

Emeritus Faculty Leave Enduring Legacy

Canisius College paid tribute to three deceased *emeritus* faculty members on September 27 with a memorial Mass in Christ the King Chapel followed by a reception in the Grupp Fireside Lounge. **Thomas W. Fitzsimons, PhD, Donald L. Tollefson, PhD, and Francis J. Walter, PhD,** were longtime and highly-respected members of the Education, Psychology and History departments (respectively).

Each made substantial contributions during his tenure at Canisius and was remembered warmly by former colleagues at the reception. Canisius President Rev. Vincent M. Cooke, S.J., also recognized the *emeritus* faculty for having made generous commitments to the college. Tollefson and Walter created endowed funds through their wills to provide annual support to their respective departments. Fitzsimons made an unrestricted bequest to the college through his will.

Canisius is grateful for their many years of devoted service as educators and for their enduring generosity.

Urban Leadership Learning Students Assist in Developing New Park



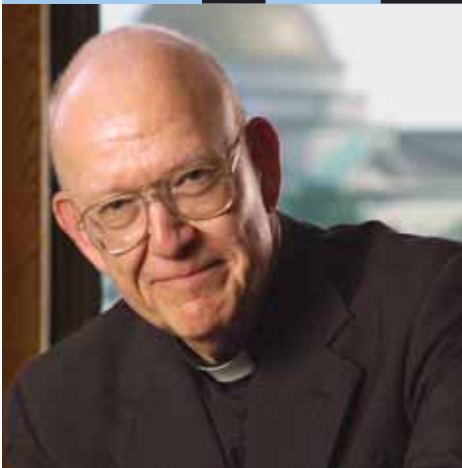
Admiring the architect's rendering of the park are (l-r): E Roger Stephenson, PhD, professor of English, Rich Sasala '07, Thomas M. Montante '65, Felicia Marrero '07, Altruia Vereen '08 and Kenneth M. Sroka, PhD, professor of English. The Canisius students are enrolled in the Urban Leadership Learning Communities program directed by Sroka and Stephenson.

Students from the Canisius College Urban Leadership Learning Communities have teamed up with two of the program's strongest supporters for a new and exciting project along the Main Street corridor. **Thomas M. Montante '65** and his wife, Margy, are developing a pocket park south of the Tri-Main Building near the college's Demerly Hall. When the park formally opens in the spring, it will include inlaid chess tables, plant boxes, sculpture displays and a small amphitheatre. As the Montantes develop this park, the ULLC students will assist in their efforts.



The central corridor on the first floor of Old Main now features another splendid work of art thanks to a recent gift from **William E. Leising '72**. Leising, pictured here with Canisius President Rev. Vincent M. Cooke, S.J., donated this gilded frame oil-on-canvas painting to the college in memory of his parents, Hubert George and Alice Shyne Leising. The work, titled "Western House and Tavern in a Winter Setting," was painted by famous American landscape artist Lucien Whiting Powell, and was once part of the extensive art collection of Jacob G. Lang. This particular painting graced Lang's Delaware Avenue mansion.

Q AND A



with REV. VINCENT M. COOKE, S.J.

Father Cooke Explains Endowments

Every great college or university is sustained – even energized – by a strong endowment. Endowments do not result in bricks and mortar; rather, endowment dollars supply a dependable source of income, which gives institutions the freedom to plan the future, and provide students and faculty with rich academic experiences.

Canisius President Rev. Vincent M. Cooke, S.J.,

When you speak with alumni and friends about the future of Canisius, one of the priorities you stress is the need to build the college’s endowment. What exactly is the endowment?

The classic definition of endowment is a gift made with the stipulation that the principal can never be spent. Only earnings over and above the original principal can ever be expended. That is the classic definition of endowment or ‘strict endowment.’ However, in addition to gifts that meet this definition, the college’s Board of Trustees elects to treat gifts received without this stipulation, as well as appreciation earned from the investment of endowment funds and surpluses from the college’s annual operating budget, as ‘quasi endowment’ or ‘funds functioning as endowment’ or as ‘Board designated funds.’ All of these alternative terms refer to sums that are held and invested by the college but which could be spent with Board of Trustees approval. At Canisius, the strict endowment and the funds functioning as endowment make up an invested fund that provides a perpetual source of income for the college.

Why is building the endowment a high priority?

Endowment represents potential. When I think of the importance of endowment for the college, I focus on what that money makes possible. From supporting a greater number of students through scholarships to providing faculty members the freedom to develop new and innovative programs, the list is limited only by the imagination.

Are scholarships an important part of the endowment?

Yes. And actually it’s important to note that when we speak of the Canisius College

endowment, we are actually talking about 334 separately named endowments. Of these, 291 are restricted for student scholarships. Most of the remaining 43 named endowments are designated to specific programs or purposes, such as lecture series, student research and discretionary funds for academic departments.

