Executive Summary

A. Academic Excellence

National Rankings
- University of Florida: In 2002, the University of Minnesota ranked among the top three public research universities and among the top 10 of all research universities.
- National Research Council (NRC): Overall institutional rank was 9th among public universities and 20th among 274 ranked institutions in 1995. (NRC anticipates publishing its next update in 2003-05.)
- U.S. News: In the fall 2002 Best Colleges guide, the University of Minnesota Twin Cities’ undergraduate programs were ranked in the second tier (group ranked 52nd to 129th) of all doctoral universities and were ranked 20th among public doctoral universities.

Faculty Awards and Academy Memberships
- In 2002, the University ranked 10th among 110 public universities with 35 national academy members.
- Individual faculty members received 28 significant national or international awards in 2000, 31 in 2001, and 28 in 2002. The University’s ranking decreased to 10th among public and 17th among all institutions.

Faculty Salary and Compensation
- The University increased faculty salaries over the rate of inflation in each of the past five years.
- In 2001-02, the average full professor salary at UMTC was $97,600, placing the University 11th among the top 14 NRC-ranked public institutions. On the coordinate campuses, UMD ranked 13th among 16 peer institutions in full professor salaries; UMM, 7th among 14 peer institutions; and UMC 5th among six peer institutions.

Faculty Hiring and Retention
- In 2001-02, the University experienced a net attrition rate of 3.8 percent in faculty. Attrition has averaged 5.1 percent over the past decade.
- Between 1996 and 2000, the University lost a significant portion of its faculty. Hiring has begun to rebound, with a net increase of 66 faculty in 2001 and 56 in 2002.

Library Resources
- In 2001, University Libraries led in numbers of loans to other libraries among the 111 libraries ranked by the Association of Research Libraries.
- University Libraries were ranked 17th in numbers of volumes owned (5.9 million), 23rd in periodical subscriptions (41,018), and 16th in annual expenditures (over $30 million).
- These indicators (other than interlibrary loans), as well as circulation and reference queries, have declined over the past six years.

Academic Interdisciplinary Initiatives and New Investments in Academic Priorities
- Expanded investments in five initiatives – Digital Technology, Molecular and Cellular Biology, New Media, Design, and Agricultural Research and Outreach – were seeded with a 1998 supplemental legislative appropriation of $18,625,000.
- Over the past five years, combined with internally reallocated resources, externally leveraged funds, and capital investments, these initiatives have leveraged a total of over $362 million.
- Through these investments, 87.5 new faculty positions have been or are being filled, buildings have been constructed or renovated to create state of the art labs, and new research and academic programs have been or are being developed.
- More broadly, the University has made strategic choices to strengthen areas in which it has been highly ranked, such as engineering; to strengthen areas in which its ranking has slipped, such as biological sciences and medical research; and to support key programs in the physical sciences, arts, and humanities.
- These targeted investments over the past five years, combining legislative funds, new resources, private giving, and capital funding, total over $1.2 billion.

Sponsored Funding
- Between 2000 and 2002, sponsored funding awards from all sources increased from $455 million to $526.6 million, a 16 percent increase.
- In 2002, the University was ranked 8th among public research universities and 12th among all
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research universities based on total research expenditures in FY 2001.

- Between 1990 and 2000, total federal obligations to higher education increased an average of 4 percent per year. Over this period, the University of Minnesota’s share of federal obligations increased by an average of 6 percent per year, from $181,694,000 to $309,632,000.
- Between 1997 and 2002, the average amount of sponsored funding requested by tenured/tenure-track faculty increased by 109 percent, from $260,000 to $542,000. Average awards increased by 52 percent, from $127,000 to $194,000 per faculty member.

