

“Pioneering Philanthropy Education, Research, and Training: Celebrating
the Indiana University Lilly Family School of Philanthropy”

Indiana University Lilly Family School of Philanthropy
Naming and Celebration

Remarks of Michael A. McRobbie
President, Indiana University
Campus Center Theater
Tuesday, April 9, 2013
4:00 p.m.

1. PHILANTHROPY AS A POWERFUL FORCE FOR CHANGE

Philanthropy has long been a source for inspiration as well as a powerful force for change.

Diana Aviv, the president and CEO of Independent Sector, a coalition of nonprofit organizations, foundations, and corporate giving programs, summarizes the importance of the nonprofit sector’s mission.

“The charitable sector’s great challenge and paramount responsibility,” she writes, “is to take up the unfinished business of freedom, justice, education, creative expression, and the basic work of democracy-building that enables the people of this nation and others around the world to realize their potential, improve their lives, and uplift their communities.”¹

¹ Independent Sector, “Listening, Leading, Mobilizing,” 2004 Annual Report.

2. THE FUTURE OF THE NONPROFIT SECTOR

There is no question that the nonprofit sector plays an indispensable role in our society.

Nonprofit organizations employ approximately 14 million people, or about 10 percent of the nation's workforce, and account for 5.5 percent of the nation's entire gross domestic product.²

In the face of government retreat from funding more and more areas of education, social welfare, the arts, and healthcare, the nonprofit sector will likely continue to grow in importance.

And there will be an enormous need for well-educated, qualified leaders in the nonprofit sector in the near future.

A 2006 study by The Bridgespan Group, a nonprofit firm that does recruiting and consulting for charities and philanthropies, estimated that nonprofit organizations would need to hire 640,000 additional senior managers by 2016. Of the nonprofit leaders surveyed, 60 percent believed they would have a difficult time finding qualified candidates to fill those jobs.

The Indiana University Lilly Family School of Philanthropy—the first of its kind in the world—will be a major contributor to educating the next generation of nonprofit managers, even as it adds to the growing body of knowledge about philanthropy, and makes many important contributions to the economic development of our state, the nation and the world.

² "The Sector's Economic Impact," Independent Sector, URL: http://www.independentsector.org/economic_role

3. THE IMPORTANCE OF THE ACADEMIC STUDY OF PHILANTHROPY

As an academic discipline, philanthropy has been a growing area over the last 25 years. And over that quarter century, Indiana University has been in the vanguard.

Before the Center on Philanthropy was founded here on the IUPUI campus in 1987, philanthropy and the nonprofit sector were among the most misunderstood, understudied, under-documented, and least visible aspects of American life. The center helped to change that as it grew to become the leading research institute of its kind. This campus, and its leaders over many decades, must be given great credit for their insight and perseverance in building up through the Center on Philanthropy, what evolved as a formidable presence in the academic study of philanthropy in all its diverse and multidisciplinary manifestations.

Led by the center's efforts, Indiana University was the first university in the world to offer degrees in philanthropic studies, including a Master of Arts in 1993, a Ph.D. in 2003 and a Bachelor of Arts in 2010.

With the establishment of the world's first School of Philanthropy, Indiana University continues to be at the forefront in philanthropy education and research.

4. AN ACADEMIC TRANSFORMATION

The creation of the school is one part of a broader academic transformation of the university.

In 2010, in order to develop a coherent plan for institutional change towards a more contemporary vision of IU and its role in the state, nation, and world, I announced the establishment of the New Academic Directions Committee. The committee, co-chaired by IUPUI Chancellor Charles Bantz and Karen Hanson, then provost of the Bloomington

campus, was comprised of some of the most distinguished and insightful faculty and academic administrators on the two campuses. The committee examined many of the academic programs that are the heart of the university and it recommended ways to bring IU's academic structure into the 21st century. Since the completion of the New Academic Directions report in 2011, we have seen transformation of unprecedented scale and speed at IU.

Of course, one of the major recommendations that came out of that report was to explore the feasibility of establishing a full-fledged School of Philanthropy, to be built upon the strengths of the Center on Philanthropy.

5. SPECIAL THANKS

As we gather today to celebrate the establishment of the Indiana University Lilly Family School of Philanthropy, we are deeply grateful for the contributions of many of our colleagues.

Faculty members from across the university, including colleagues in the School of Liberal Arts and the School of Public and Environmental Affairs on the Bloomington and IUPUI campuses, have engaged in extensive discussions that will help ensure the school's success. The School of Philanthropy's faculty and administrators will continue to collaborate with colleagues in these schools to strengthen IU's leadership in all aspects of research and education in philanthropy and the nonprofit sector.

We are very grateful, as well, that Gene Tempel, who served with distinction as president of the IU Foundation for four years, is leading the planning and organization of the new school as its founding dean. Gene, of course, was a key player in the establishment of the Center on Philanthropy, and served as its director for 11 years. He was instrumental in building the center into a world-class organization. His deep

understanding of philanthropy, as well as his passion for IU, will help us to achieve the ambitious goals we have set for the Indiana University Lilly Family School of Philanthropy.

