

THE COOPER UNION ALUMNI & PIONEER

Michael Borkowsky and Alumni Giving (rev 1)

by Barry Drogin, EE '83

Abstract

The contents of “the Borkowsky letter,” and later statements by anti-tuition alumnus and trustee Michael Borkowsky are printed and examined, as well as the facts behind the alumni giving rate claims.

On March 1, 2013, Michael Borkowsky, ME '61, emerged from the shadows of Cooper Union history to make an opening presentation at the Open Forum called by the Alumni Council. As of this writing, he has been the only trustee to visit and talk with the students and faculty that have occupied the President's Office since May 8, 2013, as part of a sit-in producing a Vote of No Confidence in Jamshed Bharucha.

Within the context of the current fiscal crisis, Mr. Borkowsky is known among members of the Alumni Council as the author of “the Borkowsky letter,” one of three key documents (in addition to the Mission Statement itself) used by the Alumni Council as sources for their unanimous resolution in favor of the Mission Statement and preserving the full-tuition scholarship policy. Although Mr. Borkowsky was not, at the time, an elected Alumni Trustee or a member of the Alumni Council, he, along with other alumni on the Board of Trustees, including Chair Epstein, were cc'ed on Alumni Council deliberations on the text of the resolution. On January 18, 2012, Mr. Borkowsky wrote to the Alumni Council:

I have tried very hard to stay out of this discussion, because my long-time involvement with both the alumni association and the Board of Trustees makes it difficult for me to be completely objective about the issues we are facing. But a couple of the comments I have read troubled me so much that I felt I have to comment.

First, I need to establish three key points about where I am coming from:

1. I am as strong a supporter as there is for retaining our full-scholarship policy. I believe it is critical for retaining Cooper Union's unique position in higher education. I believe it is critical for maintaining a high level of selectivity which helps drive the number of applicants and that, in turn, drives the quality level of the student body. I believe it is critical for retaining the meritocracy and the sense of equality among the students—an environment that feeds the experience and enhances the education.

2. There are many contributing factors to the financial issues which now confront us, and there will be many changes that will need to be made in order to solve them. The Board of Trustees and the administration have devoted an enormous amount of time to help explain the causes and an even greater amount of effort will be needed to define the solutions. So there is no point now in rehashing the causes or trying to assess or apportion the responsibility for what has occurred.

3. The alumni did not cause the problem and the alumni, by themselves, cannot solve the problem, but make no mistake, strong alumni support will be a critical component in any level of future success. That being said, there are two comments that are particularly disturbing. Both

concern the question of alumni giving. One deals with the fact that there is no obligation to “give back”. The other is that, in effect, it is pointless to put significant effort into increasing alumni giving because it cannot solve the financial deficit.

On the first point, the comment is correct. There is no obligation to give back—certainly no legal obligation, perhaps not even a moral obligation. What one hopes there is to some degree is a desire to give back, a feeling of gratitude, perhaps, for both the cost and the quality of the education. One hopes that there would also be some sense of responsibility to give back, a responsibility to sustain the institution so that future generations could also benefit from Peter Cooper’s foresight and generosity. There could even be a selfish motivation to give back. A Cooper Union whose reputation grows progressively stronger, gains prestige and becomes better known will serve to enhance the value of every graduate’s degree. If a significant number of the 80% of our alumni who do not participate in annual giving did not feel any of these motivations, and I do not believe that is the case, it would raise serious questions about whether the Cooper Union credo that, “Education should be as free as air and water”, may not be important enough to save.

The other comment of concern is the premise that the alumni cannot solve the financial problems so we must instead find one or more major philanthropists to cover the deficit. There are issues on two levels with that comment. First, no one expects the alumni to “close the gap” and eliminate the deficit. But everyone expects that the alumni will do as much as they can afford to help narrow it. It is impossible to imagine a successful future for Cooper Union without the active, dedicated support of its alumni. That support not only includes time, effort and personal involvement, it must include financial support to the extent possible.