Technology Commercialization: Inventions, Patents, and Licenses

- Among 190 institutions surveyed by the Association of University Technology Managers in 1999, the University ranked 8th in new technology disclosures; disclosures were 229 in 2001 and 237 in 2002.
- The University ranked 4th in start-ups in 2000, up from a ranking of 7th in 1999.
- Patent applications increased by 102 percent, from 44 in 1998 to 89 in 2002.
- The number of patents issued decreased by 5 percent, from 40 in 1998 to 38 in 2002.
- In FY 2002, 65 new licenses were received; the total number of active licenses is now 514.
- Royalties and fees collected annually increased from $16.8 million in 2001 to $26.5 million in 2002.

Implications for 2003-2004 Planning and Initiatives

- The University is sustaining momentum in some areas, such as engineering and social sciences, and is rebuilding through targeted investments in others, such as biological sciences and humanities.
- Faculty have been quite successful in obtaining sponsored funding, patents, and licenses. However, the University’s peers are also experiencing growth in these areas.
- To compete successfully in sponsored funding, the University must sustain its capacity to recruit and retain top faculty; well-trained and highly motivated support staff; high quality graduate students; well-equipped and well-maintained laboratories; access to the latest information technologies; and continuing enhancement of its grants management system.
- Questions for the future include determining investment priorities for 2003-04, such as computer science, biological and medical sciences, and future areas of opportunity such as nanotechnology, chemistry, natural sciences, aging, cognitive neuroscience, and other fields of research and education.

B. Students: Undergraduate, Graduate, and Professional

1. Undergraduate Students

Over the past four years, the University has made a cumulative investment of almost $10 million to improve undergraduate education. Improvements include freshman seminars, undergraduate research, study abroad, writing intensive courses, interdisciplinary minors, renewed new student convocation, improved orientation and advising, and expanded residential living.

Mean High School Rank

- In 1997, system-wide, the mean high school rank of entering freshmen was 73.9. By 2002, it increased to 74.7 and is still moving toward the 77th percentile goal.
- In 2002, the Twin Cities campus exceeded this goal, with the mean rank of new freshmen reaching 77.8 percent, the highest ever reached on this campus.

Freshmen in Top 25 Percent of High School Class

- In 1998-99, 60 percent of UMTC freshmen came from the top 25 percent of their high school classes, placing the University 5th among public Big Ten institutions. The Big Ten average was 69 percent.
- System-wide, the proportion of freshmen in the top 25 percent of their high school classes has remained stable at 56 or 57 percent. There has been significant variation among campuses. In 2002, the proportion of UMTC freshmen in the top 25 percent of their high school classes was 65 percent; at UMC, 23 percent; at UMD, 42 percent; and at UMM, 66 percent.

Acceptance Rate

- UMTC’s freshman acceptance rate in 1998-99 of 77 percent placed it 6th among public Big Ten universities.
- UMTC has become slightly more selective in recent years; its acceptance rate was 79.4 percent in 1997 and 74.4 percent for the class
entering in fall 2002. The University system-wide has also become slightly more selective, moving from an acceptance rate of 81.6 percent in 1997 to 76.3 percent in 2002.

Freshmen of Color
- The goal set in the 1999 Institutional Level Measures was 16 percent students of color.
- With 18.5 percent freshmen of color in 2002, UMTC has exceeded its goal.
- In 2002, with 6.2 percent freshmen of color, UMD exceeded its 5 percent goal.
- UMM set a high goal of 18 percent; its proportion of students of color decreased slightly between 2001 and 2002.
- UMC saw a decline in percentage of freshmen of color from 6.6 percent in 2001 to 4.4 percent in 2002.

