

Winning the Race for Baruch's Future

BARUCH COLLEGE FUND
Annual Report 2011

Baruch
COLLEGE 

A LETTER FROM THE BARUCH COLLEGE FUND PRESIDENT

On behalf of the Baruch College Fund, the supporting foundation for Baruch College, I am very pleased to present our annual report for fiscal year 2011. I want to thank those of you who have helped make this a very successful year for the BCF and for Baruch College.



This is a time of great change for public higher education in the State of New York and across the country, as states continue to dramatically roll back support for their public colleges. The State of New York has cut its funding to CUNY by more than \$300 million over the past three years, and it is not

expected that state funding will be increased in the future. In response to reduced state funding, the City University of New York has implemented a modest raise in tuition and fees—but not nearly enough to make up the difference.

The average family income for Baruch students is approximately \$49,000 a year, while 25% of our students come from households that earn less than \$25,000 per year. The Federal Pell Grant Program, New York State Tuition Assistance Program, and scholarship funds provided by contributors to the Baruch College Fund make it possible for many students to attend Baruch College. However, there are still many deserving students who do not enroll because scholarship funds are limited. These top students—academically exceptional and ethnically diverse—are being actively recruited by colleges across the country that can offer full scholarships, covering the cost of tuition, room and board, and books.

Notwithstanding the financial pressures, this has been a remarkable year for Baruch College. Enrollment has swelled

to over 18,000; SAT scores of incoming students continue to be the highest in the CUNY system; and our graduation rates continue to rise. Baruch College has remained among the top 15% of colleges in the country, as determined by the Princeton Review; *U.S. News & World Report* ranks Baruch as #25 on the 2011 list of “Best Regional Universities”; and the Education Trust, an education and research advocacy group, recently recognized Baruch as one of only five colleges and universities in the country doing an excellent job serving the needs of low-income students. To the envy of many institutions, we also have one of the most diverse student populations of any college or university in the country.

The generosity of our alumni, faculty, friends, and supporters has enabled us to continue to provide an extraordinary and affordable education to an extraordinary student body. However, even as we continue to thrive amid financial pressures, we become more dependent on our fundraising efforts. It is my goal as president of the BCF to complete our \$150 million campaign—we have \$25 million to go—and to increase the amount of unrestricted giving to the Baruch College Fund. Unrestricted giving, which is used for student scholarships and other student support, is crucial to the ongoing success of the College.

As fundraisers on behalf of Baruch College and our students, we liken ourselves to marathoners, staying the course for the long run. Helping us win the “race” for Baruch’s future, your gifts have a tremendous, positive impact on the College. Please continue your support and, if possible, increase it. Also, if you have not already done so, please plan a visit to the College to experience firsthand the vibrancy and enthusiasm of the students. Feel free to contact Mark Gibbel in the Office of College Advancement at mark.gibbel@baruch.cuny.edu or 646-660-6060 if you would like to arrange a tour.

Thank you for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel J. Cohen".

Joel J. Cohen '59
President, The Baruch College Fund

A GREAT TRACK RECORD

Investing BCF Funds

The Baruch College Fund (BCF) endowment plays a critical role in the growth and continued success of the College. BCF funds go toward scholarships, career services, faculty support, facilities, and more. Especially in this age of uncertain markets, finances must be managed keenly in order to safeguard investments.

BCF investments are entrusted to its Investment Committee, led by Kevin Boyle (MBA '90), president, East Ridge Investments, LLC. The committee meets at least quarterly to make sure things are staying on the financial straight and narrow.

"Each of the members of the Investment Committee is an experienced asset manager in his or her own right. Each works tirelessly on behalf of the College and our generous donors to prudently manage the endowment and maximize returns for the benefit of our students," says Joel J. Cohen, BCF Board president. "Of course, none of the BCF funds are invested with the firms of the Investment Committee members."

CONSERVATIVE IS THE WORD

"We outsource investing to several outside managers," Boyle says. Committee members make sure the managers know the byword is caution. "We are very conservative. We don't have any 'gunslinger' managers."

Funds are invested in managed equities, gold funds, fixed income, and alternative investments. Though the goals are conservative, they are often surpassed. "Generally we want to earn 5% over the rate of inflation," Boyle says. In fact, last year total return on

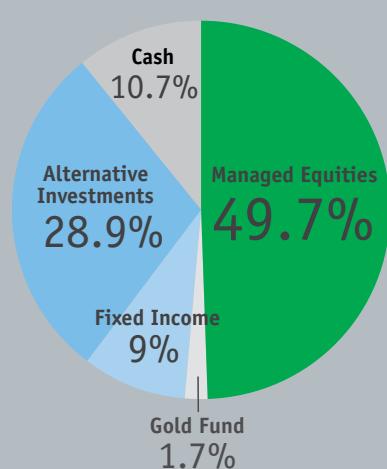
invested funds was 16.5% and total managed funds (non-fixed income/non-cash) return was 20.13%.

