Salary Policy: 7% Average

The 1982-83 salary policy statement issued today by Provost Thomas Ehrlich (see page 2) shows a seven percent average increase for the continuing standing faculty, with five percent treated as the base increment for individuals and a minimum academic base salary of $18,000 specified for assistant professors.

For nonacademic staff, the 1981-82 base is also increased by seven percent in the school and responsibility center budgets. There is a freeze on reclassifications for the final quarter of the fiscal year.

Harrisburg Progress Report

Governor Richard Thornburgh has signed the Commonwealth budget passed May 4 by the General Assembly, setting the stage for deliberations on the appropriations of "nonpreferred" (state-related and state-aided as opposed to state-owned) universities including Penn. Discussions resume May 24 at the end of the primary recess, the University's Assistant Vice President for Commonwealth Relations James E. Shada said. "We will know in four to six weeks what the University's 1982-83 appropriation will be."

SPUP Dean Search

The search committee for a dean of the new school to be formed from the merged faculties of the School of Public and Urban Policy and the department of city and regional planning now in the Graduate School of Fine Arts has been announced by Provost Thomas Ehrlich.

Faculty:
- Alan K. Campbell, Wharton School;
- Lucy Creevey, city and regional planning;
- Louis Girafalo, engineering and applied science, chair;
- Theodore Hershberg, SPUP;
- Robert Inman, Wharton School;
- Jon T. Lang, city and regional planning;
- Janet Pack, SPUP;
- Curtis Reitz, Law School.

Students:
- R. Joseph Schlosser, SPUP;
- Wendy Schorr, city and regional planning.

Alumni Advisor: To be chosen.

College Hall to SPUP

Dr. James A. Spady, who has been director of the Office of the President, will become vice dean of the School of Public and Urban Policy and director of the Fels Center (which is due for revitalization under a $500,000 grant from the Fels Fund), starting some time over the summer.

Studying 'Review and Reform' of Judicial Procedures

President Sheldon Hackney has named a new Commission on Judicial Procedures to make a comprehensive review of various judicial and quasi-judicial procedures on the campus, rationalize the jurisdictions of various tribunals, and prepare recommendations for "a judicial system which would serve a community of some 35,000 people and recognize the unique qualities which characterize an academic institution."

Ombudsman John C. Keene will chair the commission, which was created in part in response to his last comprehensive report, "Reflections on Conflict Resolution and Norm Enforcement at the University of Pennsylvania" (Almanac November 18, 1980). In it, Dr. Keene gave a guide to existing mechanisms and raised "some fundamental questions about the structure and operations of these institutions in order to stimulate a comprehensive review and reform of them." After discussion with the Committee on Consultation, the president named a four-part commission of faculty, administrators, support staff and students:

Faculty:
- Jacob Abel, engineering;
- Paul Bender, law;
- Larry Gross, communications;
- John Keene, city and regional planning, chair;
- Victoria Kirkham, Romance languages;
- Barbara Lowery, nursing;

Administrators:
- Janice Madden, regional science;
- Kriss Sjoblom, SPUP; and
- Ralph Spritzer, law.

Administrators:
- Ira Harkavy, vice dean, FAS; and
- Jacqueline Wade, associate director, Student Life.

A-3 Assembly:
- Una Deutsch, Chaplain's Office; and
- Joseph Kane, Radiation Safety.

Students:
- Lisa Blumenfeld, Wharton '83; and
- Robert Wojtowicz, College '83;
- Lloyd Gelwan, Law '83; and
- One to be named.

The commission is to gather data on types of violations of University and the capacity of existing institutions to handle them; consider the feasibility of merging the various processes into one judicial system "while taking into account both the need to protect academic freedom and the varying characteristics of faculty, nonfaculty employee and student constituencies;" determine whether additional resources should be allocated to the administration of the judicial system; and amend procedures concerning faculty and students so as to protect their status until the completion of the appropriate procedures.

Commissioners will be asked to familiarize themselves with the provisions of the Civil (continued next page)

Going, Going ... The University's Wharton Sinkler Conference Center converts to an "English Country Garden" June 19 for the Association of Alumnae's second fundraising auction, with many Penn-donated goods and services going on the block. On the strength of the high donations bid for such things as Physics Professor Howard Brody's lecture on the tennis racquet at the first auction two years ago, the Alumnae Association's campus donations committee headed by Dr. Barbara Lowery of Nursing has collected even more faculty and staff volunteer offerings to put under Samuel M. (Beau) Freeman's hammer this time. Starting at 5 p.m. with an open bar, silent-bid warm-up auction and dinner, the evening builds toward live bidding on items as diverse as Joan Crawford's black silk evening gown (c. 1930) and the Vet School's unique contribution to a healthier lawn. In between are novel vacations and catered affairs for the home; art objects and memorabilia; and a host of serendipities for sale. For information: Julie Meister, Ext. 7811.
Preserving the economic status of the faculty and staff has been our primary consideration in setting salary policies for 1982-83. The financial pressures on the University are intense, and they show no indications of immediate abatement. Nonetheless, we have been able to ensure competitive salary increases on a University-wide basis. As was true last year, a salary reserve has also been created to meet special needs.

These steps are possible only because of substantial reductions throughout the University in non essential expenses. Those reductions are painful, but they must necessarily continue and on an accelerated basis.

It is most troublesome that the particular financial strains in a few schools will probably preclude provision of the University-wide salary increases in those schools. All possible steps must be taken both to maintain University-wide salary policies except in extraordinary circumstances and to ensure that appropriate plans are developed to work through those circumstances when they arise.