What are named endowments?

Named endowments are specific funds for which the right to name the funds in perpetuity is granted to donors in recognition of their generous commitment to the college. Named endowments allow donors to create a lasting legacy at Canisius, and are often named in honor of the principal donor or donors or in honor of a loved one. The minimum gift to create a named scholarship endowment is \$25,000, which can be funded over a period of years.

Are scholarships where you see most of the future growth as you continue to build the endowment?

Certainly it will remain a high priority. Donors view scholarships as a way to have direct and positive impact on students, and rightly so. Right now, we provide more than \$30 million in financial aid to our students each year. These scholarships and grants make it possible for Canisius to attract the best students. However, we fund less than 10 percent of the financial aid from our Endowed Scholarship Program, so we need to achieve further growth before our endowment meets the needs of our students. But the endowment needs to grow in other areas as well, including program and departmental endowments. One area we are focusing on, in particular, is the creation of endowed chairs and professorships to provide support for our very best faculty.

answers the most common endowment questions he hears from alumni.

What are endowed chairs and professorships?

Endowed chairs and professorships are one of the hallmarks of a great university. As with other endowments, funds contributed for an endowed chair or professorship are held in perpetuity to provide annual income, in this case specifically in support of the faculty member who holds the chair or professorship. This support is typically directed toward research, teaching innovations, graduate assistant stipends, clerical assistance, travel, salary supplements and similar activities. Endowed chairs and professorships are powerful tools for recruiting and retaining the most distinguished scholars in their fields, which in turn helps us recruit the highest quality students.

What is the distinction between an endowed chair and an endowed professorship?

The relative amount of resources provided by the endowment and by extension, the size of the endowment. For an endowed professorship, the size of the endowment is \$700,000-\$1 million, which would provide \$35,000-\$50,000 annually for stipends and a program budget. For an endowed chair, the minimum endowment we require is \$2 million, which provides \$100,000 annually.

Are the annual distributions based upon how much each endowment earns through investment?

Not exactly. The actual formula adopted by many colleges and universities is to spend a percentage of a rolling three-year average market value. In our case, we use a five percent spending rate, which is about average but the Board of Trustees can authorize a higher or lower percentage based upon conditions. By looking at a three-year average, we are able to balance years of relatively poor market

performance with very good years, and vice versa. Our goal is to produce a consistent and reliable stream of income, while at the same time grow the principal as a hedge against inflation.

What does that mean?

For example, you have an endowment of \$100,000, which according to our formula, provided \$5,000 in income the first year. If 20 years from now that endowment is still worth \$100,000 the 'buying' power of \$5,000 would be much smaller due to inflation. Our goal is to grow the principal so that 20 years from now five percent of the endowment will provide the same relative value as \$5,000 today. If inflation were to average three percent for 20 years, that would mean we would have to grow the endowment to about \$180,000.

But aren't you also paying out roughly five percent of market value every year?

Yes, so we need to invest the endowment wisely to cover the annual payouts and still have growth in the market value.

That sounds like a difficult proposition. Who is responsible for your investments?

The Investment Advisory Committee of the Board of Trustees has primary responsibility. The committee works with an investment management consulting firm. We are fortunate to have individuals on the committee with a great deal of experience at very high levels in the financial services sector. Our philosophy is to follow a long-term strategy rather than a short-term or market timing approach.

How has the Canisius endowment performed?

Very well. Last year, the endowment experienced a return on investment of 12.9 percent against an 8.6 percent return for the Standard & Poor's index. But bear in mind that this is just one year. The most important measure is not how we do from year to year but how well the investments do over an extended period of time. Remember, our goal is to maintain the buying power of the principal in perpetuity. In this regard, Canisius has a very strong record. Since 1980, the endowment has averaged a return of 11.5 percent. Another way to look at it, if you had invested \$100 in the Canisius endowment in 1979 it would be worth \$1,889 today. That's what we call being good stewards of the endowment.

How large is the Canisius endowment?

As of June 30, 2006, the endowment stood at \$66.5 million, which is a high point in the history of the college. But to put that in historical perspective, the endowment stood at about \$2 million in 1979. Since that time, the college has received gifts in excess of \$60 million and the annual five percent distributions have totaled \$38 million. So, the endowment has been a powerful engine that has helped the college grow and prosper. It provides a margin of excellence that cannot be covered from tuition dollars.

One final question. How much would you like to see the endowment grow?

Realistically, I would like to see the endowment reach \$120 million over the next five to seven years through gifts and market growth. It will be a stretch goal — especially as we undertake this challenge at the same time we are creating a world-class science center at the site of the BlueCross BlueShield building — but I think we can do it.