MEASURING UP

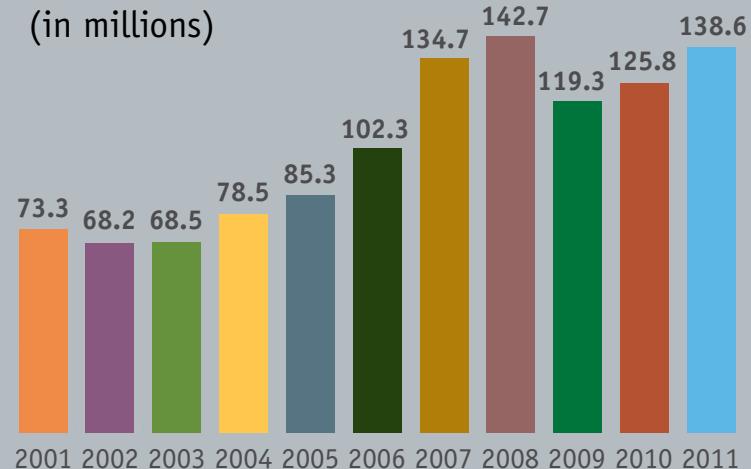
Even with that success, endowment returns should not be looked at in terms of a single year. Members of the Investment Committee realize that stable, long-term returns are the key. The BCF committee measures its success against various benchmarks, including equity indices, US and global. The fund has done well, especially compared to others. "We've done better than Yale, for example," Boyle says. Though the BCF committee members are conservative, it doesn't mean they're satisfied. They have plans for greater diversification and to that end, they recently made their first private equity investment.

BCF funds are in good hands. "We have a good track record. In fact, we tend to overperform in bad times," says Boyle. For example, even in the depths of the downturn in 2008–2009, the BCF's investment fund significantly out-performed Standard & Poor's 500 index, and the BCF was able to allocate nearly \$1.7 million to student scholarships. That kind of consistent success in helping students is the most important measuring stick.

Asset Allocation



BCF Assets 2001-2011 (in millions)





THE HOME STRETCH

The Baruch Means Business Campaign 2.0

With one year to go, the Baruch College Fund campaign is fast approaching its goal of \$150 million. Significant gifts during fiscal year 2011 have brought us to within 16% of the target. The push for the last \$25 million, however, will be challenging: "Campaigns are not sprints, they are marathons," says Mark Gibbel, vice president for College Advancement. "The final miles are tough, but crossing the finish line holds the greatest rewards for Baruch's students, faculty, and facilities."

With New York State funding to the City University of New York having been cut by \$300 million since 2009, Baruch is relying more than ever on private support as the gap widens between the College's needs and the amount the state is providing. With the Baruch Means Business Campaign, the College is able to channel alumni gifts into real opportunities for student enrichment, academic quality, and the upkeep and improvement of the physical learning environment.

THE CAMPAIGN'S IMPACT ACROSS CAMPUS IN 2011

- The Weissman School of Arts and Sciences launched the Jewish Studies Center (JSC) to focus on American Jewish history, culture, and literature through lectures, events, classes, and cultural programs. Early contributions from Ruth Printz O'Hara ('52) and Donald Hecht ('54) allowed the Center to get up and running. More recent

commitments from Bill Newman ('47, LLD [Hon.] '97) to fund a William M. Newman Director of the Jewish Studies Center will enable the JSC to stake out a position as a thought leader in Jewish studies.

- The reflection of Baruch's diverse student body in its academic offerings was bolstered by a donation from Hedwig Feit, an adjunct professor and longtime friend of Baruch, for a new faculty chair in the Black and Hispanic Studies Department. With this funding, Dr. Ana Yolanda Ramos-Zayas was welcomed in October 2011 as the Valentín Lizana y Parragué Chair of Latin American Studies.
- Unrestricted donor gifts allow the Baruch administration to focus support on critical needs as they arise. An unrestricted gift of \$2.5 million from Larry Simon ('65) and his wife Sandy, will provide a much-needed infusion of flexible funds, allowing the College to nimbly meet the needs of students and academic services. In recognition of this unrestricted donation and his many accomplishments as Baruch College Fund president from FY 2008–2011, the College named Room 14-220 in the William and Anita Newman Vertical Campus in honor of the Simons. In addition, the annual Bernard Baruch Dinner is a major source of such unrestricted funds. The 2011 dinner event raised \$1 million for only the fourth time in its history. Proceeds from the dinner

help to provide grants and scholarships, subsidize professorships, improve facilities, and upgrade technology.