All aspects of our budget process have benefited from the advice of the Academic Planning and Budget Committee, the Senate Committee on the Economic Status of the Faculty, and the Council of Deans. I am enormously grateful for their help. All signs suggest that our University — like other institutions of higher education — will face even more severe pressures next year. Sheldon Hackney, Ed Jordan, and I will do all we can, in working with our colleagues, to ensure that the economic status of the faculty and staff is maintained and strengthened.

Salary Policies for Standing Faculty in 1982-83

1. The minimum academic base salary for assistant professors will be $18,000.

2. The average increase for the continuing faculty in each school will be seven percent, and the base increment for individual members of the continuing faculty will be five percent (rounded up to the nearest $100). All increments of less than five percent for individual members of the continuing faculty must be reviewed with the Provost and receive his approval.

3. In extraordinary circumstances, a departure by any School from the seven percent average increase for continuing faculty may occur, but only with the specific approval of the Provost or the Dean. After discussion by the Dean with an appropriate faculty body in the School. The Provost will discuss the matter with the Senate Committee on the Economic Status of the Faculty and the University Academic Planning and Budget Committee.

4. The University will establish a central salary reserve to cover special situations. The following categories will be used in considering the requests made by individual deans:
   a) promotions;
   b) extraordinary academic performance;
   c) market adjustments;
   d) adjustment of salary inequities;
   e) individual requests from the Schools for attracting outstanding faculty to the University and other contingencies.

Salary Policies for Staff in 1982-83

The full text of the salary policies and procedures can be obtained from the Personnel Office. The following is a brief summary of key points.

1. Seven percent of the fiscal year 1982 salary base for continuing staff will be included in School and center budgets to fund all staff salary increases for Fiscal Year 1983. The only exception will be for certain staff in those Schools that provide less than seven percent increases for continuing faculty under paragraph 3 of the above salary guidelines. Under that exception, those Schools can provide the same average percentage increases to staff holding positions that are not comparable on a University-wide basis as they do to continuing faculty.

2. A general performance-based increase policy will be followed. Three broad performance categories will be used: (1) Satisfactory — represented by increases of 5-10 percent; (2) Exceptional — represented by increases over 10 percent; and (3) Below satisfactory — represented by increases under 5 percent.

3. Increases may be provided for part-time staff within these policies and procedures at the discretion of the responsible dean or vice-president. Market surveys this year do not support either a shift in salary scales or general market adjustments. As in past years, there is a freeze on classifications during the last quarter of the current fiscal year.

4. Administrative and professional staff (Type I) increases will be effective on July 1, 1982. Support Staff (Type 2 and 3) increases for those not covered by bargaining unit agreements will be effective June 29, 1982.

Rights Act, Education Act and others that require procedures for handling discrimination complaints. In consultation with legal counsel, the commission will also review University policies on the effect on pending judicial procedures of the lodging of a complaint with the Equal Opportunities Commission, or the institution of a lawsuit.

Special Project: Mr. Paumen

Richard Paumen, assistant vice president for University Management Information Systems, has a new role in special projects for Executive Vice President Edward Jordan: the introduction of new technology into University operations (principally word processing and related communications support) which will complement the restructuring of the UMIS resource.

Mr. Paumen, who moved from registrar to pioneer in the transaction-and-information system that became UMIS in the early seventies, took his new post May 1. Deputy Director Richard L. Merhar is acting director of UMIS as the restructuring gets under way.

Faculty Club: Mr. Keller

The Faculty Club Board of Governors has elected James J. Keller, director of faculty services in Personnel, to succeed Dr. Philip G. Mechanick as president.

Dr. Daniel J. O’Kane, professor and associate chairman of biology, was elected vice president. Mary Perot Nichols, director of communications, and Dr. Edward B. Shils, George W. Taylor Professor of Entrepreneurial Studies, are secretary and treasurer, respectively.

Earlier in the spring, the membership elected to the Board the Dr. E. Digby Baltzell, professor of sociology; Dr. William Hamilton, Halcon Professor of Management and Technology; Ms. Nichols; and Dr. Davis T. Rowlands, Jr., professor of pathology; and reelected Dr. Shils and Dr. Henry Teune, professor of political science. Continuing also on the Board are Dr. Benjamin F. Hammond, professor of microbiology/Dent., and Shirley Winters, director of development publications.

The Board will choose on June 9 the leadership of standing committees (House, Finance, Membership and Program).

FROM THE PROVOST

Salary Policies for 1982-83

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(continued)
Recent Progress in Managing the Endowment
by Scott C. Lederman, C.FA.

Today, as the University of Pennsylvania faces ongoing financial pressures from proposed government cutbacks, demographic changes, and the continuing strain of historically high inflation, attention is naturally drawn to our stewardship of those resources we have available for the future. The University's endowment is one such resource. This statement presents to the University community the recent record of endowment performance and also explains what steps have been taken to preserve the value of the endowment for future generations.

At a total of $232,667,000 as of June 30, 1981, our endowment is comparatively smaller than the endowments of other institutions of similar mission and commitment. In a recent survey of colleges and universities conducted by the National Association of College and University Business Officers (NACUBO), the University's endowment ranked 18 out of 192; among the Ivy League schools, we are seventh out of eight.

As commonly used, the word endowment includes both pure endowment (which is designated as such by the terms of individual gifts) and funds functioning as endowment (which are designated as endowment by action of the Trustees); over 60 percent of the University's endowment is pure endowment. Most of the endowment is contained in the Associated Investments Fund or AIF, a pooled investment fund, while the remainder is held in over 100 separate funds because of various investment restrictions which prohibit pooling. By virtue of its size the AIF is the most important and most visible of the University's funds; therefore, the remainder of this statement will deal exclusively with the AIF.

