NOTES FOR GEORGIA TECH PRESIDENT G. WAYNE CLOUGH  
Georgia Tech Foundation, 12/6/02

Return on Investment Report: “Philanthropy provides the competitive edge”

- State provides good foundation, but donors provide the additional resources it takes to achieve the level of excellence and leadership to which Georgia Tech aspires.

- $49 million in gifts, grants, and endowment income from the Foundation to the Institute last year

- 2 charts show where that money went, by program and by unit
  o An explanatory note: First chart shows $9.7 million for Scholarships and Fellowships, but the second chart has only $8.6 million flowing through the Student Financial Aid Office. Reason – some funds are administered by the colleges rather than the Student Financial Aid Office.

- 3 stories were presented at the September meeting; read at your leisure:
  o Outstanding graduate fellows
  o Endowed chairs in ISyE
  o Klaus Advanced Computing Building

- New story: outstanding students who received scholarships and fellowships supported by funds through the Foundation and have now gone on to win some of the world’s most renowned and prestigious scholarships.
  o Scholarships funded through the Foundation are more than rewards for outstanding students who choose to attend Georgia Tech. They are also investments in producing student leaders who can go on to win Rhodes and British Marshall Scholarships, Gates Cambridge Scholarships, and Fulbright Fellowships.
  o Foundation scholarships and fellowships help to open doors of opportunity for Georgia Tech students to go beyond what is expected of them, helping to carry us to a higher level.

- Last page: Unrestricted funds
  o Many uses; here we feature one story from each college
  o Unrestricted funds do two very important things for Georgia Tech:
    1. They fill in the gaps between the restricted gifts and income. We will never have a full array of restricted gifts that addresses all of our needs and opportunities. There will always be areas of need/opportunity for which we do not have designated gifts.
    2. We can only see a portion of the future. We know that we need more funds for scholarships, fellowships, endowed chairs, and facilities. These needs are before us, and we know how to plan to address them. But the future will also include unexpected events, opportunities and paradigm
shifts that we cannot anticipate. Unrestricted income allows us to make the most of the unexpected.

- You can see examples of seizing unexpected opportunities among these brief stories:
  - Architecture: This evaluation of the usefulness of new software design tools is an emerging new need, and unrestricted funds enabled Georgia Tech to seize the opportunity and move out onto the forefront.
  - Management: Unrestricted funds allowed Tech to seize the opportunity to bring Warren Buffet to campus to interact with our students.
  - Sciences and Computing: It takes time to develop restricted gifts, and especially endowments. Unrestricted funds enabled us to move quickly in implementing our undergraduate research initiative, opening up new opportunities for our undergraduate students.

- Georgia Tech has always been an entrepreneurial place where imaginative technology is created and problems are solved with inventive solutions. Unrestricted funds provide the resources for us to extend that creativity and entrepreneurial spirit to our operations.

- It is natural for donors to want to know what the outcomes of a particular program or project are going to be and when those outcomes can be expected. And the trend in philanthropy is for donors to attach strings relative to the use of their gift and the results they expect. But our experience with research teaches us that some of the most valuable and exciting outcomes are unexpected. The willingness of donors of unrestricted funds to essentially invest in the unknown opens up doors for outcomes that we could not realize otherwise.