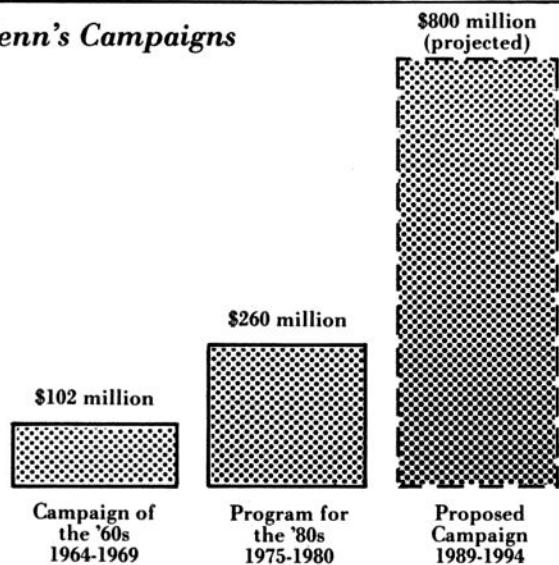


A Campaign Unfolds

Perhaps the worst-kept secret on campus of late is that the University is about to launch one of the largest fund-raising campaigns in the history of higher education. Although planning for the campaign has involved faculty and staff from across the University, the broader Penn community has not yet been introduced to the processes, procedures and purposes of the campaign. To address some of the questions that an effort of this magnitude raises, we offer the following. If you have any additional questions or concerns, please call or write as they arise.

Rick Nahm
Vice President for Development
and University Relations

Penn's Campaigns



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.

Campaign Activity

PHASE I

Nucleus Fund

July 1988-September 1989

- Solicit all Trustees
- Solicit 100-150 additional Nucleus Fund prospects
- Recruit Campaign leadership
- Organize Steering Committee
- Complete reorganization of Development Services
- Implement new gifts system
- Develop Campaign communications plan
- Develop School/Center goals and Campaign plans
- Organize, recruit, train Regional Campaign staff
- Develop Campaign name, logo, case statement, printed materials, AV presentations, supplies, etc.
- Fully implement national screening program
- Implement prospect-management program including tracking system
- Formulate goals, reporting formats, newsletters, etc.
- Plan for formal Campaign kick-off
- Identify, evaluate and cultivate Phase II prospects
- Plan major project fund-raising efforts

PHASE II

Leadership Gifts

October 1989-December 1990

- Continue follow-up on all Phase I prospects
- Solicit 750 Phase II prospects
- Recruit regional leadership for Phase III
- Begin intense cultivation/solicitation of corporations and foundations
- Execute formal kick-off
- Conduct volunteer-training sessions
- Begin including Annual Giving and baseline development activities in Campaign
- Integrate Campaign activities into 250th celebration events
- Launch formal School/Center and major project efforts
- Plan Faculty/Staff Campaign
- Identify, evaluate and cultivate Phase II prospects
- Begin planning regional kick-off events
- Initiate Campaign newsletter
- Assess progress toward dollar, donor and prospect goals and adjust strategies as appropriate

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

PHASE III

Major Gifts/Regional Campaign

January 1991-December 1992

- Continue follow-up on all Phase I and Phase II prospects
- Solicit 5000 Phase III prospects through regional kick-offs followed by committee work and reunions
- Begin faculty/staff solicitation
- Complete national screening and prospect-identification programs
- Develop strategies for Phase IV to consist primarily of direct mail and telemarketing
- Assess progress toward goals and adjust strategies as appropriate

PHASE IV

Constituency-wide Campaign

January 1993-June 1994

- Continue follow-up on all Phase I and Phase II prospects
- Follow-up on previously solicited Phase III prospects
- Solicit an additional 5000 Phase III prospects
- Conclude corporate and foundation solicitations
- Execute Phase IV constituency-wide solicitation
- Hold final Campaign celebration
- Develop final public report
- Formulate procedure for internal evaluation of results and preparation of final internal report
- Establish plan for continued stewardship beyond Campaign

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

Gift Level	Number of Prospects Required	Number of Gifts Required	Average Gift	Dollar Yield Subtotal	Dollar Yield Total
\$ 20 mm +	6	3	\$ 22 mm	\$ 66 mm	\$ 66 mm
\$ 10-25 mm	12	6	\$ 12 mm	\$ 72 mm	\$138 mm
\$ 5-10 mm	35	20	\$ 6 mm	\$120 mm	\$258 mm
\$ 1- 5 mm	280	105	\$ 1.75 mm	\$184 mm	\$442 mm
\$.5- 1 mm	350	130	\$600,000	\$ 78 mm	\$520 mm
\$250,000- \$500,000	430	150	\$300,000	\$ 45 mm	\$565 mm
\$100,000- \$250,000	1,125	375	\$150,000	\$ 56 mm	\$621 mm
\$ 50,000- \$100,000	1,800	600	\$ 60,000	\$ 36 mm	\$657 mm
\$ 25,000- \$ 50,000	4,500	1,500	\$ 30,000	\$ 45 mm	\$702 mm
Under \$25,000		(over 100,000 gifts)		\$ 98 mm	\$800 mm

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.