


Endowment 101

Gifts to the endowment make a difference to individuals
and the University as a whole.



By Theresa Gawlas Medoff '85, P'13

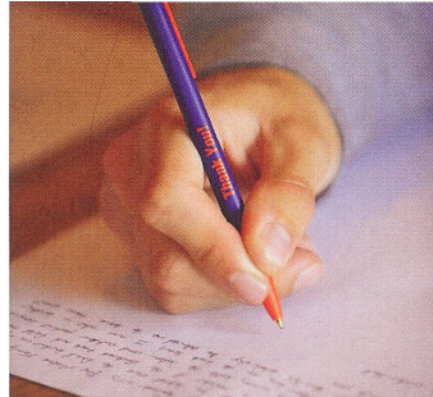
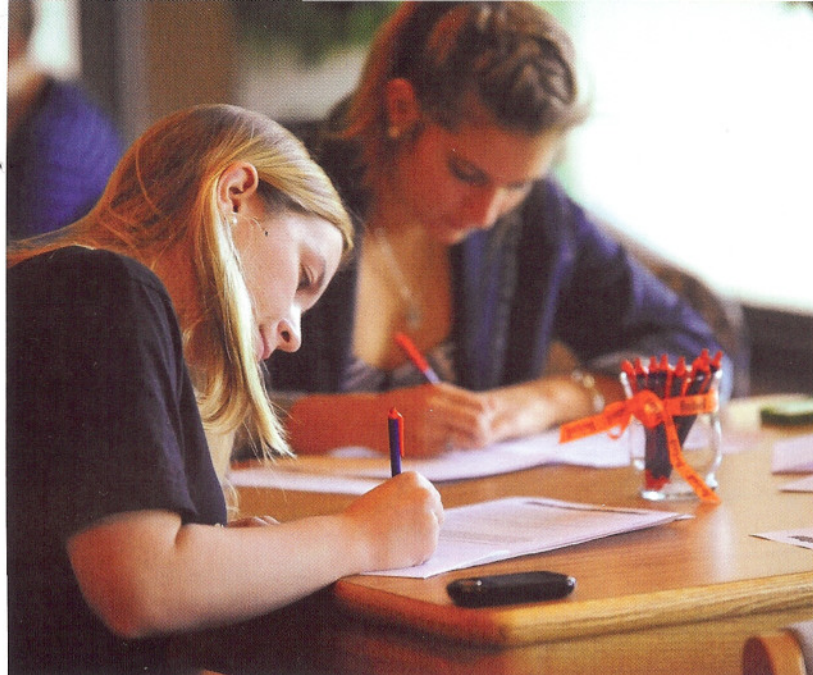


Emily Geist '03 knew that she wanted to attend Bucknell — it was her top choice. What she didn't know was how her family would ever be able to afford it. "That's why I was even more excited to find out about my scholarships than I was to learn that I'd been admitted to Bucknell," says Geist, who was the first in her family to attend college. An outstanding student at Uniontown Area High School in Uniontown, Pa., Geist received a need-based Ted Ammon Scholarship, in addition to one of the University's Presidential Fellowships, the top merit scholarship given by Bucknell.

Geist earned her degree in mechanical engineering summa cum laude and went on to receive a doctorate from Carnegie Mellon University. Today, as an assistant professor of mechanical engineering, she is educating the next generation of Bucknell engineers, as well as designing a computer-aided system to help surgeons perform minimally invasive hip surgeries.

"Obtaining the financial assistance to be able to attend Bucknell was a key step in my professional life," Geist says. "I owe much gratitude to the donors who made my engineering education at Bucknell possible."

The Ted Ammon Scholarship and hundreds of other merit and need-based scholarships exist today because of an extraordinary push to increase scholarship endowment during Bucknell's last major comprehensive campaign. Before the 1994–2000 campaign, Bucknell had 227 scholarships with a combined endowment of \$18.2 million. Today, thanks in large part to the \$15 million given by the late **Ted Ammon '71** to stimulate scholarship giving, the University has 591 endowed scholarships with a combined endowment of \$198 million. Those scholarships help support 852 students annually, and because the scholarships are endowed for perpetuity, untold numbers of talented students, like Geist, will be able to attain their dream of a Bucknell education.