In fact, after many years of fund-raising, I know that two important questions are almost always asked by non-alumni potential donors: “How much do the trustees give?” and “How much do the alumni give?” We have now set the bar for the Board at 100% participation in Annual Giving and accomplished that. But we also need to strengthen the Board in terms of financial “capacity” and that effort is on-going. The Board has also supported a greater investment in the Development Group because it was clear that our ability to reach more potential donors had to be increased. But, frankly, it is an embarrassment to have to admit to a potential donor that only 20% of our alumni participate in Annual Giving. Again, it is participation that must be increased. No one expects alumni (or anyone else, for that matter) to give more than they are financially capable of giving. We do not have a boatload of very wealthy alumni. That is easy to explain. But the level of participation is not.

With respect to the philanthropic community, as I said, we must increase our efforts in that area. Keep in mind however, that the philanthropy that created and sustained Cooper in its early years came from the founder, his descendants and wealthy men who were his associates and intrigued by what he had done. It did not come from “strangers”. There is an enormous amount of competition for the philanthropic dollar. Philanthropists in New York like to give money to its museums, to its hospitals, to the Metropolitan Opera, to Carnegie Hall and many other civic and cultural programs. But they rarely give significant donations to colleges that they did not attend and with which they are not affiliated. As an example, we have pursued Mayor Bloomberg aggressively. He likes Cooper Union. He has been at the Great Hall several times. He is a very generous donor. And he gave more than \$100 million to—Johns Hopkins, his alma mater. We will continue to try to convince him to support Cooper Union financially, but it is not an easy task.

The point is, we need to increase revenues on all fronts and from all sources. We cannot, as alumni, delegate the burden of that task to others. We need to embrace it and do what we can do. In my opinion, we have sometimes nurtured a culture that promoting giving is not an essential role for the alumni association. But it is. The most important goal is to help build the strength and the stability of the school. Yes, it is important to help keep alumni in contact with each other, provide social events and networking opportunities, mentor students and sustain many other important activities. But job 1 for all of us, alumni, the Board of Trustees and the administration is to help insure Cooper Union's financial health, to help it grow and thrive. And even with the most unified and creative effort I recognize that there is a risk that we simply cannot generate enough revenue to sustain Cooper Union as it is. Change is almost inevitable and major change is certainly likely. But we need to provide as much support as we possibly can so that the changes not only will not damage the essence of what Cooper Union has been, but make it an even stronger and more dynamic force in higher education.

I have spent most of my life involved with the school—almost 55 years. After graduating in 1961, I first joined the “Board of Governors” of the Alumni Association in 1965, ultimately became its president in 1991 and I am now the second-longest serving member of the current Board of Trustees [serving since 1996]. I have known seven of Cooper Union's twelve Presidents and worked closely with five of them. I have contributed, I believe, more than my fair share, starting with a \$25 gift as soon as I was out of graduate school and working. I got a degree in mechanical engineering from Cooper and never spent a moment of my working life as a mechanical engineer or as any other kind of engineer. Given that fact, many people wonder why I have spent so much of my life involved with the school. It is because Cooper Union embodies, in my mind, the ideal of higher education. You put 1,000 of the brightest, most creative young people together, with no regard for their economic status or personal backgrounds, challenge them to work as hard as they can, to collaborate rather than compete with each other, give them the opportunity to interact fully with faculty, set them all in the dynamic environment of New York City and do it with no charge for tuition and you have an institution of learning that is unique in all the world and must be saved.

Mike Borkowsky

The “alumni did not cause the problem” quote is in stark contrast to the “blame the alumni” rhetoric from Mark Epstein, and other “blame the alumni” statements embedded either directly in the scripted Board communications and indirectly by omission in the scripted Presidential communications.

During the March 1, 2013, Forum, Mr. Borkowsky softened the alumni giving criticism, putting it this way:

Historically, we had a low level of alumni participation – not amount of money, but the number of alumni participating – and that was always a surprise to people given the full scholarship tuitions. (17:00)

<http://www.livestream.com/thecooperunion1/video?clipId=pla_39d2ad3c-5623-4503-90b8-7097485c12a4>

During his visit to the sit-in, Mr. Borkowsky repeated the 20% figure (43:50), following it up with the phrase “for a hundred years” <<http://www.youtube.com/watch?v=Xfeev5kvo7E>>.

