PLENARY SESSION OF THE TRUSTEES
June 13, 1974

A plenary session of the Trustees was held on Thursday, June 13, 1974 at 10:30 a.m. in the Auditorium of the Wistar Institute.

Present were Gustave G. Amsterdam, Esq., Mr. Julian S. Bers, Mr. Howard Butcher III, Mr. Henry M. Chance, II, Dr. Glorla Twine Chisum, Dr. George A. Coleman, Mr. Charles D. Dickey, Mr. Robert G. Dunlop, Mr. John W. Eckman, Mr. Thomas S. Gage, Dr. F. Otto Haas, the Honorable A. Leon Higginbotham, Jr., Dr. Carl Kaysen, Mr. William J. Kennedy, III, Mr. Charles A. Krause, Mrs. Margaret Mainwaring, Mr. John A. Mayer, M. C. B. McCoy, Anthony G. Minisi, Esq., Mr. William D. Patterson, Mr. Donald T. Regan, Mr. Wesley A. Stanger, Jr., Mrs. Ione A. Strauss, Mr. Sarkes Tarzian, Mrs. Marietta Tree, Robert L. Trescher, Esq., Morton H. Wilner, Esq., Mr. Charles S. Wolf, Mr. Robert Barnes, Mr. Stuart H. Carroll, Norman S. Fink, Esq., Mr. Eugene B. Funderburke, Mr. Paul O. Gaddis, Mrs. Karen C. Gaines, Miss Betsy W. Geist, Mr. John C. Hetherston, Mr. William J. Hickey, Dr. John N. Hobstetter, Mr. Louis T. Hughes, the Reverend Stanley E. Johnson, Dr. D. Bruce Johnstone, Mr. Edward F. Lane, Dr. Thomas W. Langfitt, Mr. Harold R. Manley, President Martin Meyerson, Mr. Kenneth W. Moore, Mr. Michael P. Morgan, Jr., Mr. William G. Owen, Mr. Curtis R. Reitz, Mr. Robert Roche, Mr. J. Crosier Schaefer, Mr. Donald T. Sheehan, Dr. Richard M. Sherman, Provost Elliot Stellar, Mr. E. Craig Sweeten, and Mr. Robert G. Lorndale (Associate Secretary).

Mr. Regan opened the meeting, indicating that this session could well prove to have substantial historical significance in the annals of the Trustees. We welcomed Dr. Chisum and Mr. Kennedy to their first meeting since election as Trustees. He invited Mr. Eckman to chair the meeting.

Mr. Eckman recalled the background to today's session, noting that in January of 1972 President Meyerson produced the document, "Directions for the University of Pennsylvania in the Mid-70's", which had given rise to the appointment of the Development Commission. He observed that the Development Commission released its report in January of 1973, which led in turn to the establishment of the ...
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Mr. Sweeten introduced Mr. Barnes and Mr. Roche, noting that the report, copies of which had previously been mailed to the Trustees, would be the basis for this session. He stated that the study had been made to test the feasibility and marketability of the proposed University development program and that it consisted of personal, in-depth interviews with more than 80 individuals, most of whom would be considered to be potential major figures in any forthcoming fund-raising program. He commented that, in addition, ten corporate executives and the officers of five foundations have been interviewed and that interviews will be conducted with additional corporations and foundations.

Mr. Barnes proceeded to introduce the recommendations made in the report, with explanatory comments made by Mr. Roche in each case as appropriate.

Mr. Eckman expressed his appreciation to Mr. Barnes and Mr. Roche for their work, noting that their discussion did not really bring out the strong undercurrent of optimism which he sensed in the report. He invited President Meyerson to comment further.

President Meyerson expressed his thanks to Messrs. Barnes and Roche for the report and to the Trustees, University officers, and Development Department personnel who had engaged in the study. He noted that the views expressed in the report will constitute an important resource in the structuring of the development program. He noted further that there are lessons to be gained from the capital campaigns being conducted by other institutions, examples being those at Stanford and Yale. He pointed out that addition to endowment is a prime component of most of the other campaigns, which tends to lend credence to the emphasis on endowment in the thinking at this institution, especially since most of the other...
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major institutions concerned have substantially more endowment per student than does Pennsylvania. He noted that the campaign at Yale gives considerable emphasis to the arts and sciences, paralleling the view which has developed here of the centrality of the arts and sciences in the scheme of "One University."