Retention Rates
- In first- and second-year retention of students, the Twin Cities campus lags behind its peers, according to a recent Association of American Universities Data Exchange survey. For the fall 2001 cohort, first-year retention was 84.6 percent, among the lowest in the Big Ten.
- In 2000, U.S. News ranked UMTC 32nd among top 50 public institutions in freshmen retention.
- Since 1992, the Twin Cities campus has shown steady improvement in first-year retention rates, moving from 78.6 percent in 1992 to 84.6 percent in 2001. Rates at UMM and UMD have been fairly level, while UMC’s have declined slightly.
- The second-year retention rate at UMTC has improved slightly from 69.9 percent in 1994 to 76.3 percent in 2000.
- Retention rates for students of color are approaching those of white students: 79.0 percent at UMTC and 74.5 percent at UMD; at UMM, retention of students of color (84.1 percent) exceeded that of white students (82.5 percent) in 2001.

Diversity
- Students of color have proportionately increased over the past five years. In 2001, the proportion of students of color was 17.7 percent, slightly above the system-wide goal.

Student Satisfaction (Data will be updated in 2003)
- The University’s goal is to increase satisfaction toward a consistent rating above “5,” on a six-point scale, on all campuses.
- Between 1999 and 2001, undergraduate UMTC student satisfaction declined from 4.72 to 4.45, a change which is likely attributable to semester conversion, problems implementing the PeopleSoft system, and construction that temporarily closed Coffman Union.
- UMM students continue to have the highest overall levels of satisfaction.
- Students of color show a slightly lower level of satisfaction.

Study Abroad
- The University’s goal is that 50 percent of graduating seniors will have had a study abroad experience.
- A total of 1,056 UMTC undergraduates (20 percent) studied abroad in 2001-02.
- In 2000-01, UMTC was 15th among large U.S. universities in its study abroad participation rate.

Campus Safety
- Burglary, arson, motor vehicle theft, and forcible sex offenses decreased on the Twin Cities campus between 1998 and 2001, while they increased on many college campuses.
- UMTC is increasing its investment in education and prevention to address these safety issues.

Residential Living
- In fall 2002, 78 percent of UMTC freshmen lived in University housing; the proportion has increased gradually since 1998.
- 81 percent of students still live off campus.

Graduation Rates
- The University of Minnesota under-performs its predicted six-year graduation rate. UMTC has been among the three Big Ten public institutions with the lowest four- and five-year graduation rates.
- The Twin Cities campus is making steady and substantial progress in increasing overall four-, five-, and six-year graduation rates as well as rates for students of color. The overall four-year graduation rate increased from 15.2 percent for students matriculating in 1992 to 28.6 percent for students matriculating in 1998; five-year rates increased from 36.6 percent to 48.4 percent; and six-year rates increased from 45.0 percent to 54.1 percent. The Crookston campus showed similar improvements, while the graduation rates on the Duluth and Morris campuses were largely unchanged.
- Improving graduation rates is one of the University’s greatest areas of concern and attention. Recent investments in the first-year
and undergraduate experience, the establishment of a minimum 13-credit course load in fall 2002, and other initiatives are intended to further improve graduation rates.

Degrees Conferred

- Since 1996, the number of degrees conferred each year has remained level, but increased in 2002 to 11,000.
- The number of bachelor’s degrees UMTC awards (4,880, or 54 percent of total degrees in 2000) is low, considering its enrollment, compared with peer institutions.

2. Graduate and Professional Students

Over the past five years, over $4 million has been invested through the Compact Process to improve graduate and professional academic programs with increased graduate fellowships, enhanced academic health center programs, and efforts to recruit and retain a larger proportion of graduate students of color.

Graduate Student Selectivity – Applications and Yield.

- Between 1997-98 and 2001-02, applications to the Graduate School increased by 7 percent, from 15,560 to 16,169. The number of matriculations also increased, from 3,148 in FY 1998 to 3,534 in FY 2002.
- The yield rate (the percentage of students admitted who actually matriculate) decreased slightly, from 53 percent in FY 1998 to 51 percent in FY 2002.

Graduate Student Satisfaction

Overall satisfaction among graduate/professional students has gradually increased, from 4.65 in 1997 to 4.75 in 2001 (on a six-point scale).

