Expanding Our Influence, Enhancing Sustainability, and Providing for Future Growth: Leveraging the Final Gift of the F.W. Olin Foundation

by

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Executive Summary. Olin College has quickly established an exceptional campus, an outstanding community of students and scholars, an enviable endowment, and a fresh and innovative approach to engineering education. It has begun to attract national and international attention as it pursues its aspiration to inspire innovation and improvement at other leading engineering schools. At this stage in development our major challenges center on issues of sustainability and growth. In this context the extraordinary final gift of the F.W. Olin Foundation announced in May of this year provides a rare opportunity to attract new partners and investors in the College’s future. By allowing the College to use more than $30 million in supplementary endowment funding to match gifts by new investors, the Foundation—in their final act of philanthropy—has given us a powerful tool to expand our influence and enhance our sustainability. The purpose of this paper is to solicit ideas and proposals that will attract new investors, expand our influence, and enhance our sustainability.

Sustainability. Although Olin College is developing rapidly, it is still a start-up venture in most respects. We have not yet graduated our first class. In fact, we are teaching the third year of the academic program for the first time this year, and the senior year program is still in development. We have not finished recruiting the faculty needed to offer all subjects required in our curriculum. Campus construction is not yet complete, and many policies and procedures are still under development or legal review for the first time. The process of invention continues as we “fly the airplane while we are building it.” As a result, many faculty and staff remain overworked as most projects and many activities continue to be “first time events,” requiring extra effort and carrying extra responsibility for setting new precedents. Sustained periods of overwork may lead to “burn out” as noted by recent accreditation visitors. In addition, the long period of urgent attention to invention needed to develop the academic program and administrative policies from a clean slate has distracted attention from long-term intellectual vitality pursuits, which will eventually lead to inhibit the professional development of our faculty if not compensated for in appropriate ways. Therefore, the College is committed to addressing the issue of burnout and professional development of faculty and staff, as noted in our strategic plan.

Another aspect of the start-up environment is the inability to accurately predict budgetary needs. The rapid change in evolving program needs and in available resources has resulted in major challenges in developing reliable financial models, in benchmarking with other institutions, and in delaying the establishment of budgetary discipline as a grass roots cultural value. It simply isn’t possible to accurately predict the costs associated with teaching in a new paradigm until after obtaining experience in the classroom with students unless overriding budgetary constraints are imposed at the outset. As a result, the College is also committed to increasing emphasis on stewardship and financial planning in order to enhance the financial sustainability of the College, as identified in our strategic plan and as noted by recent accreditation visitors.

Growth. The College is committed to an initial enrollment plateau of 300 by next fall. This enrollment plateau is the result of balancing concerns for a critical mass of students and faculty needed for a sustainable academic community, against the available resources and high costs associated with our current academic program. While it appears that with some effort an enrollment of 300 may be supported indefinitely while maintaining our Founding Precepts (which preclude charging tuition), the campus facilities were designed for a maximum enrollment capacity of 650.
Growth beyond 300 students would allow the College to extend its influence and to expand its community of scholars. Each of these effects would enhance the mission and sustainability of the institution. However, based on current program costs any growth in enrollment that would require additional faculty and staff would require significant additional investment in the endowment.

It is important to note that expanding the investors in Olin College to include others besides the F.W. Olin Foundation is an important goal in itself. An expanded list of contributors would add implicit endorsement for the vision of the College, provide an enlarged number of knowledgeable and vested advocates, and increase the opportunity to influence other engineering programs.

The Art of Identifying Appropriate Opportunities. To maximize the benefit of new gifts it is important that they provide help for the College in achieving its immediate goals while attracting the additional support and involvement of new investors to do the same. While gifts aimed at starting new parallel initiatives not on our critical path but which provide enhancements in the environment or reputation of the College are also important, they usually provide less direct benefit to our sustainability—and can even distract us from our core mission and add to our workload. Of course we should always consider such opportunities and support, but we must give highest priority for the use of matching funds to those gifts that contribute directly to our sustainability.