For those not familiar with it, an explanatory word about the AIF at this point might be useful. As gifts for endowed purposes, such as professorships or scholarships, are donated to the University, individual trust funds are established. These trusts are in turn invested in the AIF which functions like a mutual fund. Each individual trust fund buys a number of AIF shares based on the market value of existing shares on the date the fund invests in the AIF, usually on July 1 of each year. As of June 30, 1981, over 1,300 trust funds were invested in the AIF, which had a market value of $159,236,500. These funds owned a total of 747,217 AIF shares each with a market value of $213.11 and a cost or book value of $211.10.

Nearly all of our endowment funds, particularly those funds invested in the AIF, are designated for restricted purposes or activities which will require support in the future if we are to maintain our present level of commitment. Also since most endowment is restricted, very little of endowment investment return is available to the University administration for unrestricted purposes which might enhance future capabilities. For these reasons, it is incumbent upon us to manage our endowment in an effective manner. This task is particularly onerous in the face of continuing inflation which has in recent times greatly eroded the real value of purchasing power of endowments, not only at the University but nationwide.

In this inflationary environment, there are two basic ways to preserve endowment value: first, to maximize investment returns without taking imprudent risks; and second, to spend currently only a portion of investment return—being especially careful not to spend that portion of return which is, in fact, attributable to inflation. As discussed below, the University has done well on both counts.

Performance

Coming out of the turbulent financial markets which accompanied the 1973-1975 recession, the University placed its investments under the management of a newly established Investment Board. Beginning in June 1975, the Investment Board has been chaired by a series of distinguished Trustees: Wesley A. Stanger, Jr., Julian S. Bers, and, since January 1980, John B. Neff. The record of AIF performance during the recent period speaks well of their efforts. As one indication, the market value of AIF shares has increased from a low of $171.10 on June 30, 1974, to $213.11 as of June 30, 1981.

However, we need to take a more encompassing view of investment performance than just share market value. The AIF is invested for total return, which means that investment return is generated by and available from two sources—traditional income (i.e., dividends and interest) and growth or principal appreciation. For Fiscal Year 1980-81 the AIF earned an annualized total return of 16.11 percent, the highest in ten years. A fund invested in the AIF on July 1, 1980, when each AIF share was worth $198.06, earned in growth (principal appreciation) $15.05 or 7.60 percent—and in actual income $16.86 or 8.51 percent as of June 30, 1981, on a per share basis.

In evaluating investment performance, we must also use a longer term perspective than one year, even though, as in our case, short term results may be impressive. Typically, for comparison purposes five-year periods are used and a standard measure of investment performance is the cumulative total return achieved over such a period. Cumulative returns are calculated by assuming that all return (i.e., income and principal appreciation) is continually reinvested or compounded over the given measurement period.
Performance Compared to Market

The following graph shows the AIF cumulative performance over the five years ending June 30, 1981, as compared to two standard market indices, the Standard & Poor's 500 Common Stock Index and the Salomon Bros. Bond Index. In addition, a Composite index shows what the cumulative AIF return would have been had the AIF been invested in the S & P 500 and the Salomon Bros. Composite on a weighted basis equivalent to its actual stock and bond allocations during the five year period.

Performance Compared to Similar Funds

The performance of the AIF in comparison to the pooled funds of other universities based upon data provided by NACUBO surveys also warrants comment. Comparing performance results over recent five year periods beginning with the five years ended June 30, 1976, shows a substantial improvement in relative AIF performance. The table below gives both the numerical and percentile ranking of AIF five year returns versus All Pooled Funds and Pooled Funds over $50 million participating in the NACUBO survey.

<table>
<thead>
<tr>
<th>5-Year Period</th>
<th>All Pooled Funds</th>
<th>Pooled Funds over $50 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numerical Rank</td>
<td>Percentile</td>
</tr>
<tr>
<td>1976</td>
<td>131/134</td>
<td>2</td>
</tr>
<tr>
<td>1977</td>
<td>114/140</td>
<td>19</td>
</tr>
<tr>
<td>1978</td>
<td>81/148</td>
<td>45</td>
</tr>
<tr>
<td>1979</td>
<td>50/154</td>
<td>68</td>
</tr>
<tr>
<td>1980</td>
<td>48/176</td>
<td>73</td>
</tr>
<tr>
<td>1981</td>
<td>54/161</td>
<td>70</td>
</tr>
</tbody>
</table>

The Spending Rule

Paralleling our efforts to improve the investment performance of the endowment, we have taken measures to maintain its value over time. Given continuing inflation and the impact it has on investment returns, responsible management requires action to preserve the real value of the endowment and its capacity to generate future purchasing power. Therefore, not all investment return should be spent currently but a portion of return should be retained or reinvested in the principal of the endowment for preservation of purchasing power.

This concept deserves a closer look. The financial markets adjust to inflation as investors and lenders demand greater returns to compensate for the effects of inflation. A good example of this is the recent high level of interest rates which have been due in part to inflation. Investors, who over time have been used to a real return after inflation of 3 to 4 percent, now demand a premium which recently has been between 8 and 12 percent, generally matching the level of inflation in the economy. This premium, added to real return, has generated the high interest rates in the range of 11 to 16 percent that have been required by investors. By spending this inflation-induced return we are, in a sense, reducing principal needed for the future. Thus, to be prudent, part of the return should be reinvested—which means that we must seek a balance between current and long term needs.

During Fiscal Year 1980-81, a Spending Rule policy was initiated to provide the University with a method of making these decisions in regard to the AIF. Spending Rules, which are now in use at a number of colleges and universities (37 percent of the 192 institutions participating in the 1981 NACUBO Comparative Performance Study), define the amount to be spent in a fiscal year as a certain percent of the value of the endowment; this percent is called the Spending Rate.