Graduate Student Graduation Rates

- At the master’s level, students complete their degrees in approximately 2.5 years.
- At the doctoral level, most students over the past five years have completed their degrees within six years, faster than the national median of 7.3.

Graduate and Professional Degrees Conferred

- In 2000, the University of Minnesota Twin Cities was first among its peers in the number of master’s degrees it conferred – 2,856, a 13 percent increase from 1996. The number declined to 2,341 in 2001 but increased to 2,474 in 2002.
- For 1999-2000, Minnesota ranked second in numbers of first professional degrees conferred.
- Approximately 70 percent of the degrees in the Academic Health Center were awarded to Minnesota residents.

3. Technology to Enhance Learning

The University has invested over $14 million through the Compact Process in broad teaching and learning improvements. Availability and use of technology-enhanced classes and services have increased dramatically.

- According to the spring 2001 Student Experiences Survey, information technology resources are being used by the large majority of students in their courses. Over 93 percent of respondents had received an email from an instructor about class material.
- Use of WebCT, a classroom management and electronic authoring tool that expedites learning, has grown significantly over the past three years.
  - In fall 2002, 862 courses used Web CT and the number of students involved increased to 59,256.

Implications for 2003-2004 Planning and Initiatives

Characteristics of entering freshmen. Over the past five years, the University has moved close to reaching its goals for mean high school rank and targeted readiness of new freshmen. At this point, the University should consider whether goals in these areas should be changed, and what the policy implications of these changes would be.

- Future goals include improving the aptitude, achievement, and preparation of entering students, and the diversity and retention of new students.

Quality of the undergraduate experience. The University intends to continue strengthening the undergraduate experience on all campuses. This strategy will target those policies and activities that will improve student achievement, satisfaction, retention, and graduation rates.

Student diversity goals. The University has also moved close to reaching its goal for proportion of students of color among new freshmen.

- The University should now consider whether it requires new goals, and the policy implications of possible changes.
- Continued work is needed to improve retention and graduation rates of its students of color.
- Work must continue with schools and the community to improve the graduation rates, preparation for postsecondary education, and the educational outcomes of preK-12 students and training of their teachers.
Academic Health Center. The legislature mandated that in 2001-02 the University develop a plan and report to delineate progress of the Academic Health Center (AHC) in meeting the goals and outcomes that shall (1) develop new strategies for health care delivery and professional training in the state; (2) develop new strategies to meet the health care workforce needs in the state; (3) base these strategies on analysis of the population’s health status and opportunities for its improvement. The AHC has developed such a plan and has reported its progress in the University’s 2003 Academic Priorities Report.

Assessing student learning. The University, through its academic units, the undergraduate initiative, student development initiatives, the Center for Teaching and Learning, and many other areas, regularly assesses student experience and academic achievement.

- More work is needed to formulate a conceptual framework and institutional approach to assessing student learning outcomes. A special learning assessment initiative has just been launched in fall 2002.

C. Engagement: Access and Outreach

Between 1998 and 2001, the University centrally invested nearly $3 million in research-linked, engagement-related activities, in addition to a wide range of college and campus-based activities.

Citizen Satisfaction
- In a random telephone survey of Minnesota residents in 2002, the University’s average satisfaction rating was 6.98 out of a possible 10.
- Enhancing research and technology capabilities, creating a sense of state pride, preparing the workforce of the future, and enhancing the state’s quality of life were identified as the most important University contributions to the state.

On-Line Library Holdings and Service
- In 2002, there were 550,000 average daily “hits” on the main library Web page, lib.umn.edu.
- In 1995, the libraries had few catalogued electronic journals or full-text electronic resources; by 2002, 16,000 e-journals and 7,594 full-text electronic resources were part of its collections.

Metro-Area Transfer Students
- The total number of metro-area transfers to University of Minnesota campuses increased by 22 percent between 1996 and 2000, but declined 7 percent from 2000 to 2002.
- In 2002, 1,109 students from the metropolitan area transferred to UMTC, 121 to UMD, 11 to UMM, and 12 to UMC.