Examples of gifts that contribute to sustainability include gifts to the College’s endowment. Such gifts may be the result of naming an existing building, establishing a student tuition scholarship fund, or providing funds to endow an existing faculty position (provided the bulk of the revenue generated by the gift is used to support the salary of the faculty member). Other examples include funding from corporations to support the capstone student projects, or funding from a foundation to support the invention or re-invention of an existing or necessary course at Olin. Many other examples exist, of course, and the creative efforts of all members of our community are needed to identify and prioritize the initiatives that we pursue with Olin Foundation matching funds.

Special Challenges in Attracting Donors to Olin College. Olin College faces several distinctive challenges in attracting new partners and investors. One such challenge is the obvious fact that, as a new institution, the College has no alumni. The alumni at established institutions usually assume primary responsibility for developing sources of financial support for their alma mater. Therefore, Olin College must present a case so persuasive that it attracts alumni away from other institutions to invest in our unique vision in spite of their obvious loyalties to one or more well established institution.

In addition, Olin College’s current tuition fund, or endowment, is quite large by nearly all standards. The resulting perception that Olin is already well funded may result in the perception that we have no real need for additional financial support. Of course, the dedication of our endowment to provide full tuition scholarships for all students sets us apart from nearly all other institutions, and places special burdens on our financial resources that aren’t well understood at other institutions, as noted by recent accreditation visitors. So, our case for investment must successfully explain this situation and note that our aspirations for quality and growth require significant additional resources for fulfillment.

Another potential challenge is presented by the central and exclusive role that the F.W. Olin Foundation has played in founding and funding the institution. Some may incorrectly perceive that there is no room for others to participate in shaping Olin College, or that the Foundation is resistant to providing recognition for other investors on our campus. In fact, through their final gift, the Foundation has expressed a strong interest in attracting new partners in developing Olin College, and providing generous opportunities for recognition of new investors. They recognize the importance of obtaining endorsement for the vision of the College from other respected investors, and also recognize the need for additional financial resources to assure the sustainability and growth of the unique educational environment that we have created.
Special Opportunities in Attracting Donors. While Olin College faces some special challenges, it also presents some special opportunities for potential new partners. For example, as a new institution with a small governance board, new partners will have a much larger opportunity to influence the course of the institution than they would find at a larger and long established institution. In addition, since we have so little history and so few deeply rooted traditions, the opportunity to consider new initiatives that are sweeping in scope and revolutionary in nature is difficult to match at older and larger institutions. Furthermore, the Founding Precepts of the College contain several concepts that are truly distinctive in higher education and potentially attractive to new partners. Therefore, it is important that the case we present to new partners clearly presents these distinctive opportunities.

In addition, Olin College has been fortunate in attracting students and faculty of exceptional quality, and in obtaining significant national media attention for its fresh approach to engineering education. If the College continues on its current path, it seems likely that what happens here will matter to many other important stakeholders in engineering education. New partners will want to invest in opportunities that truly make a difference, and Olin appears to be well positioned for such a role.

Conclusion. The final gift of the Olin Foundation presents a very rare opportunity for the College to expand its influence, enhance its sustainability, and provide for future growth. However, to take full advantage of this opportunity the College will have to identify potential new partners and investors, develop appropriate proposals for matching funds that will enhance the sustainability of the College, and obtain approval of the F.W. Olin Foundation for each proposal. Since there are numerous possibilities, and since each one may influence the future course of the College in important ways, it is essential that we solicit advice and suggestions from all members of our community before we proceed. Therefore, I would appreciate your help in considering the following questions as we plan to implement the final Olin gift. Considering the profound importance of this gift to the future of the College, I would appreciate it if you would take a few moments and write me a letter with your thoughts on each of these questions.

1. Do you have any suggestions regarding whom we should involve in the planning and what process we should use in developing a list of high priority initiatives for matching funds?

2. Do you have any suggestions regarding particular programs or initiatives at Olin College that you feel would enhance our sustainability, expand our influence, and/or provide for our future growth?

3. Are there important features of Olin College—either positive or negative—that are not mentioned in this paper that should play an important role in our thinking as we work to develop new partners and investors?

Your comments are important to us and will be given careful consideration in developing our strategy for moving forward with this incredible new gift.