While Spending Rules were originally designed to prevent the spending of too great an amount of capital gains or principal, recent market conditions have been such that many universities, including our own, are now using these rules to facilitate the reinvestment of a portion of traditional income into principal. The use of a Spending Rule allows an institution to exercise control over its endowment spending, and to do long range planning, by focusing attention on the trade-off between current spending and future growth.

A word about the mechanics of the Spending Rule as we apply it is in order. For an endowment market value, we use a three-year moving average of June 30 AIF share market values as a base. This smooths out the often volatile year-to-year fluctuations in investment return and acts to stabilize the amount available to spend. Also, to allow for proper budget planning, a one-year lead has been built in. For example, the endowment market value base for Fiscal Year 1980-1981 was the average of the AIF market value of June 30, 1977, 1978 and 1979, or

\[
\text{Average} = \frac{188.81 + 179.38 + 187.23}{3} = 185.15
\]

By this process current spending is tied, to some extent, to the endowment's nominal growth as measured by its recent experience.

However, the Spending Rate is the key to maintaining the real value of the endowment and its ability to generate future purchasing power:

\[
\begin{align*}
\text{Real Investment Return} & = \% \text{Less Spending Rate} \\
\text{Real Endowment Growth} & = \% \text{LessReal Investment Return} \\
\text{Less Spending Rate} & = \% \text{Less Real Endowment Growth}
\end{align*}
\]

Thus, just to stay even (i.e., Real Endowment Growth = 0), the Spending Rate should not exceed Real Investment Return.

The Spending Rate we used for Fiscal Year 1980-1981 was 6.7 percent. This meant we could spend .067 \times $185.15 or $12.41 per share. This Spending Rate is higher than historical real investment returns would warrant and also is considerably higher than the average of the rates used by other institutions. According to the most recent NACUBO survey, 30 of 54 institutions reporting on their Spending Rules spent at a rate of 5 percent or less; the average Spending Rate for all 54 of these institutions was 5.5 percent. We plan to bring our Spending Rate down to a level consistent with future endowment needs over time. This will be done gradually rather than abruptly, to avoid dislocations in support for current programs.

The amount that is determined to be available for spending is not entirely distributed for endowed activities, as certain changes are made to cover administrative and overhead expenses generated by these endowed activities. The University assumes that the donor of a gift restricted to a specific purpose intends his gift to cover the entire cost of the project or activity—not only its readily indentifiable direct expenses, but also its share of the less visible costs. Administration charges represent the direct costs of investment management, bank custodian fees, recordkeeping, etc. Overhead encompasses indirect costs such as keeping buildings heated, lighted and maintained, and other support services provided by the University. This overhead charge is returned to the appropriate Dean in the form of unrestricted funds to cover the indirect costs charged to the schools. Thus each endowed activity pays its fair share of general University expenses. As a further exposition, we might look at the last year's total return in terms of its various components. From above, the total return on an AIF share worth $198.06 on July 1, 1980, was $31.91 or 16.11 percent-$15.05 or 7.60 percent from growth and $16.86 on 8.51 percent from actual income. Translating the Spending Rate of 6.7 percent into the amount available for spending, $12.41 per share means that 6.26 percentage points of the 16.11 percent total return earned by the AIF was spent for current purposes. The remaining 9.85 percentage points of this total return was retained and reinvested in principal.

Thus, for 1980-81 the total return was divided as follows:

| Clinical, Core and Other University Services | 8.00 |
| Financial Aid | 11.34 |
| Research | 26.93 |
| General Operating | 16.11 |

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<table>
<thead>
<tr>
<th>Currently Applied to</th>
<th>Overhead and Administration Applied to</th>
<th>Growth Retained in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowed Activities</td>
<td>Current Expenses</td>
<td>Principal</td>
</tr>
<tr>
<td>6.26</td>
<td>1.53%</td>
<td>7.60</td>
</tr>
<tr>
<td>Reserved for Protection of Future Endowment Value</td>
<td>Income Reinvested in Principal</td>
<td>16.11%</td>
</tr>
<tr>
<td>9.65</td>
<td>2.25%</td>
<td>16.11%</td>
</tr>
</tbody>
</table>

Thus, for 1980-81 the total return was divided as follows:
As you can see, we retained in principal all the growth component, 7.60 percent, and reinvested 2.25 percentage points of the 8.51 percent income component. This reinvestment was accomplished by adding to each trust fund in the AIF a "companion fund" which holds AIF shares purchased with reinvested money. A small portion of total return, 1.53 percent, was spent to cover the administrative and overhead expenses of endowed activities.

The net return available specifically for endowed or restricted purposes was 4.73 percent. Given the constraints indicated above, and assuming adherence to prevailing principles of endowed management, such a net return—while it may appear unduly modest—must be considered satisfactory. This also reminds us that we must be continually conscious of our current costs and seek to keep them down so that the maximum amount of endowment return can be used for endowed purposes.