Students Participating in Community Service
- The University’s goal is to involve 4,000 UMTC undergraduates annually in community service.
- In 2001-02, over 3,250 undergraduate students participated in community service or service learning experiences.

Implications for Planning and Initiatives for 2003-2004

Setting Priorities and Measuring Results.
Engagement is the University’s newest area of development for institutional and compact-level measures.

Over the past several years, priority has been given to restructuring and focusing the resources, priorities, and strategies for outreach, including the establishment in 1999 of the Outstanding Community Service Awards and restructuring of Continuing Education and the Extension Service.

In 2001-02, an ad hoc committee of the Board of Regents addressed expectations and priorities for outreach activities at the University. In addition, the provost established an administrative advisory committee on public engagement and outreach that reviewed and advised on policies, priorities, resources, models, and accountability for public engagement and outreach activities. All committees recommended ongoing central leadership, and a Council on Public Engagement was appointed in June 2002.

Special Areas of Focus.
- A public access portal is under development that will enable users to construct a customized personal portal with University information of most interest to them.
- An outreach plan will be requested from colleges as part of their compact.
- Measures to evaluate needs, quality, and impact of University engagement will be improved.
- A Technology Enhanced Learning (TEL) website and news channel will be made available to the public and the University community.
D. Strengthening the University Community: Human Resources

**Faculty Compensation**
- The University’s goal since 1997 has been to bring the average faculty salary from the bottom quartile to the mean of the campuses’ peer cohorts. On the Twin Cities campus, faculty salaries for every position lost ground compared with peers.
- Total faculty compensation on all four campuses in 2001-02 was near or above the mean among peer public institutions. This reflects, in part, the increased cost of health insurance.
- Beginning in 2001-02, the University significantly modified its health insurance plans through its new self-designed system, thereby slowing the rate of increased costs and providing more employee choices.

**Staff Compensation**
- Overall wages for civil service and bargaining unit employees increased an average of 6.5 percent between 1999 and 2000, and 4.5 percent between 2000 and 2001.
- For 2001, University total benefits and time off for a given base pay amount exceeded by $3,000 the benefits in comparable jobs in the private sector market.

**Faculty and Staff Development**
- Investment through the Office of Human Resources in staff and faculty development programs has grown by 58 percent over the past four years. Increased investments have resulted in a 49 percent increase between 1999 and 2002 in enrollment in job-related educational programs.
- Excellent teaching is rewarded through the Morse Alumni Teaching Award, the Graduate and Professional Teaching Award, and the Academy of Distinguished Teachers.
- Over the past four years, the number of faculty participating in the Mid-Career Teaching Program has gone from 10 in its pilot year to 36 in 2002.

**Leaves**
- The number of faculty and professional development leaves has remained steady over the past six years.
- Single quarter/semester leaves decreased by 22 percent, from 83 in 1997 to 68 in 2002.
- The number of sabbatical leaves increased approximately 13 percent over the same period, from 98 in 1997 to 111 in 2002.

**Enhancing Leadership and Managerial Effectiveness**
- The University:
  - Established an infrastructure to ensure that staff receive training in new Enterprise systems.
  - Implemented a centralized database to monitor and report internal training of employees.
  - Provided mandatory training: for supervisors new to the University and/or to supervision; for senior-level administrators new to their University role; for principal investigators on management of their sponsored grant activities. Training was also provided for new department heads and chairs.
  - Established leadership development programs: President’s Emerging Leaders Program; Presidential Senior Leadership Initiatives; Women’s Leadership Institute and Women’s Leadership Award.

