

**A \$1 billion, five-year
drive starts here**

The Campaign,

First and

Foremost

By Rich Barlow

Why, after 173 years, is Boston University mounting its first comprehensive fundraising campaign? And why the daunting target of \$1 billion, a figure no school has ever aimed for in a first campaign?

Campaign chair Kenneth Feld (SMG'70) says he hears the answer every time he travels. "BU is now at a stage where it is breaking through," says BU trustee Feld, whose family business—Feld Entertainment—owns Ringling Bros. and Barnum & Bailey and Disney on Ice, among other properties. "The level of fame that has come to BU *more →*



“Nobody’s ever done this.”

CENTURY CHALLENGE IS AN INNOVATIVE USE OF THE MONEY RAISED

internationally is extraordinary. This is the absolute right time.”

President Robert A. Brown offers a similar response: alumni are ready. “The Board of Trustees voted in April 2010 to authorize us to explore the feasibility of a billion-dollar campaign,” says Brown. “It has become clear that our alumni and other friends are prepared to support this ambitious effort, so we are moving forward. Nothing will be more important for the future of the University than our success.”

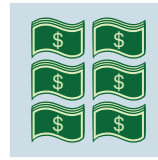
In fact, the groundwork for the Campaign for Boston University was put in place shortly after Brown took office seven years ago, when he set administrators to work on a strategic plan that would describe their vision for the University. The document that emerged, “Choosing To Be Great,” took stock of the University’s strengths—renowned faculty, an increasingly gifted student body, healthy finances, and its international students and programs. It also identified priorities that would enhance and nurture those strengths, with the understanding that realizing those priorities would necessitate changes in the University’s funding strategy. At the same time, a disciplined budgeting process—long a BU strength—would be critical. “A vision without a budget,” Brown likes to say, “is a hallucination.”

Because BU does not have the hefty endowment that substantially supports the operating budgets of some peer institutions, the University can count on



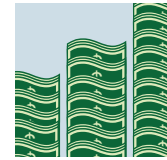
1

Donors give at least \$100,000 to create an endowed undergraduate scholarship.



2

Boston University matches the payout from that fund.



3

The first \$100 million in qualifying gifts are matched.



4

After 100 years, the original \$100,000 is worth more than \$5 million.

endowment income for only approximately 4 percent of its operating budget, and on fundraising income for another 5 percent. (These figures are half of what many other private universities of comparable quality, scale, and scope depend on.) And while “this distinctive business model has helped build a great university”—according to Scott Nichols, senior vice president for development and alumni relations—“it’s high time for philanthropy to play a larger role.”

For example, Boston University currently gets 53 percent of the money it needs for buildings through borrowing, with just 6 percent of the money coming from gifts and grants. The president and the trustees hope to substantially shift this balance, says Nichols, so that in the future, 50 percent can

come from gifts, and just 20 percent from borrowing.

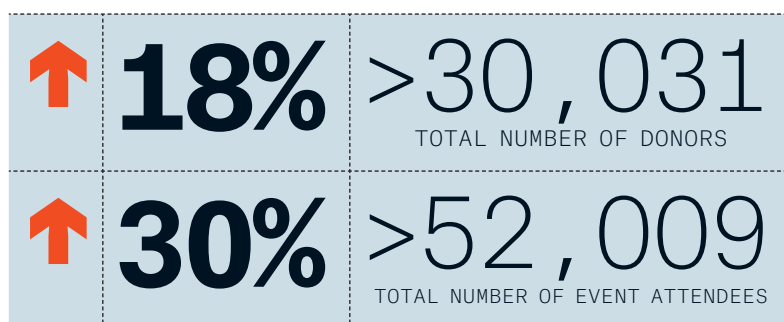
Nichols says that without a major fundraising effort, an even greater burden will have to be placed on tuition, which is something that neither Brown nor the trustees are willing to accept. This commitment to ride herd on tuition increases is among the many reasons why BU trustees and overseers have personally stepped up and pledged \$130 million collectively to kick-start a campaign with a \$1 billion goal.

Toward that ambitious end, the deans of all the schools and colleges have put together cadres of prominent alumni, known as Deans Advisory Boards, whose members are committed to the long-term success of those schools, and might be willing to back them not only with advice and counsel, but also with substantial philanthropic gifts. Nichols says that what had been a handful of such folks before the campaign has now burgeoned to more than 350, and the goal is to boost that number (including international alumni) to between 500 and 1,000.

Where will the money go? One third of the answer is already visible. While the campaign officially opened this fall, an unofficial “quiet” period began about two years ago, and it has yielded a total of \$420 million. That includes \$25 million from trustee Rajen Kilachand (GSM’74), the largest gift in BU history, to endow the Arvind and Chandan Nandlal Kilachand Honors College, and \$15 million from trustee Bahaa Hariri

BU alumni participation

FROM FY11 TO FY12



Five things you should know about the Campaign for Boston University

(SMG'90), for the Rafik B. Hariri Institute for Computing and Computational Science & Engineering.

Campaign gifts have also made possible the new School of Medicine student residence, the expansion and renovation of the School of Law, and the New Balance athletic field (see page 42). They fund important professorships, such as the Peter Paul Professorships for junior faculty, given by trustee Peter Paul (GSM'71) (see page 36), and a \$1 million gift for the Reidy Family Career Development Professorship at the College of Engineering from trustee Richard Reidy (SMG'82). For the past two years and through the 2017 campaign finale, trustee Richard Cohen (CGS'67, SMG'69) has pledged \$300,000 a year to the campaign to send 15 undergraduate students to BU.

Some \$75 million is slated for the Annual Fund, which supports a range of efforts, from scholarships to faculty enrichment to student life programs. The fund's goal is as much about participation rates as it is about dollars raised. During the expected five-year life of the campaign, the Annual Fund seeks to double participation among BU alumni, from 25,000 to 50,000 donors a year.

One distinctive feature of the campaign is the Century Challenge, an innovative program aimed at raising support for undergraduate scholarships. The proposition works like this: if a donor contributes \$100,000 or more to establish an endowed undergraduate scholarship fund, the University will use funds from

its existing financial aid budget to match the payout from that fund every year for 100 years (up to a maximum of \$100 million). In effect, this will double the impact of the donor's named gift.

"Nobody's ever done this," Nichols says. "I've been working in development forever, and I've never heard any institution figure this out. Bob Brown did."

Nichols says the campaign's overall objectives will allocate \$150 million for support for students, to ensure that BU remains accessible to highly qualified candidates, and \$200 million for support for faculty, to help recruit and retain outstanding scholars and teachers. The University has vowed to continue its program of gradually raising faculty salaries to competitive levels; a related goal is to increase the number of endowed professorships. The campaign's goals also include \$250 million to support research, \$150 million to maintain and improve facilities, \$150 million for special programs such as career services, libraries, and athletics, and \$100 million for unrestricted and current-use gifts.

According to Nichols, the choices that must be made—which schools get how much money, which buildings get built, which professorships are funded, which programs get expanded, and so on—will go a long way toward defining the future of the University.

Which is why, he concludes, everyone needs to play their part. "Every contribution, from each and every alum, will be important."

1 This is the University's first comprehensive campaign.

2 The campaign goal is \$1 billion, more than any school has ever sought in a first campaign.

3 BU trustees and overseers have pledged \$130 million collectively.

4 The two-year quiet campaign has yielded a total of \$420 million.

5 Gifts will support financial aid, professorships, research, and special programs.