It is important to clarify this with the facts on-hand to date. Historically, the first alumni donation to the school occurred in 1902, as related by Abram Hewitt:

You may ask me if the days of miracles have really passed; for this seems like some miracle, that the Cooper Union should have achieved this result. I will tell you how it was expected to be

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achieved. Mr. Cooper said that of course in the course of a hundred years there would be a great many graduates of the institution, alumni. "The day will come," he said, "when they, these graduates, will rally around this institution, and, if the plans I have formed can be executed in no other way, they will see that my plans are executed." Now in forty years I have been waiting for these alumni, but they did not pan out. But in many respects this has been a very remarkable year, for about two months ago I received a letter from Mr. Elmer E. Garnsey, in which he says, "...I am glad that my little contribution may be kept separate from the general funds of the Union, and the foundation may bear my name or not, as you may consider wise and proper. My whole desire is to express in some degree my appreciation of what Cooper Union and its great founder have done for me, in a manner that shall have the approval of those who have so splendidly carried on the work begun by Peter Cooper, and at the same time be of benefit to those who are studying and working to improve themselves, in their leisure hours. For the establishment of the fund, I enclose, to your order, my cheque for one thousand dollars." I read that letter because it is the first contribution in money we have ever received from an alumnus.... Young gentlemen, wherever you may go, wherever your work may take you, whether to Kamschatka or to Martinique, I want you to remember that Cooper Union is quite ready to receive contributions from every habitable part of the world.

Speech at the Annual Commencement of The Cooper Union, May 31, 1902
<<http://tinyurl.com/cqc65fn>>

Marilyn Hoffner A '48 clarified alumni giving for the 25 years prior to 2000:

From the mid 70's until 2000, the Annual Fund figures reflected only contributions that were specifically made to the Annual Fund. After 2000, a different way of accounting took over and all gifts to Cooper that were not restricted were counted as Annual Fund, making the figure much much higher.

Until 2000, it was felt by the business office and administration that large gifts artificially inflated the Annual Fund. We all wanted to see what the alumni and the parents gave to Cooper. We also did not include gifts from the few alumni trustees---they counted as trustee giving.

During that period we were one of eight schools cited by CASE for the high level of alumni giving to colleges--I believe we were between 35 and 40%. After 2000 we stopped creative fund raising mailings and resorted to simply letters and the rate of giving went down and stayed flat.

When anyone compares the Annual Fund pre-2000 and after, we're really comparing apples and oranges---and covering up the fact that the Annual Fund has stayed flat for twelve years.

Nick Agneta AR '80 provided the numbers of alumni giving to the Annual Fund from 2002 to 2011:

The Cooper Union for the Advancement of Science and Art

Year End Alumni Participation Rates

Annual Fund Gifts Only

FY	# Active Alumni	Total Contributions	# Alumni Donors	Participation Rate
2002	11,990	\$1,648,378	3,647	30.4%
2003	12,084	\$1,478,981	3,505	29.0%
2004	12,165	\$1,754,098	3,490	28.7%
2005	12,289	\$1,578,967	3,623	29.5%
2006	12,369	\$1,608,306	3,564	28.8%
2007	12,462	\$1,727,140	3,362	27.0%
2008	12,578	\$1,566,896	3,202	25.5%
2009	12,666	\$1,297,472	2,821	22.3%
2010	12,734	\$1,339,194	2,791	21.9%
2011	12,851	\$1,488,415	2,790	21.7%

The Cooper Union for the Advancement of Science and Art

Year-over-Year Phonathon Cash Results

As of March 22, 2011

	Pre-Phonathon Appeal	First Session	Second Session	Third Session	Fourth Session	Fifth Session	Total
2005	n/a	\$103,786	\$85,006	\$38,709	\$40,586	n/a	\$268,087
2006	n/a	\$138,530	\$62,937	\$43,760	\$24,212	\$45,000	\$314,439
2007	\$26,142	\$77,388	\$69,222	\$41,196	\$46,017	\$151,998	\$411,963
2008	\$115,000	\$87,030	\$57,210	\$75,075	\$54,540	\$36,177	\$425,032
2009	\$146,000	\$109,890	\$36,207	\$89,875	\$20,725	\$61,572	\$464,269
2010	\$174,786	\$66,611	\$83,389	\$62,923	\$60,428	n/a	\$448,137
2011	\$159,152	\$69,222	\$47,297	\$41,743	\$27,150	\$65,148	\$409,712

Don Blauweiss A '61 provided financial numbers on alumni giving to the Capital Campaign:

2000 Capital Campaign as of 6/10/11

Alumni	\$54,428,861
Other Individuals	\$41,385,290
Foundations	\$23,105,728
Trustees (non-alumni)	\$10,868,187
Trustees (alumni)	\$8,587,426
Government	\$8,211,556
Parents/Students	\$3,430,153
Corporations	\$2,478,651
Other Organizations	\$1,207,494

(These numbers do not include bequests, which will not be received until the donor dies.)