**Faculty and Staff Multicultural Distinctiveness**
- Through the Compact Process, nearly $1,000,000 has been invested over four years in programs to support diversity. This includes over $500,000 for sign-language interpreters.
- Over this period, modest increases have occurred in proportions of faculty and staff of color and female faculty and staff.
- In 2001-02, the University-wide proportion of employees of color was 10.2 percent.
- 8.8 percent of the professional and administrative staff were persons of color.
- In October 2002, 14 percent of University of Minnesota faculty self-identified as faculty of color, up from 11 percent in 1999. The Big Ten average was 14.8 percent in 2002.
- In 1999, 26 percent of University faculty were women, compared to the Committee on Institutional Cooperation (CIC) average of 23 percent. In 2002, 28 percent of University faculty were women.

**Implications for Planning and Initiatives for 2003-2004**
- Diversity. As noted in the September 12, 2002 “Annual Diversity Report” with the Board of Regents, in many ways the University of Minnesota has been a leader in fields of equal opportunity and diversity. As we look to the future, important policy issues arise:
  - The University should consider the need for a comprehensive strategic plan for equal opportunity and diversity in order to define direction and benchmark progress.
  - The University should pursue ways to provide professional development opportunities for all
employees, particularly supervisory/management/administrative employees, to assure they have the tools their life experiences may not have provided to work in a multicultural and multiracial environment successfully, and to be leaders and models of inclusive actions.

Compensation. The University has long been a national and international leader in research and serves as one of the primary economic engines of the state. The University is under-investing in its support for faculty salaries in comparison to its major competitors, public and private. If this continues, the University is likely to lose its competitive position in critical areas of research and education. It will become increasingly difficult to recruit the quality of faculty needed to keep the University at the forefront of American universities.
- To attract and retain employees in the current job market, the University needs to ensure that its faculty and staff are not losing ground in compensation and opportunities for professional development.
- Its 2002-03 investment priorities include improved competitive compensation for faculty and targeted staff recruitment and retention.

E. Facilities

The University has successfully implemented a four-year capital plan, begun in 1998, which called for investing nearly $760 million to preserve historic areas of the University's campuses and to modernize classroom and lab space in support of academic initiatives.

Classrooms
- The Twin Cities campus has 303 centrally managed, general purpose classrooms, with over 23,000 seats, comprising approximately 300,000 square feet.
- Another 224 classrooms and 360 labs and studios are managed by colleges/departments.

Efficiency

Energy Consumption.
- Since 1991, the University’s energy consumption has decreased by roughly 5 percent, despite an overall net increase in space, a significant growth in computers and associated equipment, and new space that is more sophisticated and with higher energy consumption than decommissioned space.

Renewal/New Facility Ratio.
- Since 1997, in every year except 2001, capital budget funds for renovation of existing space have exceeded funds for new construction.
- On average, between 1997 and 2002, investment in new construction has been one-third the investment in existing space.

Capital Project Outcomes
- Of the 370 capital projects completed in the past year, 292 (70 percent) were completed on time and with a balance returned.

Classroom Technology Upgrade Plan
- It is a priority to upgrade classrooms on all campuses.
- Under the direction of the Office of Classroom Management, a seven-year classroom technology upgrade plan has been developed for the Twin Cities campus.
- Technology upgrades of classrooms have increased 114 percent between 2000 and 2002.

Student Satisfaction with Classrooms
- Student satisfaction with the classroom physical environment has increased modestly each year over the past six years.
- Satisfaction with UMC’s classrooms was highest, at 4.35; satisfaction was 3.90 at UMD, 3.77 at UMTC, and 3.46 at UMM.

Implications for Planning and Initiatives for 2003-2004

The University is responsible for operating and maintaining more than 700 buildings spread over its four campuses, six research and outreach centers, three field stations, and its collaborative center in Rochester. Its inventory includes some of the oldest and most historically significant buildings in the state.
- The University will have continued responsibility to pay utility inflation costs, operate and maintain buildings, renew aging building systems, and meet the increased costs of debt payments.