Importance of Endowment

Endowed scholarships are part of an endowment built by the generosity of alumni and friends that makes many dreams possible. The University's annual budget — and, in a genuine sense, its future — depend on three types of giving: annual, capital and endowment. Senior Development Adviser Mark Elliott likens the three to the different financial resources that a family needs: income for day-to-day living expenses, a house to live in, and savings and investments to provide for the future. Similarly, Bucknell must pay annual expenses and for residence halls, classrooms, laboratories, equipment and athletics facilities; and it must prepare for expenses not otherwise covered while ensuring the long-term strength and stability of the University. To meet this last objective, the University depends upon an endowment of savings and investments that are intended to last forever.

Each year, Bucknell spends 4.5 percent of its total endowment, in essence turning part of the interest accrued into spendable resources. The remainder is invested to preserve the principal and prudently grow the endowment's value. Today, the endowment provides 15 percent of the University's operating budget. It helps to fund every aspect of the University, from student research and faculty support to academic and athletics programs to general operating expenses.

President John Bravman says, "An endowment is a statement from the University community that we believe Bucknell will be here forever, that the education it provides, the lives it affects, are of such importance we commit across generations to ensuring its academic excellence, to boosting the value of a Bucknell degree and to increasing what the institution can and will mean to students yet to come."

The University's endowment currently stands at approximately \$600 million. But Bucknell's endowment is quite low by

comparison to its peers, as is especially evident when one looks at the per-capita endowment resources of Bucknell, which is the best indicator of the resources a university has to invest in its programs and people. Because of the endowment's importance to the University's academic strength and reputation and its ability to aid both students and Bucknell to compete in a fast-moving environment, the University has set ambitious goals for increasing the endowment through the comprehensive campaign announced at Homecoming 2012, "We Do."

"Almost anything the University does or wants to do can be endowed, not just professorships and scholarships. Donors can also choose to endow academic or athletics programs, undergraduate or faculty research, study abroad, deans and directorships, building upkeep and more," Elliott says. "When expenses such as these are endowed, it guarantees the permanent viability of that program. Endowments may also free funds that improve all University programs."

A larger endowment would enable Bucknell to enhance and expand its programs, strengthen its ability to recruit and retain the best students and faculty, invest in faculty and student scholarship and creative projects, provide greater levels of grant aid to students with financial need and ultimately boost the stature of Bucknell and the degrees it awards. It could also help to slow the pace at which tuition must be increased, making Bucknell more accessible to prospective students, notes Scott Rosevear, vice president for Development and Alumni Relations.

"Endowments for financial aid, scholarship support and faculty and staff positions will always be a priority for the University," Rosevear says. "Our supporters who have established endowments recognize the lasting impact their gifts make at Bucknell, and also demonstrate their confidence in the University's future."



Bucknell scholarship students write letters to donors in the annual Thank-a-Thon.

Managing the Endowment

Bucknell's Investment Office works with the Investments Committee of the Board of Trustees to manage the University's endowment. Chief Investment Officer **Chris Brown '81, P'12**, along with Director of Investments **John Luthi '04** and Investment Operations Analyst **Aleem Naqvi '12**, invest the endowed funds with the dual purpose of providing for the needs of today's students while preserving the fund's principal to provide for future generations. The Investment Office seeks a diversified portfolio that balances the goals of current income generation and long-term growth and protects the fund during turbulent market periods, Brown notes.

Over the past five years, Bucknell's endowment has returned 5.5 percent per year, net of all fees and expenses. This compares favorably with the S&P 500, which has returned just 2.9 percent, and is ahead of the 4.6 percent median college and university return as reported in the 2011 NACUBO-Commonfund Study of Endowments (National Association of College and University Business Officers). But if Bucknell has proven its capacity in turbulent market conditions to protect and invest its resources wisely, its challenge remains providing greater resources in a 21st century in which the expectations and need for a liberal arts education are only rising.

Giving to the Endowment

For the donor, giving to the endowment has the added enticement of providing a special connection to the students or faculty who benefit from it. **Charlie Vogel '37** has attended almost every Scholarship Day luncheon since the event's inception in 1990. He enjoys meeting the students who receive the Charles I. and Virginia Vogel Scholarship, founded in 1999, and the Class of 1937 Scholarship, established in 1987 at the class's 50th Reunion. And he especially values the ongoing

correspondence he has with many of the students.

"Giving for an endowed scholarship is not one of those cases where you make a donation and that's the end of it," Vogel says. "All of the students write to tell me what they are doing at Bucknell and what they plan to do in the future. And they show so much appreciation. You can't help but well up inside when you read their letters." ^B

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