Reconciling alumni giving rates between the Annual Fund and the Capital Campaign, if not provided by the administration, will require considerable effort. Assuming the names of donors to both the Capital Campaign

and the Annual Fund were published in annual donor reports, hundreds of names, totaling into the thousands, would have to be cross-referenced. With the aid of OCR (if the source files were not provided) and some computer programming, it could be accomplished.

In Fiscal Year 2012, alumni giving to the Annual Fund increased to \$1.74M, with alumni participation steady at 22%. This is the first year we have numbers for giving to both the Annual Fund and restricted giving, totaling 26.3%. These numbers were announced by Darrell Low EE '89 at the May 21, 2013, Alumni Council meeting. In 2013, the number of alumni with contacts was given as 12,900, with 1,400 with no contacts. The Cooper Union has valid e-mail addresses for approximately half of those alumni, the rest can only be reached by telephone or mail.

The fact that alumni gave only \$1.5M per year to the Annual Fund in the previous decade, but almost \$5M per year to the Capital Campaign, clearly places the 20% figure in doubt, let alone that Annual Fund giving only dropped below 25% after the crash of 2008. Even the \$5M figure is undoubtedly low, given that, in 2006, half-way through the Capital Campaign, the college claimed that \$129M of their \$250M goal had been reached.

In an interview with Democracy Now!, Chair Mark Epstein stated that “traditionally, only 20 percent of our alumni ... give back to the school on a regular basis.” The qualifier, “regular basis,” seems to question the commitment of alumni. Anyone who has attended a Phonathon knows that there can be gaps in alumni donor records, due to myriad reasons such as unemployment and other financial difficulties. One is reminded of the exchange in “Fiddler On The Roof,” where a beggar is told he is only getting half a donation because the donor had a bad week and responds, “So if you had a bad week, why should I suffer?”

Anecdotally, an alumni donor revealed that she had made a significant pledge to the Capital Campaign, which she fulfilled over a five year period. She was shocked to learn that those donations did not count in the alumni annual giving rate figures. Similarly, any alumni living in the last decade can tell you that the “creative fundraising mailings” in the past decade were all devoted to the Building Fund, part of the Capital Campaign, not to the Annual Fund. The Cooper Union would consider all Building Fund donations as “restricted giving” and not assign them to the Annual Fund. Comparing the Annual Fund giving numbers to the Phonathon numbers, it is clear that a significant amount of alumni giving is in response to mailings, even if they are just reminders.

One Cooper Couple has claimed that their annual checks to The Cooper Union have been assigned in a haphazard manner to one spouse and not both spouses. Alumni are being defined as people who enrolled for one year, with the qualifier that they are not counted until the year they would have graduated; this would include freshman who transferred out not by choice, but due to bad grades, and those who never got their diplomas.

Another anecdote relates to alumni contact information. Previous Founder's Day Dinner Dances were elaborate and expensive affairs, and, attending my 10th reunion, I discovered that less than a handful of classmates showed up, that the room was full of older alumni. I was a Class Rep during our 25th Reunion, however, when my classmates and I were in our forties. The six months before the reunion were fairly evenly split, with the reunion committee's first three months spent tracking down lost alumni, and the next three months actually planning the reunion. All new contacts were provided to the Alumni Office. Aside from the dramatic drop after the crash of 2008, I do not believe that alumni giving rates have dropped to the levels that the administration keeps parroting. But it is true that a Baby Boomer who lived through the Green Camp sale in 1971 would have had his or her 25th Reunion in 1996 or earlier, that if the Cooper Union were reaching out to this older population in the 90's and 2000's, they would hear some blowback from alumni who “still won't give because of Green Camp,” as Epstein has repeatedly stated. President White has for some while been considered the most hated president in Cooper Union history, despite strong competition for the title since.