RUNNING TO THE FINISH LINE

As we push to close the Campaign's final stage and put the remaining \$25 million to work for the College and its students, the importance of each and every gift is underscored. With each donation—no matter its size—critical to crossing the finish line, it's an optimal time to engage Baruch's large and devoted alumni base. The Annual Fund program reaches interested alumni with phone calls and letters—all to let alumni know about Baruch's great work and our real needs. For the upcoming year, Allen G. Aaronson ('48), has made a most generous challenge: If the number of individuals making gifts to the BCF exceeds last year's numbers by 13%, Aaronson will donate \$200,000.

Sustaining Baruch College's excellence will require bold leadership and significant investments. President Mitchel Wallerstein—with the support of Baruch College Fund President Joel J. Cohen—has a dynamic vision of how additional support will shape the future of Baruch. At the top of their list: a Student Center; a Residence Hall; and a Pedestrian Plaza on East 25th Street—creating an outdoor campus space for the first time. Each and every gift is significant in this last stretch to meet the Campaign goal that will enable Baruch to continue its rise as a quality institution.

THE ROAD AHEAD

A Bright Future for Baruch

The future holds many possibilities for Baruch College as well as opportunities for alumni and friends of Baruch to help the College realize its promise. With a blueprint that includes new facilities as well as expanded green initiatives, a number of exciting projects are slated, giving donors an opportunity to show their pride and leave a lasting mark.

Though public funding has been earmarked and secured for some of the most visible capital projects, there is still a great need for philanthropic dollars to supplement and help the College improve its physical campus.

REIMAGINING THE COLLEGE'S FLAGSHIP BUILDING AND NORTH CAMPUS

The first and biggest undertaking will be the renovation of the Lawrence and Eris Field Building at 17 Lexington Avenue. With Phase 1 set to begin this spring, the 16-story structure is tagged for improvements that include new and additional elevators; a more handicap-accessible lobby, upgraded heating, ventilation, and air-conditioning systems that will comply with LEED Silver Certification; energy-efficient lighting; and low-flow faucets and toilets.

In the heart of the building, 32 smart classrooms, outfitted with the latest technology, will also be constructed. These future classrooms will present a wonderful naming opportunity through the Class Act Program which accepts gifts of \$100,000 or more.

Although the Field Building renovation costs are part of a state-allocated \$40 million capital improvement plan, some projects remain underfinanced and need private backing. One such project is a potential Pedestrian Plaza on 25th Street between Lexington and Third Avenues. This much-needed community open space will transform the North Campus of the College, provide facilities to students and neighbors, and make this important crossing safer for all. A detailed plan has been developed; approval by the Department of Transportation is expected; and the \$2.6 million necessary for completion is being raised.

MEETING THE SPACE NEEDS OF STUDENTS

Another capital project in need of private funding is the new Student Center to be located on three floors in the leased Annex building on East 25th Street. The College has an option, through 2017, to purchase the building. A portion of the necessary funding has been raised for this effort thanks to the generosity and foresight of Baruch College students. To help fund the Student Center, the undergraduate student body voted to tax themselves, and the 2011 graduating class designated their class funds to the cause. Alumnus Max Berger ('68) challenged the members of the graduating class to surpass the previous year's number of gifts. When the students collected 690 gifts—

significantly besting the prior year's total—Berger closed the challenge with a donation to the Student Center Fund.

As enrollment continues on an upward trajectory, finding affordable residence options for students has been challenging. The College recently signed a long-term lease for 162 beds in a high-rise building on 97th Street and Third Avenue, improving the College's ability to recruit students nationally and from abroad. Ultimately Baruch College is hoping to attract funding to buy a building to serve as a residence hall.

Finally, state-imposed budget cuts have negatively impacted faculty headcount, reducing the number from 457 faculty members in fall 2009 to 428 members in fall 2011. In order to maintain and grow Baruch College's academic excellence and reputation, significant investments are needed. For example, it takes a minimum of \$25,000 to fund an endowed student scholarship and \$2.5 million for a faculty chair.

An investment in Baruch is an investment in the future and a gift that keeps on giving.