The above discussion describes AIF return in its appropriate context—total return. However, since the returns on individual trust funds invested in the AIF are typically budgeted and reported on an income per share basis, it may be of interest to review a breakdown of income earned. This is provided below:

<table>
<thead>
<tr>
<th>Total Income</th>
<th>$ Per Share</th>
<th>% Allocation on Various Bases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16.86</td>
<td>100.0</td>
</tr>
<tr>
<td>Less: Income to be Reinvested</td>
<td>(4.45)</td>
<td>(26.4)</td>
</tr>
<tr>
<td>Income Available for Spending</td>
<td>12.41</td>
<td>73.6</td>
</tr>
<tr>
<td>Less: Administration</td>
<td>(0.83)</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Gross Income</td>
<td>11.58</td>
<td>68.7</td>
</tr>
<tr>
<td>Less: Overhead</td>
<td>(2.21)</td>
<td>(13.1)</td>
</tr>
<tr>
<td>Net Income Distributed</td>
<td>9.37</td>
<td>55.6</td>
</tr>
</tbody>
</table>

The Flavor of Commencement '82

From separate vantage points, the two main speakers at Pennsylvania's major graduation events—the Commencement speaker yesterday, and the Baccalaureate speaker the day before—looked at student activism and involvement. Two very brief excerpts:

From the Baccalaureate Address

Student activism has since the sixties become an accepted institution in democratic countries. In dictatorships where such active protest has been outlawed, there is no want of student demonstrations either. There is in student activism a periodic dramatization of the desire for social reform or revolution, the desire to influence the world policies of one's own country.

It could be said that the mass media and student travel are jointly bringing a world culture into being. At any rate at the literate level. Else, why would students display like discourses in generally similar ways from China to Peru, from Scandinavia to Australia?

But I think these two media of communication merely indicate the mechanics of a world culture. The content must have its roots in the basic fact that education, whatever definition we may give this process, sets up divine discourses even while it synthesizes. A man of education today should be capable of establishing correspondences, interrelationships between phenomena and developing an organic view of the universe, so that it takes a vital, functional meaning. I use such modifiers in order to distinguish such meaning from cold intellectual contemplation.

Student activism is an institutionalized assertion by a segment of society of a sense of belonging in the world. It is another way of saying I am because we are—another way of wrenching from its traditional moorings the university as an institution for quiet, academic pursuits detached from social concerns except as a subject of study. This occasion to try to radicalize university life comes on in cycles or waves. For, over the nine years that I taught in American universities, I never ceased to worry about the possibility of one day deciding to cuddle up snugly in a campus atmosphere to write and teach and work and—simply teach, content with signing protest flyers produced by other people. That, I knew, would be stagnation, followed by death...

Although the fierce style of student protests is now generally regarded as a thing of the past in your country there is a good deal of community involvement in which students are participants, even animateurs, initiators. No longer is it appropriate to say to graduating students, or even to leavers, "You are going out into the world to serve, etc., etc.," because the university now is part of the world, specialized though its function may be.

I am because we are is really the theme of my talk today.

—Esxia Mphahlele, May 16, 1982

The 1982 Picture

Due to limitations imposed by the availability of data, particularly from NACUBO, this discussion has dealt with Fiscal 1980-81 numbers. To give you a more current picture, we are providing this updated graph of AIF performance through March 31, 1982, the third quarter of Fiscal 1981-82. At that time each AIF share had a market value of $200.11 and had earned $14.48 of total income.

This statement was designed to provide a better understanding of recent progress in managing the University's endowment both in terms of improved investment performance and efforts to ensure that the endowment remains a viable source of funds in the future. From time to time the information contained in this discussion will be updated to keep the University community informed of continuing achievements.

Mr. Lederman is vice president of the Franklin Investment Company, a University subsidiary that administers University investments under the direction of the Trustees Investment Board.

From the Commencement Address

For many reasons, yours have been quiet years at our universities. For some period of time our campuses appeared casually indifferent to the issues of the day. It seemed that you were more concerned with your own individual security than with your country's; more with your personal dilemmas, than with the great human dilemmas facing our society today.

In recent months, however, there seems to have been an awakening on our campuses. Some of you have registered your protest and concern on an issue close to you—that of student aid. A number of you have also spoken out about the need for better answers than military conflict and many of you have joined the tide of protest against the ever-spiraling nuclear race.

I suggest that the time has come for you to raise your voices as committed, responsible citizens on a wide range of other issues that threaten the fabric of our society and challenge our leadership in the world.

As President Reagan said in his Commencement Address at Eureka College last week: "You are no longer observers. You will be called upon to express your views on global events because these events will affect your life."

The time has come for you—all of you—to make known what kind of a society and what kind of world you want, because it is your country, your world. It is time for you to respond to the bigots, the prophets of doom, the demagogues, the beaters. It is time for you to assert your faith in reason rather than dogma, in rationality rather than inevitability, in the free rather than the shuttered mind.

So I ask you to raise your voices and state your protests, and make your own commitment on behalf of your own future.

I ask you to protest against intolerance and hatred and discrimination and prejudice in all their forms—against those who seek to set group against group and individual against individual in this country thereby damaging our mutual trust and respect.

I ask you to protest against the failure of our society to rid us of hunger and disease and illiteracy that still plague millions of our fellow citizens.

I ask you to protest against the lack of opportunity and hope facing too many here at home and the millions upon millions on this earth.

I ask you to protest against the maltreatment slowly starving at least one-fourth of humanity; against the hovels in which millions of human beings on this earth are compelled to live.

I ask you to protest against all those who would risk co-extinction through nuclear war because they fear co-existence and the problems of peace.

I ask you to protest against all those who seek answers through desperate acts, no matter how noble their cause.

I ask you to protest against life as usual in the face of unspeakable human tragedy.

—The Honorable Sol M. Linowitz, May 17, 1982
Academic Calendar

Summer Sessions
May 18 First session classes begin.
June 25 First session classes end.
June 28 Second session classes begin.
August 6 Second session classes end.

Children’s Activities

On Stage
May 22 Settlement School Teen Theater, story theater of fractured fairy tales by Paul Sill, the last performance of the free arts series The Magic of Music, hosted by magician Craig Collins; 11 a.m. and 1 p.m., Harrison Auditorium, University Museum, Settlement Music School. Information: Ext. 4000.

