

The ABC's of Fundraising for Faculty Endowments at Penn State

John Dietz and Jim Ummer

Campaign All Volunteer Summit

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For the future
THE CAMPAIGN FOR PENN STATE STUDENTS



Why Faculty Endowments?

- Campaign Priority – A great education begins with great educators
- Preeminent faculty are the cornerstone of a university's reputation
- Attract and retain established and emerging leaders in the field
- Named positions are prestigious honor

Why Faculty Endowments?

- Funds are “above and beyond” salary
- Funds allow researchers to secure initial results before external funding is available
- Funds enable interdisciplinary research
- Allow College/Campus to focus on strategic initiatives

PSU Endowment Facts

- Number of faculty endowments – 298
- Income generated this year - \$15.24 million
- Market Value of endowments - \$338.6 million
- Number of graduate fellowships – 432
- Income generated this year - \$4.51 million
- Market Value of endowments - \$100.1 million

Penn State Faculty Endowments

- Dean's Chair/Chancellor's Chair \$5 million
- Department Head Chair \$3 million
- Faculty Chair \$2 million
- Professorship \$1 million
- Early Career Professorship \$500,000

Dean's Chair/Chancellor's Chair

- \$5 million - @ \$225,000 cash per year
- The endowment of a Dean's or Chancellor's chair represents a landmark commitment, ensuring that the most visible and important positions in colleges/campuses are held by distinguished and talented leading scholar-educators

Department Head Chair

- \$3 million @ \$135,000 cash per year
- Provides flexible support for departmental leadership in the form of strategic investments that benefit not only the individual professor, but also the teaching, research, and service of the entire department

Faculty Chair

- \$2 million @ \$90,000 per year
- Typically conferred upon the most distinguished scholars-teachers, a chair provides a professor with resources to continue promising research and programs, helping departments to attract or retain top faculty

Professorship

- \$1 million @ \$45,000 per year
- Offers resources necessary to pursue new lines of research or innovative teaching methods, ensuring the stability and strength of our academic programs and allowing PSU to encourage new levels of achievement among its most promising faculty

Early Career Professorship

- \$500,000 @ \$22,500 per year
- Offers early recognition and additional support for outstanding young faculty
- Designed to rotate every three years to a new recipient
- Offers deans and chancellors opportunity to recruit and retain rising academic stars

Penn State Faculty Challenge

- Early Career Professorship
- 1:2 match from the University
- \$334,000 gift from donor
- University will commit remaining one third of the remainder from unrestricted endowment resources
- Cash commitment payable over a five-year period

Other Ways to Support Faculty

- Program Support – Helps faculty focus on innovation and technology
- Faculty Start-Up Funds – Tailored towards specific needs of new faculty
- Research Support – Allows for exploration of emerging trends/discoveries
- Graduate Fellowships – Grad students serve as research partners to their professors

Value of Faculty Endowment

- *“The Monkowski Career Development Professorship was the deciding factor in enabling me to successfully recruit Suman Datta from Intel,”* Ken Jenkins, former Head of the Electrical Engineering Department. *“The prestige of a named position was just what we needed to convince Suman to accept our offer.”*

Faculty Endowment Dinner and Faculty Workshop

- “Celebrating Faculty Endowments”
- October 13, 2012
- Keynote speaker is David Ho – *Time* Magazine 1996 “Man of the Year” Recipient
- Two training workshops for faculty endowment holders with focus on stewardship

Funding Faculty Endowments

- James W. Ummer – Penn State Planned Giving Advisory Council
- Rothman Gordon, PC of Pittsburgh
- Expertise – corporate finance and structuring and estate and charitable planning
- 1972 Duke University

Assets That Can Be Used

- Cash
- Appreciated stocks/bonds
- Closely held stocks/business interests
- Real Estate
- Retirement Plans
- Life Insurance

Gift Plans

- Give it now – Outright gift or pledge
- Give it later – Bequest or beneficiary designation
- Give the Asset, Keep the Income – Life income gifts (gift annuity or charitable remainder trust)
- Give the Income, Keep the Asset – Wealth transfer strategy (charitable lead trust)

Questions?