STATEMENT OF ACTIVITIES

As of June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL	
				2011	2010
REVENUE, GAINS, AND OTHER SUPPORT					
Contributions:					
Individuals, corporations, foundations	\$2,210,436	\$5,566,885	\$1,189,480	\$8,966,800	\$10,004,244
Annual fundraising dinner	863,607	-	-	863,607	545,107
Proceeds from art sales	470,166	-	-	470,166	538,596
TOTAL	3,544,208	5,566,885	1,189,480	10,300,573	11,087,947
Investment return	1,333,874	14,039,717	-	15,373,591	8,737,877
Change in value of split-interest agreements		226,603		226,603	58,664
Income from exchange transactions	-	-	-	-	-
Net assets released from restrictions	8,703,222	(8,703,222)	-	-	-
Total revenue, gains, and other support	13,581,303	11,129,983	1,189,480	25,900,767	19,884,487
EXPENSES					
Program services:					
Scholarships and awards	2,199,782			2,199,782	1,862,084
Payments to and for Baruch College of the City University of New York	8,713,191			8,713,191	8,951,506
Total program services	10,912,973			10,912,973	10,813,590
Supporting services:					
Management and general	644,023			644,023	595,395
Fundraising	1,565,230			1,565,230	1,899,593
Total supporting services	2,209,253			2,209,253	2,494,988
Total expenses	13,122,226			13,122,226	13,308,578
Change in net assets	459,077	11,129,983	1,189,480	12,778,540	6,575,909
Fund balance transfer	(760)	1,153,953	(1,153,193)	-	-
Net assets, beginning of year	7,182,106	34,615,472	82,292,478	124,090,056	117,514,145
Net assets, end of period	\$7,640,423	\$46,899,408	\$82,328,764	\$136,868,596	\$124,090,056

STATEMENT OF FINANCIAL POSITION

As of June 30, 2011

Assets	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL	
				2011	2010
Cash	\$2,097,664			\$2,097,664	\$3,177,808
Investments	1,321,467	29,378,333	77,215,327	107,915,127	91,150,507
Annuity Interests		2,326,884		2,326,884	2,165,437
Beneficial Interest in Remainder Trust		4,583,152		4,583,152	4,583,152
Contributions receivable	3,730,159	11,848,084	5,113,438	20,691,680	23,821,499
Proceeds from art sales receivable	428,166	-	-	428,166	349,980
Prepaid expenses and other assets	597,848	2,000	-	599,848	638,731
Artwork	-	-	-	-	-
TOTAL ASSETS	8,175,303	48,138,453	82,328,765	138,642,521	125,887,114
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	534,880	-	-	534,880	495,460
Annuity obligations	-	1,239,048		1,239,048	1,301,598
Total liabilities	534,880	1,239,048	-	1,773,928	1,797,058
Net assets:					
Unrestricted	7,640,423			7,640,423	7,182,107
Temporary restricted		46,899,408		46,899,408	34,615,472
Permanently restricted			82,328,764	82,328,764	82,292,478
Total net assets	7,640,423	46,899,408	82,328,764	136,868,595	124,090,057
TOTAL FUND BALANCE	\$8,175,303	\$48,138,453	\$82,328,765	\$138,642,521	\$125,887,114

THE BARUCH COLLEGE FUND MEMBERS

(As of December 31, 2011)

Members of the Baruch College Fund generously give their time to expand the fund's size and reach.

PRESIDENT, BARUCH COLLEGE

Mitchel B. Wallerstein

VICE PRESIDENT FOR COLLEGE ADVANCEMENT

Mark Gibbel

THE BARUCH COLLEGE FUND

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Daniel Clivner '85

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Max W. Berger '68

Kevin J. Boyle MBA '90

Charles R. Dreifus '66, MBA '73

Irwin Engelman '55, LLD (Hon.) '00

Irwin R. Ettinger '58

Caroline Fernandez '10

Lawrence N. Field '52, DCSc (Hon.) '04

Dov Gertzulin '01

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John G. Grifonetti '90

William F. Harnisch '68, DCSc (Hon.) '11

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Bernard L. Laterman '52

Joseph M. Leone '75

Teresa Ling '09, MS '10

Mark Martinelli

Richard S. Merians '55

William Newman '47, LLD (Hon.) '97

Joseph S. Pignatelli, Jr. MS '99

M. Freddie Reiss '67, MBA '00

Stan Ross '56, LLD (Hon.) '99

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JoAnn F. Ryan '79, MS '83

Dov C. Schlein '70, MBA '75

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Martin D. Shafiroff '63

Stuart A. Shikiar '68

Leon V. Shivamber '84

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Howard I. Smith '65

Stuart Subotnick '62, LLD (Hon.) '97

Vikram A. Varma '11

Sandra K. Wasserman '55

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(Hon.) '88

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Aaron Shapiro '49, LHD (Hon.) '89 *

Carl Spielvogel '52, LLD (Hon.) '84

Bert Wasserman '54 *

George Weissman '39, LLD (Hon.) '82*

*deceased