy in which education
has come to be regarded as just another consumer item
rather than as an essential investment in our country's future.

This has forced us along with most other public institutions
to rely increasingly on tuition for revenue.

In fact, as many of you know we made history two years ago
(not the kind we prefer to make)

When, for the first time in our history,
tuition revenue exceeded our state appropriation.
our state appropriation as a percentage of our budget.
Ironically enough, in that same year, again for the first time
federal support exceeded state support as well.

In a strange sense, two years ago Michigan became the first of
...the great public universities to become privately financed
...and the first of

...the great state universities to become federally financed

More specifically, state support has fallen to the point today
where the revenue portfolio for the University's academic programs is
now

...25% state appropriation

...30% tuition and fees

...30% federal support

...15% private support and income on endowment

In one sense this is a somewhat better balanced portfolio
than the 80% state, 20% tuition and other...balance of your times

But, unfortunately, it has arisen more from the erosion of state support

than from growth in the other areas.

So, what to do?

What to do?

In this brave new fiscal world,

the University has had to face up to some difficult realities.

A business as usual approach would not do.

We will have to compensate, rebalance our resources.

We have already begun to put our management house in order.

We have been aggressively pursuing

very difficult reforms of “corporate culture”--reducing costs and improving quality, productivity, efficiency, service orientation implementing a massive program of “total quality management” throughout the institution.

And thanks to Farris Womack’s leadership

and the wise counsel of some of you in this room,

our investment and management performance have improved dramatically.

The leadership team and the processes we have put in place

will, as Bo might put it,

keep us “lean and mean” for the long term.

In the opinion of many, there is no better

structured or deployed university --

no stronger University--in America today.

Michigan today has unique vision to contribute

to a long overdue national renaissance.

Michigan, more than any other institution

has what it takes to lead the way.

Key Challenge for 1990s

We believe the coming decade will be a critical turning point

not only for higher education in America,

but for the University of Michigan in particular.

True we face a period as challenging as any in our history,

as the past week has demonstrated.

But paradoxically, these are also times
that present the most extraordinary opportunity
for us to renew our mission of leadership
and to make critically needed contributions
to our state, the nation and, indeed, the world.

As Alfred Lord Whitehead has said,
“The great ages are unstable ages.”

But to play our destined role,
to sustain our academic leadership,
to renew our academic and service mission
to meet the challenges of a new age,
to be faithful stewards of the exceptional trust placed in us,
to seize the day,

it has become essential that we raise
private funding on a scale
unprecedented for a public institution.

We must build up the 4th leg of support...
to a level comparable to our other sources of support.

More specifically, we have set a goal for 1990s
of doubling our annual gifts
...from their present level of \$95 M/y to
\$200 M per year by 2000
...and building our endowment from its
present level of \$500 M to \$2 B

Ambitious? Perhaps.

But it also is clear that we have no choice if
we are to sustain the quality and accessibility
of this great institution.

Campaign for the 1990s

How can we do this?

We asked ourselves this question
and we asked you, too.

The answer was clear and unanimous...

...the only way to build the level of excitement
and commitment necessary to achieve this
goal was to mount the largest fund-raising
campaign in the University's history

...indeed, in the history of public higher education!

We have approached the Campaign in a typical Michigan spirit

...with vision, boldness, and commitment

Like most campaigns, this one will focus on the support of

...people

...facilities

.. programs

through contributions to

...expendable funds

...endowment

...and the support of facilities

But, unlike our earlier campaigns,

this will be an all unit, all funds campaign

...in which all components of the University will participate

...and all contributions to the University during the Campaign
period will be counted.

Conclusion

The task we have set ourselves is immense-

both the academic renewal we envision

and the Campaign to support it we are now setting in motion--

but when in all of its history

have this University or its friends ever shrunk from leadership

whatever the burdens or obstacles?

We must summon the vision and the determination

to prepare the people and produce the ideas

that will help revitalize our national life.

But we cannot do the job alone.

Never have we needed our alumni and friends more than now.

No one can know your loyalty, generosity,

sense of responsibility to the University better than I do.

I am privileged to have seen and experienced it first hand.

on so many occasions.

I have seen your loyalty and caring,

your imagination and vision.

I have seen you find so many ways to give something back

to your University

I have heard you search for ways to provide a legacy to the future.

I believe that right now Michigan has unique strengths to contribute

to a long overdue American renaissance.

We have what it takes to lead the way.

We know where we want to go.

We have taken the first steps.

But only with your help and support can we hope to reach our destination.

We need each one of you--your all-out best effort... and then more--

Isn't that the Michigan way always?

Every time we have turned to you for help over the years,

you have been there.

And here you are again.

Opportunity for Impact

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 370,000 alumni, and our countless friends throughout the world

Yes, it is clear you have been...

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

...the most critical factor in achieving and sustaining

the greatness of your University.

Your strong support of your University has always

been important...but perhaps never more so than today.
We will soon ask you once again to join us
in a grand challenge...a great adventure.
To launch the largest fund-raising campaign in the
history of higher education--necessary to respond
both to the needs and the opportunities before
your University.
To be sure, this will require commitment and sacrifice.
And it will require extraordinary loyalty to and love of
your University.
Yet few things we will ever do in our lives
could make so much difference
and things we do for this University.
This Campaign will impact the University
at an extraordinary time in the history of our nation
and our world...a time when the leadership provided by
institutions such as Michigan are needed more than ever before.
What you contribute now will literally
help give shape and direction to that time.
Especially in these changing times,
life offers few sure things
few opportunities to make a difference in the world.
But when you invest your time, your hard work,
your resources in Michigan,
It is a sure thing.
Because 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.

Conclusion

As we conclude, let me convey thanks
...both personally and on behalf of your University
...for joining us these past two days

...for your extraordinary generosity and
commitment in years past

...and for your willingness to respond to this new
challenge for Michigan.

More importantly, many generations who come after us
will have reason to thank you.

The future of the University of Michigan is in your hands.