Tercentenary/Workshops
Philadulphia: An Introduction to Early Philadelphia, a COS sponsored free program for children ages 10-14, consists of hands-on activities about Philadelphia’s history, culture, politics, and city planning. Information: Ext. 6493.
July 5, August 2 Archaeology, excavation of a center-city site, lab work and an exhibit of artifacts, 9 a.m.-3 p.m.
July 12 Explorers, Merchants and Whalers, the river’s influence on the early city through films, walking tours, documents, and model building, 10 a.m.
July 26 Primarily Germantown, study of building techniques, decorative arts, libraries and archives at the Germantown Historical Society and the Wyck House, 10 a.m.
August 9, 22 People and Places, study of early Philadelphia through artifacts, architecture, documents, clothing, cemeteries, colonial recipes, 9:30 a.m.

Conferences

Through June 18 Perinatology for Nurse Educators: 9 a.m.-5 p.m., Nursing Education Building (School of Nursing).
May 28 Clinical Decision Making: 9 a.m.-4 p.m., Nursing Education Building (School of Nursing).
Combining Techniques in Thermal Analysis, Thermal Analysis Forum of the Delaware Valley, 12:30 p.m., LRSM. Information: Ext. 6461.
June 4, 5 Ethnic Americans: Health Needs and Practices: School of Nursing Building (VA Medical Center and the School of Nursing). Information: Ext. 4522.
July 12-16 Aging Today: 9 a.m., Nursing Education Building (School of Nursing). Information: Ext. 5675.

Tercentenary/Conferences
October The People of Pennsylvania, the settlement of the Commonwealth and the Center for Early American Studies. Information: Ext. 8713.

Exhibits
Ongoing The Egyptian Mummy: Secrets and Science at the University Museum.
Ongoing Polymeria at the University Museum.
Through May 21 Contemporary Artists, 22 women, at the Faculty Club (Women’s Studies Program).
Through May 21 The Language of Wildflowers,Blocking and Sieving, photographed by Suzanne Collins, Pauline Wong, Bette Uscott, Leahy, Thomas Santantonio, and Der Manuelian, archivist of the Armenian Architectural Database. Information: Ext. 8713.

October 26-November 21 Turkish Architecture: Part II, photographs by Sharpe Gallery, University Museum (Middle East Studies Association).
Beginning November Ban Chang, focuses on early Bronze Age tradition in northeast Thailand, University Museum (University Museum, Smithsonian Institution).

Tercentenary/Exhibits
June 15-September 12 Philadelphia Cornucopia, a walk-through environmental sculpture, and Sculptoporceramata by artist Red Grooms, ICA Gallery. Talks in conjunction with exhibit, Sundays, 1 p.m.
September 15-December The Proprietary Family, the University, and the University Museum of Philadelphia, an exhibit, first floor, Klein Corridor, Van Pelt Library.

Gallery Hours
Faculty Club 4th and Walnut. For information regarding hours call Ext. 3486.
ICA Gallery Tuesday-Sunday, 12:30 p.m.-5 p.m., effective June 15.
Law School Rotunda, 1st floor, Law Building. Monday-Friday, 9 a.m.-5:30 p.m.
Morris Arboretum, Chestnut Hill. Daily, 9 a.m.-5 p.m. Information: 242-3399.
University Museum, 3rd and Spruce, phone: 222-7777, Tuesday-Saturday, 10 a.m.-4:30 p.m., Sunday, 1-5 p.m.
Van Pelt Library, Monday-Friday, 8:45 a.m.-5:30 p.m.

Meetings
Trustees
June 10 Executive Committee meeting, Faculty Club.
June 18 Stated meeting of the Trustees, 2 p.m., Council Room, Furness Building.

Music
June 5 The Baroque Flute and Harpichord, the music of H.C.P. Bach and Telemann, with Ruth Conant Drye on baroque flute and Kim Heindel on harpsichord; 2 p.m., Lower Egyptian Gallery, University Museum.

On Stage
May 23 The King and I, the Comedy of the Century, features the music of Rodgers and Hammerstein, at the Academy of Music. Information: Ext. 7481.
June 1 Att, Korean Court Music and Dance Troupe, 7:30 p.m., Harrison Auditorium, University Museum. Admission: $3. Information: Ext. 2741.

Tercentenary/On Stage
Philadelphia: Early Roots, features the music and dance of the City’s ethnic groups. Wednesday evenings, 6 p.m., Rainey Auditorium, University Museum. Information: Ext. 4000.
June 26 The King and Queen of England, performance of an English Shakespearean comedy.
June 30 The MacGregor Pipe Band of the Scottish Society of Pennsylvania.

Church of St. Briaghe (Vilh Century) from the photograph exhibition at the University Museum.

Sports (Home Schedule)
For more information on sports call Ext. 6128; for ticket information call Ext. 6732.
Locations: Schuylkill River: Men’s and Women’s Crew.
May 22 Men’s Heavyweight Crew vs. Northeastern (Burk Cup).

Talks
May 18 Absorptive Endocytosis, Nicholas K. Gogas, pathology department, Veterinary School, 4 p.m., Room 151, School of Veterinary Medicine.
May 20 Central Dopaminergic Neurons: Physiology and Pharmacology, Dr. Benjamin S. Bunney, departments of psychiatry and pharmacology, at the University School of Medicine, 4 p.m., Room 106, Genetics Seminar Room, Old Medical Labs (Department of Pharmacology).
May 20 Effect of Antidepressant Drug Treatments of Monoamine Related Behaviors in the Rat: 1. Lucki, Penn research associate in psychiatry, 12:30 p.m., Room D214, Medical Education Building (Neuropsychopharmacology Colloquium).