6. THE LILLY FAMILY: HELPING TO SHAPE INDIANA UNIVERSITY

And, of course, we are deeply grateful to the Lilly Family.

Of the many friends and supporters of Indiana University, I think it is fair to say that none has made a greater difference or shaped this institution more than this extraordinary family.

Since the time of its founding in 1937 by J.K. Lilly and his two sons, Eli and J.K. Lilly Jr., the Lilly Endowment has grown to become one of the nation's major philanthropic organizations. The Lilly Endowment's support for Indiana University has been nothing short of transformative.

In just over a decade, the Lilly Endowment's generous support for IU has included:

- grants totaling \$45 million to the Pervasive Technology Laboratories,
- grants totaling \$155 million in support of the IU School of Medicine's Indiana Genomics Initiative,
- a \$60 million grant to the Indiana Physician Scientist Initiative at the IU School of Medicine,
- a gift of \$53 million to the Metabolomics and Cytomics Initiative,
- a grant of \$26 million as part of an initiative designed to attract intellectual capital to the state of Indiana,
- a gift of \$25 million to support faculty recruitment at the Maurer School of Law,
- a gift of \$44 million to the Jacobs School of Music, to build and equip a new Studio Building, which is currently under construction,

and

- a gift of \$33 million to the Kelley School of Business for the expansion and renovation of the school's undergraduate facilities in Bloomington.

The generosity of the Lilly Endowment has also been crucial to IU's success in philanthropy education and research.

The Lilly Endowment provided initial funding for the Center on Philanthropy 25 years ago. And in 2007, the Lilly Endowment granted the center \$40 million to endow a portion of its operating expenses.

In all, Lilly Endowment and members of the Lilly family have given the school and the former center nearly \$100 million to improve philanthropy.

And, in total, the Lilly Endowment's overall support for Indiana University has totaled approximately three-quarters of a billion dollars.

I am particularly delighted that Lilly Endowment Vice President Sara Cobb could be with us this afternoon. On behalf of Indiana University, I would like to express to her—and to Tom Lofton, the Chairman of the Board of the Lilly Endowment, who could not be with us today, but who, I believe, is watching via the Internet—our deep gratitude to the Lilly Endowment. We are enormously grateful to you for your unwavering support of IU that has, over the decades, been so crucial to us.

But even apart from—and in addition to—the transformative generosity of the Lilly Endowment, members of the Lilly family have given a great deal of generous support to Indiana University.

J.K. Lilly Jr.'s 1956 gift to IU of more than 20,000 first editions of English, American, and Continental literature, manuscripts, Americana, and books illustrating the history of science and thought was, at the time, the most significant gift of its kind ever given to an American university. It was the foundation of what is now one of the finest rare books libraries in the nation, the Lilly Library on the Bloomington campus.

J.K. Lilly's daughter, Ruth Lilly, generously supported the Center on Philanthropy, the Herron School of Art and Design, the McKinney School of Law, the IU School of Medicine, and the Indiana University Libraries.

In 1971, Eli Lilly, Jr. made arrangements to donate his home to Indiana University. Today, the Lilly House serves as the Indianapolis residence of the university president. He had also inherited his father's adjacent home—which he donated to IU as the residence of the IUPUI chancellor. And he also generously provided an endowment of \$1 million for the maintenance of the homes.

The subsequent generations of the Lilly family have continued this tradition of generous support. Among the fifth and sixth generations of the Lilly family are at least five IU graduates, and the deep affection for IU held by all members of the Lilly family is evident.

In total, gifts from the Lilly family to Indiana University—above and beyond the gifts and grants from Lilly Endowment—total approximately \$27 million.

The Lilly family truly is one of the great philanthropic families in America. The impact of their extraordinary generosity across six generations of the family has been immense. By allowing us to name the School of Philanthropy in their honor, the Lilly family further honors Indiana University. It is especially fitting that the Lilly family name should be associated with America's first school of philanthropy, a school that is already internationally recognized for its pioneering and path-breaking work in this field.

As I mentioned, Irene Lilly McCutchen is here representing the Lilly family and we will hear from her in a few moments. Would you join me in again expressing our deepest gratitude and appreciation to Ms. McCutcheon and the entire Lilly family?

7. CONCLUSION

Both philanthropy and education, at their heart, share a fundamental optimism.

Both give people the power to shape the future and to enhance the quality of their lives.

With the excellent work of the Indiana University Lilly Family School of Philanthropy, IU will continue to lead the way in the development of philanthropic studies and nonprofit management education.

The school will continue and expand upon the outstanding work of the Center on Philanthropy.

It will continue to educate the first generation of university faculty rigorously and systematically trained in this emerging discipline.

Through partnerships with universities and nongovernmental organizations around the world, the school will continue to help increase cross-cultural understanding, improve philanthropic practices, and help to build the global body of knowledge about philanthropy in all of its manifestations: giving, volunteering, fundraising, and the operation of nonprofits.

And, above all, the work of the Indiana University Lilly Family School of Philanthropy will allow donors, volunteers, fundraisers, and nonprofit leaders round the world to more effectively help people to realize their potential, to uplift their communities, and to improve their lives.