Nevertheless, just as the Trustees made a commitment to 100% giving, in the context of “the Borkowsky letter,” so did the Alumni Council in its resolution. Friends of Cooper Union has made public and private commitments to the trustees to help with alumni giving if tuition is not imposed. The Money on the Table campaign, had it merely been publicized (if not endorsed) to the alumni, would have shown much higher pledge numbers, as evidenced by the doubling after the lock-in of December 2012 garnered national media attention.

The one thing that shouldn't need to be said is that the alumni are not to blame for the crash of 2008 and the years of high unemployment that followed. Obviously, both big money donors and small money donors were less able to give after the crash.

Mr. Borkowsky referred to the students at the sit-in as “selfless,” and is the first trustee to characterize the *Wall Street Journal* article of 2009 as “miscommunication” (35:30). Instead of becoming a mechanical engineer, Mr. Borkowsky found employment in advertising and market research, for BBDO, Pond's, Clairol, and Bristol-Myers. His love and understanding of The Cooper Union is intelligently expressed in “the Borkowsky letter.”

As a trustee, New York State law is clear on his role and responsibilities. “Statement on the Governance Role of a Trustee or Board Member” (<http://www.regents.nysed.gov/about/stmt07.pdf>) provides the explicit guidance, “Trustees/board members should be cautious about relying completely on the guidance and judgment of the institution's CEO and management.” Obviously, a trustee can't be expected to count up the numbers of alumni who gave every year himself, but he should have been aware of the impact the Building Fund campaign would have on the Annual Fund campaign, and recognize that initiatives like Urban Visionaries, although highly successful financially, were part of Campbell's goal to meet his financial targets through de-emphasizing small donations. When asked (11:30) whether the Board had gone through the finances line-by-line, he responds that the financial people in the administration had, and adds “the headcount hasn't changed much,” a statement that not only isn't true, but ignores the replacement of lower-paid secretaries with higher-paid directors. He says the trustees knew how bad the financial situation was when Bharucha was hired; since Epstein has said that the financial situation was revealed to all of the final candidates, it is unclear whether Mr. Borkowsky is claiming that Bharucha didn't know, or merely wasn't told how bad it was. Audrey Flack, an alumni trustee, told an audience on May 21, 2013, that President George Campbell never told the entire board how bad the finances were from FY 2009 until his retirement at the end of FY 2011, which at least points to a disconnect between the Executive Board of the Board of Trustees and the full Board.

In his 1902 speech, Abram Hewitt makes reference to how, through the early years of the college, Mr. Cooper himself covered all deficits. After his death, his heirs did. This then extended to their friends, the Carnegie family, and then to the Carnegie family's friends. The Hewitt Building was built from a fund established to honor the former mayor (and Peter Cooper son-in-law). Names like Wollman, Nerken, and Chanin came from wealthy alumni giving back to their school. Urban Visionaries attempted to engage the New York philanthropic world in The Cooper Union. Sandra Priest Rose is perhaps the first “stranger” to give generously to the college, but her donation came with strings attached that wiped Hewitt and Wollman from history, and lost the 40,000 square feet of academic space at 51 Astor Place to non-Cooper uses.

George Campbell knew what was going on. As a parting present, he cut the head of the Alumni Office off. Bharucha transferred the entire office over to Development, changing its name, and most of the staff, except for the excellent and over-worked Madeline Kilroe, jumped ship. It certainly appears that the foundation for a “blame the alumni” narrative were put into place. Whatever the job function of the new Director of Alumni Affairs is, it apparently does not include attending Alumni Council meetings.

If Mr. Borkowsky knows about the salesmanship of some of the false narratives he is providing, then he is duplicitous. If he doesn't know, then, according to New York State Law, that is not an excuse. Rather than circle the wagons, the Board needs to reach out to its critics, the ones with boots on the ground and facts in hand, because the truth will out – not only about alumni giving, but about The Way Forward.

The current version of this document can be found at <<http://www.notnicemusic.com/giving.pdf>>. Corrections to this document are appreciated and, if based on substantiated facts from legitimate sources, will be implemented by the author. The original version was completed on May 12, 2013, with corrections stemming from the May 21, 2013 Alumni Trustee Forum added on May 26, 2013.

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