Transcription in Herpes Simplex Virus Infected Cells: Dr. Lewis Pitzer, department of microbiology and immunology, University of Colorado Health Sciences Center, 4 p.m., Room 106, Medical School (Neurobiology Colloquium).

June 1 Structure & Regulation of Alpha-Fetoprotein & Albumin in the Mouse: Dr. Shirley Tilgul, Institute for Cancer Research, 4 p.m., Room 151-152, School of Veterinary Medicine (Comparative Cell Biology Seminars).

June 3 On the Current Status of ECT: J. Stimmel, Penn associate professor of psychiatry, 12:30 p.m., Room D214, Medical Education Building (Neuropsychopharmacology Training Program Colloquium).

June 9 In Dark and Troublesome Times: The Historical Background of the Armenian Genocide, Dr. Robert Hewson, Tarjan senior lecturer in Armenian architecture, 5:45 p.m., Rainey Auditorium, University Museum.

June 13, 22, 29 The Kingdom Under the Sea: Nigerian Contemporary Art, featuring works of the Present and Artist, three lectures by Paula Ben-Amos, research associate, African Department, University Museum, 5:45 p.m., Rainey Auditorium, University Museum. Reservations: Ext. 3024. (Note date change)

June 18 Continuity and Innovation: The Decoration of Armenian Churches, Helen Evans, doctoral candidate, Institute of Fine Arts and New York University, 5:45 p.m., Rainey Auditorium, University Museum.

July 17 Effect of Hormones on Neurotransmitter Receptors, M.E. Hess, Penn professor of pharmacology, 12:30 p.m., Room D214, Medical Education Building (Neuropsychopharmacology Training Program Colloquium).

ON CAMPUS
May 18-Early Fall

July 14 The Donovan Dancers, a cell group performing Irish step dancing.
July 21 Isaacas and Orquesta Oriza, Cuban and Latin American music.
May 28 Milk Crock Cloggers, old English dances.
August 4 Gypsy Zivago, a trio playing the balalaika and the round domra.
August 11 Neighbor’s Complaint, a cappella music fusing rhythms and blues with rock and roll.
August 18 Nova, country and traditional folk music from Ireland and England.
August 25 Francisco J. Borge, Spanish and South American music on the classical guitar.

Special Events

Tercentenary/Special Events
June 28-August 7 West Phil’s Comin’ Alive, the Christian Association’s Cultural Harvest summer program culminating in a full day fair and festival; includes Children’s Summer Day Camp. Information: 386-1500.

ALMANAC, May 18, 1982
A-3 ASSEMBLY

Overtime Pay

The A-3 Assembly has had a number of inquiries concerning the University policy regarding overtime pay or compensatory time off for overtime work (over 40 hours per week). Upon consulting the University Personnel Policy Manual (Policy #205), we are able to quote as follows:

All University employees on the weekly payroll who are not covered by collective bargaining agreements are to be compensated for working in excess of their normal schedules for one pay period (35, 37-1/2, or 40 hours) as follows:

<table>
<thead>
<tr>
<th>Hours worked</th>
<th>Compensation</th>
<th>Compensatory Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 35-40 hours</td>
<td>regularly hourly rate of pay</td>
<td>one hour compensatory time off for each hour worked</td>
</tr>
<tr>
<td>Over 40 hours</td>
<td>one and one half times the regular hourly rate of pay</td>
<td></td>
</tr>
<tr>
<td>Holidays</td>
<td>regular pay for the holiday, plus one and one half times the regular hourly rate for all hours worked on the holiday</td>
<td></td>
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</tbody>
</table>

If compensatory time is appropriate, the substitution of compensatory time off in lieu of monetary compensation must be agreed upon in advance by both the supervisor and the employee (emphasis supplied).

Overtime compensation provisions for employees in collective bargaining units are governed by the terms of their respective collective bargaining agreements.

—A-3 Assembly Coordinating Committee

Summer Hours

Annenberg Box Office closed for the summer (no performances).

Christian Association Mondays through Friday, 8:30 a.m.–6 p.m.

Eatery June: Monday, Tuesday, Wednesday, 11 a.m.–6 p.m.; Thursday and Friday, 11 a.m.–2:30 p.m.; July: Monday through Friday, 11:30 a.m.–2:30 p.m.

Faculty Club Cafeteria, luncheon only, Monday through Friday, 11:30 a.m.–2 p.m.; Cocktail Lounge with mini-buffet, Monday through Friday, 11:30 a.m.–6 p.m. Starting May 24 dinner will not be served except for private banquets.

Flower and Cook Observatory (Campus Station) Monday and Thursday, 9:10–10:30 p.m., effective May 22.

Gimbel Gym now through July 5, Monday through Friday, noon–7 p.m.; July 6–29, 12:30–7 p.m.; closed July 30–August 15.

Hillel Foundation Monday through Friday, 9 a.m.–4:30 p.m. all summer; no services or social activities until September.

Houston Hall building open May 18–28, Monday through Friday, 7:30 a.m.–5 p.m.; June 1 through September 1, Monday through Friday, 7:30 a.m.–4:30 p.m. Shops open now through July 30. Monday through Friday, 8:30 a.m.–4 p.m.; University Stores at the University Village, Monday through Friday, 9:30 a.m.–8 p.m.; Copy Center 8 a.m.–4 p.m. (production hours only); Room 9 a.m.–4:30 p.m.; Fratly 10 a.m.–4 p.m.; Cards 9:30 a.m.–4 p.m.; Hair House 10 a.m.–4 p.m.; Shops open now through August 31.