There is a growing realization that a classroom is a teaching and learning system. It is technology-intensive and requires planning, management, and recurring funding for life-cycle maintenance, equipment replacement costs, and support staffing.
- The University will need to consider the kind of infrastructure it needs to build today to meet the teaching and learning needs of the future.
F. Institutional Efficiency and Effectiveness

Through the Compact Process, over $15 million has been invested to strengthen support for student services and classroom technology, faculty and staff development, access, and other service and management improvements. An additional $9.3 million has been invested in the academic technology infrastructure.

Technology and Service Improvements

Improvements have been made in the following areas:

- **Admissions:** 80 percent of all admission applications were handled electronically in 2000-01.
- **Paperless Financial Aid Process:** Effective April 23, 2001, the University of Minnesota became the first institution in the country to offer a paperless student financial aid application process. By fall 2002, 91 percent of all applications were automated.
- **Web One-Stop Service:** The Web One-Stop service includes the course guide, class schedule, section status, web site search, department lookups, and more.
- **The goal of Financial FormsNirvana (FFN) is to achieve at least 95 percent usage for all documents available in FFN.**
  - As of June 2002, FFN usage is at 87.9 percent of transactions capable of this processing method.

For FY 98 – FY 02, FFN usage has resulted in a 58 percent decrease in the number of documents that were processed centrally, or approximately 313,000 documents.

**Domain Popularity**

- Institution-wide, the University Web page receives approximately 40 million hits per day.
- There are 100 million computer communications between on- and off-campus sites per day.
- The University is ranked 5th in the Big Ten and 12th among all universities by “unique audience visits.” The University is ranked 1st in the Big Ten and 8th among all universities by “pages viewed.”

Implications for 2003-2004 Planning and Initiatives

Questions for future consideration:

- What infrastructure should be built today to meet the teaching, learning, and service needs of the future?
- What type of technology support and investments will faculty need to remain competitive?
- What standards should be established for core areas of performance related to fiscal and human resources?

G. Finances

**Debt Capacity/Credit Profile**

- The University enjoys high credit ratings for its general obligation funds from Moody’s Investors Service and Standard and Poor’s Corporation. Determined by objective, external agencies, these ratings reflect the University’s excellent management, financial controls, and moderate debt levels.

**Consolidated Endowment Fund (CEF)**

- Long term performance of the CEF has exceeded its goal to preserve the inflation adjusted value of the fund, and produced a return enabling 5 percent to be withdrawn to fund University programs.

**Endowment**

- Between 1997 and 2000, the combined University endowment nearly doubled, but between 2000 and 2002, it declined from $1.807 billion to $1.501 billion.

- In 2001, with over $1.65 billion, UMTC’s combined endowment ranked 5th among public, and 24th among all research institutions.

**Voluntary Giving**

- Between 1997 and 2001, private gifts to the University increased by 68 percent, from $136 to $228 million.
- The University’s rank for 2001 among public institutions in annual giving was 5th, up from its rank of 8th for 2000; its rank among all institutions also rose from 20th to 15th.
- The number of alumni donors has gradually increased, from 31,599 in 1997 to 37,431 in 2002. (The peak over the past 10 years was 38,368 in 1994.) The number of annual fund donors rose from 18,276 in 1997 to 24,236 in 2002. (The peak was 26,218, also in 1994.)
- Dollars donated by alumni have increased by 375 percent over the past 10 years, from $11.3 million in 1992 to $53.7 million in 2002,
reflecting the success of the University Campaign.

**Return on Invested Funds**
- For the year ending June 30, 2002, the annualized return for the University of Minnesota Foundation was 0.67 percent, compared to 0.43 percent in 2001, maintaining the University's position in the top quartile among peer institutions.
- Over the period 1997-2002, the UM Foundation rate of return averaged 7.8 percent.

**Implications for 2003-2004 planning and initiatives**
The University must address key implications of its efforts to date:
- Does the University have the right balance of investment priorities?
- Is the University adequately planning for the possibility that, in the near future, available endowed income will decline rather than grow?