Commenting further, he emphasized that the Trustees, President, and Provost must provide the prime leadership in the conduct of the forthcoming campaign, that the Deans must be looked to in accomplishing the important task of expanding the endowments of their schools, and that it is essential that the University, as an independent institution, maintain a strong base of private support.

A general discussion of the preliminary report and of the implications for organization of the development program was led by the Messrs. Barnes, Darnes, Eckman, Roche, and Sweeten. In the discussion, the following views were expressed:

1) The limited number of interviews conducted with faculty members suggested somewhat less institutional loyalty and more criticism than was evinced by the faculty in the capital campaign conducted in the 1960's. Faculty leadership, however, was crucial to the success of the last campaign and should be developed in this one.

2) Student participation in the cultivation of donors can be very important and should be developed.

3) The maintenance of fiscal responsibility will be essential to success.

4) The University has a vital need for endowment funds, but foundations and corporations may see little reason simply to transfer their funds to the University for non-specific use. Means must be found to identify the University's interests with the donors' interests. The funding of a professorial chair can be viewed as an expansion of unrestricted funds because such funding frees money for unrestricted use which otherwise would have been budgeted to pay the professor's salary. The University has never been completely successful in gaining the financial support of Philadelphia families, which may, if not remedied, work to the University's disadvantage in approaching foundations based on

Feasibility and marketability of proposed University program
Development Program

5) The fact that no real negative response was demonstrated in the interviews suggests that there may be a generally favorable predisposition toward the University among its major constituencies which, with imagination, can be capitalized upon.

6) The sizeable goal which is likely to be set for the campaign will make it essential that gifts be obtained from individuals and institutions who in the past have not given to the University as well as from those who have been donors in the past. The reservations most commonly expressed by the interviewees were the state of the economy and the present non-specific nature of the campaign.

7) The funding of professorial chairs might be made more attractive to donors by placing them on a self-liquidating basis as appropriate or by reaching an understanding that funding would cease when the original incumbent retires.

8) The state of the national economy will, at least in the present climate, be used by prospects as a reason for not participating and must be anticipated in the cultivation process.

9) The next report on the development program should be sufficiently specific as to enable a start to be made, since continuing refinement of planning can result in an indefinite delay.

10) The University's stewardship of past gifts should be documented to instill confidence in prospective donors.

11) The continuing success of Alumni Annual Giving is a positive indicator which bodes well for the success of the development program.

12) The University's conduct of student financial aid can be an important consideration in approaching some prospects.

13) The alumni clubs can provide important local leadership in conduct of the campaign.

Mr. Regan voiced his thanks to the Trustees for the thoughtful contributions which they had made in the discussion.

Upon motion by Mr. Eckman, the following resolution was adopted, after amendment to satisfy concerns expressed by Mr. Gates.

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and Mr. Krause:

WHEREAS the Trustees of the University of Pennsylvania on January 11, 1974, declared their resolve to begin a major fund-raising campaign in 1975; and

WHEREAS the University's academic planning—in the arts and sciences, the health area and throughout the campus—is progressing at such a rate as to indicate that the documentation of programs, priorities and costs may be expected by the fall meeting of the Trustees; and

WHEREAS a survey among Pennsylvania's most influential constituents has shown that they value highly the preservation of the University's standing as a leading and essentially private institution and approve overwhelmingly of its broad objectives as stated in the prospectus, "Program for the Eighties"; and

WHEREAS the Trustees recognize that the times are never devoid of uncertainties, economic or otherwise, and that these must be confronted with courage, resourcefulness and faith; therefore be it

RESOLVED that the Administration be asked, in the months immediately ahead to:

1. Refine the program planning, cost calculations and priorities for the University's funding objectives;

2. Continue the process of academic selectivity in furtherance of the University's commitment to excellence.

3. Maintain financial control and stewardship of the highest order to the end that fiscal responsibility can and will be a meaningful cornerstone of our fund-raising case.

4. Delineate an image of the University that will do justice to its character and distinction, and proceed to project this image through the case statement and other channels of information;

5. Begin informing, involving and cultivating those persons whose support will be essential to the success of the fund-raising program taking such steps as continuance of the current survey and the appointment of distinguished boards of overseers for all appropriate areas of University activity; and be it further

RESOLVED that the Trustees direct the executive committee of the Ad Hoc Committee on Resources Evaluation to devise fund-raising strategy and tactics, and to give early attention to the planning and timing of the program generally and to the initiation of the nucleus fund in particular.

Adjourned.

Robert G. Lorndale
Associate Secretary