What is a campaign?

A campaign is different from the ongoing fund-raising program in that it is the result of a rigorous institutional planning effort to establish a set of priorities and objectives that will support the long-term vitality of the institution. A campaign is a concerted and broadly based effort to raise funds to provide the support for those institutional priorities and objectives.

A campaign also communicates the importance of the University’s needs in a way that will raise the sights of current donors and attract new sources of funding.

A tangible outcome of a campaign should also be a significant increase in annual fund-raising performance. The University hopes to increase its average annual support from private funding sources from $90 million in FY87 to $150 million in FY94.

Why a campaign now?

The progress over the last decade in admissions, faculty accomplishments, development of the campus, and performance of the endowment affords us an extraordinary opportunity to build on those strengths.

But to sustain that progress, we need to increase significantly the University’s endowment, which currently ranks substantially below the endowments of institutions with which we generally compare ourselves. Endowment for support of faculty chairs, graduate fellowships, undergraduate scholarships, and academic programs is especially important. We must also continue to invest in research facilities and state-of-the-art technologies.

The campaign provides an opportunity to build upon strengths and to sustain the progress achieved over the past decade. It can also provide the financial flexibility to meet the challenges that Penn shares with other universities: keener competition for outstanding faculty, the dwindling college-age population, and the rising cost of maintaining the research infrastructure.

Through strategic planning, Penn has been able to anticipate these opportunities and challenges and design a major campaign to help secure the University’s leadership into the 21st century.
What is the time frame for the campaign?

The campaign is now in the nucleus-fund phase, which began in July 1988 and lasts until September 1989. During this “silent” phase, we will seek very large gifts from trustees and others close to the institution for Penn’s priority needs. These leadership gifts should represent about a third of the overall campaign goal and will help shape the campaign agenda and our marketing strategy.

In October 1989, a public announcement of the campaign and its goal will be made, with appropriate fanfare and celebration. This will inaugurate the public campaign, which will be more visible and broadly based than the current silent phase. The third phase of the campaign begins in January 1991 and will concentrate on soliciting as many as 10,000 alumni, friends, corporations and foundations with the help of a national network of volunteers. The final phase will be a constituency-wide effort, beginning in January 1993, directed to virtually all of Penn’s 200,000 alumni. The entire campaign, from nucleus fund to completion, is scheduled to take six years, ending in 1994.

Activities for the campaign will also be coordinated with the University’s celebration of its 250th anniversary in 1990.

What is the goal and how will it be reached?

We expect the goal for the total campaign to be $800 million. As mentioned above, the outcome of the nucleus-fund phase will provide a definitive answer to that question next summer.

Obviously, a tremendous number of people must
participate in Penn’s campaign, including alumni, trustees and friends as well as corporations and foundations, if we are to meet that goal. As the chart on page 4 illustrates, we will require some 400 top gifts of $250,000 to more than $20 million; close to 2,500 gifts of $25,000 to $250,000; and thousands more gifts of smaller amounts to meet the campaign goal of $800 million.

As a rule, one-third of the goal for a campaign should be met before a public announcement of the campaign is made. This means we will need commitments of $267 million during the nucleus-fund phase we are now in if we are to announce an $800 million goal next October. The funds raised during this period represent the endorsement and commitment of those who know the University best, and their gifts serve to raise the sights of the rest of the constituency.

Such an ambitious undertaking will require the dedication and hard work of a well-organized corps of several hundred volunteers. Leading the effort is the Campaign Steering Committee, composed of trustees and other alumni leaders and friends. The Steering Committee will meet quarterly to assess campaign policies and strategies.

In addition to the Steering Committee, there are School/Center and Project Committees for each of the University’s schools and resource centers, seven Regional Committees, a Corporate Committee, Annual Giving and Class Reunion Committees, and Overseer Committees in most of the schools and centers.

To provide professional support for the efforts of all of these volunteers, Penn’s Office of Development has expanded its services and activities in a number of areas. To identify prospects capable of giving $25,000 or more, Development has assembled a staff team that conducts in-house research, and organizes review, or screening, sessions with alumni groups across the country.

A Development Information Systems unit has been established to provide ongoing services to central, school and center fund-raising staff. The Development Office has also established new procedures to coordinate outreach to alumni and institutional philanthropies.

The Office of Planned Giving, reorganized three years ago, provides education and support on planned-giving instruments (e.g., charitable-lead trusts, gift annuities) to field staff, University administrators and volunteers. This office also works with donors on financial and tax planning for their gifts.

A Campaign Marketing and Communications staff has been assembled to design a comprehensive campaign communications program and produce materials to motivate and educate volunteers and potential donors.
**Gift Stratification Scenario for an $800 Million Campaign**

<table>
<thead>
<tr>
<th>Gift Level</th>
<th>Number of Prospects Required</th>
<th>Number of Gifts Required</th>
<th>Average Gift</th>
<th>Dollar Yield Subtotal</th>
<th>Dollar Yield Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20 mm+</td>
<td>6</td>
<td>3</td>
<td>$22 mm</td>
<td>$66 mm</td>
<td>$66 mm</td>
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<tr>
<td>$10-25 mm</td>
<td>12</td>
<td>6</td>
<td>$12 mm</td>
<td>$72 mm</td>
<td>$138 mm</td>
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<tr>
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<td>150</td>
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<tr>
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<tr>
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<td>600</td>
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<td>$657 mm</td>
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<td>$30,000</td>
<td>$45 mm</td>
<td>$702 mm</td>
</tr>
<tr>
<td>Under $25,000</td>
<td>(over 100,000 gifts)</td>
<td></td>
<td>$98 mm</td>
<td>$800 mm</td>
<td></td>
</tr>
</tbody>
</table>

How will the money be used?

Through the campaign, gifts will be sought to support the priorities established by the academic leadership of the University, which are faculty development, student financial aid, research, and undergraduate education. Over the course of several years, these four central priorities were identified through ongoing planning processes in each of the University’s schools and centers. They are described in more detail in Strategic Investments in Academic Excellence and Choosing Penn’s Future, but can generally be described as follows:

- endowed chairs to retain and recruit nationally ranked faculty;
- enrichment of the undergraduate experience, both within and outside of the classroom;
- continued development and expansion of state-of-the-art research facilities as complements and incentives to recruiting and retaining faculty;
- student aid for graduate, professional and undergraduate students.

In order to support these academic priorities, the goals of the campaign include increasing the University’s endowment by $500 million (including growth through investment of existing and new funds), principally for professorships, student financial aid, and academic programs; and raising more than $250 million for construction and renovation of facilities.

Essentially, it is these priorities that will drive our fund-raising efforts and the success of the campaign will be measured by how well we were able to raise monies to support them. The challenge will be to match the interests of our potential donors to those priorities. Most donors, as would be expected in any population, have very specific areas that concern them and that they are willing to support. Therefore, we don’t expect that at the end of the campaign there will be a large pool of unrestricted funds to devote to ventures not already established as among the University’s priorities.

The campaign is an extremely ambitious undertaking, but the continued vitality of the University depends on its success. Over the course of the next several years, we will require the best efforts of not only our volunteers and donors, but the Penn faculty and staff, and we hope you will enthusiastically join us in this enterprise.

November 22, 1988