Hutchinson Gym now through July 6, Monday through Friday, noon–7 p.m.; July 6 through August 8, Monday through Friday, 12:30–7 p.m.; August 9–12, Monday through Friday, noon–7 p.m., closed August 13–September 7.

Institute of Contemporary Art Tuesday through Sunday, noon–5 p.m., effective June 14.

July 19 Fiction Writing II: An Institute, 9:30 a.m.

July 22 Victorian Germantown: From Cottage to Villa, 7 p.m.

These are non-credit courses sponsored by the College of General Studies. Registration and information: Ext. 6470.

May 22 Vegetable Garden Series: Transplanting and Late Seeding, 10 a.m.

May 26 Urban Plant Ramble, 7:30 p.m.

These courses are sponsored by the Morris Arboretum. Information: 247-3777.

Tercentenary/Courses

These CGS courses will be offered for only the first summer session beginning May 18. For more information call Ext. 7326.

Philadelphia: An Interdisciplinary History, 1850-1901; Theodore Hershberg, professor of history and public policy. History and Sociology of Science; Richard Myers, lecturer.

Urban Studies: The Geography of Philadelphia; Roman Cybriwsky, lecturer.

Urban Studies: Philadelphia Politics; Bruce Caswell, lecturer.

Urban Studies: Architecture, Location and Class in Philadelphia; George Thomas, lecturer.

To list an event

If you are planning summer events, phone our office. Ext. 5274. We will reserve our usual deadline schedule, Tuesday noon prior to the Tuesday of publication in September.

Levy Tennis Pavilion now through August, Monday through Friday, 8 a.m.–11:30 p.m.; Saturday and Sunday, 9 a.m.–4 p.m.

Morris Arboretum daily, 9 a.m.–5 p.m., except Wednesday, during June, July, August, 9 a.m.–8 p.m.

Transportation courtesy bus runs Monday through Friday. Passengers are required to show University or HUP identification cards upon boarding the bus, which departs from Houston Hall at the following times:

4:30 p.m. 8:50 p.m.
5:10 p.m. 10:10 p.m.
5:55 p.m. 10:45 p.m.
6:40 p.m. 11:15 p.m.
7:50 p.m. 12:30 p.m.
8:05 p.m. 12:30 p.m.

The bus makes regular stops along the following route:

33rd & Walnut 43rd & Baltimore
36th & Walnut 48th & Springfield
38th & Walnut 48th & Greenfield
39th & Spruce 47th & Baltimore
40th & Baltimore 44th & Pine
42nd & Baltimore 44th & Spruce
42nd & Chester 42nd & Spruce
44th & Market 44th & Spruce
46th & Market 44th & Spruce

Starting with the 5:55 p.m. run, the bus follows the same route but will deviate, upon request, to leave riders off at off-campus residences. Persons wishing to return to campus after 5:55 p.m. from West Philadelphia residences should call 243-7292 to schedule a pickup.

University Bookstore now through May 20, 9:30 a.m.–6:30 p.m.; May 21–28, Monday through Friday, 9:30 a.m.–5:30 p.m.; June–August, Monday through Friday, 9:30 a.m.–5:30 p.m.

University Museum June 28 through September 12, Tuesday through Saturday, 10 a.m.–4:30 p.m.

University Museum Shop June 28 through September 12, Tuesday through Saturday, 10 a.m.–4:30 p.m.

Van Pelt and Lippincott Libraries Monday through Thursday, 8:45 a.m.–9 p.m., Friday, 8:45 a.m.–5 p.m., Saturday, 10 a.m.–6 p.m.

Wistar Museum Monday through Friday, 10 a.m.–4 p.m.

ALMANAC, May 18, 1982
Save for Summer Use

This is the last issue of Almanac for the spring semester. Anyone interested in finding a new position at the University may wish to save the list of personnel bulletin boards (above) for handy reference during the summer months. The jobs will continue to be posted even though they will not appear weekly in Almanac.

Almanac expects to publish one midsummer issue, on or about July 13, and to resume weekly publication in September.

SCUE Course Guide

The 1982 SCUE Course Guide is available in the University Bookstore for $3.50. The Guide, published each spring, evaluates instructor performance in most undergraduate courses. The evaluations include both numerical ratings and narrative appraisals of individual courses and professors.

SCUE (Student Committee on Undergraduate Education) announces their new steering committee for the 1982-83 academic year: chair, Pam Seidenman; vice-chair, Michael Lacovara; treasurer, Murray Hochberg; director of communications, Alisa Colbert; director of faculty tenure, Stacy Salo.

Periodical Update #3

Almanac has just recently been informed of two additional periodicals that were not listed in the Inventory of Campus Publications (Almanac February 23, 1982) or in the subsequent updates.

Network News, Robert Lakota, editor, is published by the University Information Management Systems, Field Applications, and provides information to computing professionals and computer users throughout the University. The network is a weekly general-interest publication. It is available free of charge to network users who subscribe on a subscription basis.

Jewish Heritage, published by the University Information Management Systems, Field Applications, and provides information to computing professionals and computer users throughout the University. The network is available free of charge to network users who subscribe on a subscription basis.

Vacation, published by the University Information Management Systems, Field Applications, and provides information to computing professionals and computer users throughout the University. The network is available free of charge to network users who subscribe on a subscription basis.

Inquiries: 227 Franklin Building 16.

The Society Newsletter, Andrew E. Behrendt, editor, is published quarterly by the Society for the Scientific Study of Sex, Inc. and contains practical information on how to handle problems concerning the Society. Inquiries: Graduate School of Education, C1, 3700 Walnut Street.