



UNIVERSITY OF NOTRE DAME

THE 2002-2003 STEWARDSHIP REPORT

ABOUT THIS REPORT

Included in this report are benefactor stories which illustrate the tremendous impact that charitable contributions have had on Notre Dame. These stories are an important part of the 2002–2003 Stewardship Report because they show, in a concrete way, how the generosity of our donors has strengthened the University. In addition, pictures of scholarship and fellowship recipients can be found throughout the publication—they serve as a reminder of our unique educational mission. The donors and students spotlighted on the pages to follow are only a few of those who make up the extended Notre Dame family. We hope you enjoy the report.

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FROM THE PRESIDENT

TWO DECADES AGO (1982–1983) Notre Dame’s endowment stood at \$200 million; its annual budget was just shy of \$125 million. We had nineteen institutes, centers and “special programs” for research and service. Today, Notre Dame’s endowment exceeds \$2.5 billion, our annual budget is more than \$650 million, and we have close to 60 institutes and centers, many of them fully endowed.

In 1983, the campus consisted of 88 buildings with an insured replacement value of \$344 million; in 2003, there were 136 buildings valued at \$2 billion. Tuition has increased five-fold over those two decades, yet the amount of scholarship aid has risen 443 percent in the last ten years alone. Put another way, the average scholarship award today is roughly equal to total tuition charges of a decade ago and three times the total tuition of two decades ago.



Notre Dame has grown. And I mention the institutes and centers to demonstrate that this growth is not simply a matter of economics and inflation, but rather a blossoming of diverse programs and intellectual preoccupations. Both directly and indirectly, the beneficiaries of this enlargement of our capacities are the students themselves.

This past year Notre Dame had the largest number of applications for admission in its history—more than 12,000 applicants for roughly 1,800 freshman slots. As a consequence we were able to enroll our most talented and diverse freshman class ever. I have no doubt that, as in

past years, these new students will challenge themselves, their professors and their classmates in unanticipated ways and that the University itself will benefit from their presence.

The themes and stories that emerge from this year’s Stewardship Report deal with family, perseverance, generosity and selflessness. That is, they make scarce mention of the statistics I have been citing above, and yet it is precisely such generosity and perseverance that have made possible Notre Dame’s institutional

strength, purpose, endowment and steadfastness of vision. We have our benefactors to thank for that—the alumni, parents and friends who give generously in order to create extraordinary opportunities for our faculty to teach and do research, and for our students to learn.

Edward A. Malloy, ...

REV. EDWARD A. MALLOY, C.S.C.

President

THE 2002–2003 SUMMARY

THE OVERALL CHARITABLE DONATIONS to U.S. higher educational institutions fell last year, and Notre Dame experienced the same effect with its 2002–2003 fund-raising results of \$113,887,147 in cash contributions. Although this was a decrease from the year prior, it is important to note that this is the sixth consecutive year Notre Dame has raised more than \$100 million, placing the University among the top 20 private universities in terms of total dollars raised.

There were very promising signs amidst the fund-raising results in 2002–2003. Notre Dame's participation rate was one of those encouraging areas. A significant increase in the number of donors was seen as the University received contributions from 59,693 donors, an 11% increase over 2001–2002. The overall participation rate for all Notre Dame graduates was 47%, up by three percent; while the undergraduate alumni participation rate reached 50.9%, up from last year by 2.2%—keeping the University among the nation's best in terms of alumni participation.

The figure representing each year's total contributions is composed of outright gifts and pledge payments—those gifts that are part of a multi-year payment program. In 2002–2003, Notre Dame recorded \$46,605,107 in new pledges valued at \$25,000 and above. This was a \$9.2 million increase, or 24% over the previous year. Of these pledges, 103 were in excess of \$100,000—29 more than in fiscal year 2001–2002. This increase in leadership gift level commitments will boost the amount of gift contributions to Notre Dame in the

coming years as pledge payments are made.

Another bright spot for the University this past year was the success of the Notre Dame Annual Fund in raising unrestricted gifts. Largely responsible for the participation of alumni, the Annual Fund also drives unrestricted giving to Notre Dame—a precious “commodity” to the overall financial health of any university. In 2002–2003, Notre Dame received \$19.5 million in unrestricted gifts, up \$1.7 million from the previous year. Driven by the continued growth of the Sorin Society and a successfully completed challenge grant from Lilly Endowment Inc., the Notre Dame Annual Fund raised a total of \$26 million, including both restricted and unrestricted gifts.

Other sources of fund-raising revenue were the Corporate Relations Program, the Foundation Relations Program, and the Offices of Planned Giving and Law School Advancement—each of which are responsible for a specific type of giving. In the case of Corporate Relations, a total of \$14.6 million was raised, improving on the previous year's total of \$12.9 million. Given the corporate economic climate, this was a significant

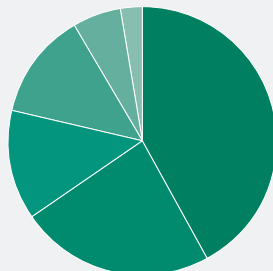
accomplishment. Foundation Relations, which seeks gifts and grants from private, family and community foundations, posted a record revenue total of \$26.7 million. This represents an increase of some \$3 million over 2001–2002, and a slightly better result over its previous best of \$26.4 million in 2000–2001. Planned Giving raised just under \$19 million, down from its record year of \$33 million in 2001–2002. Finally, Law School Advancement—the University's development effort to raise contributions for the Notre Dame Law School—raised a record \$9.2 million, an increase of \$4.5 million over the previous year.

Despite the uncertain economic conditions of the past couple of years, the University continues to be blessed by a generous and caring constituency. The charitable support that Notre Dame enjoys is a direct reflection of the commitment of its alumni, parents, and friends, including many corporations and private foundations. As the University aspires to greater heights, it will need the continued involvement and growth of all of these important groups to achieve further success.

SOURCES OF SUPPORT

\$113,887,147

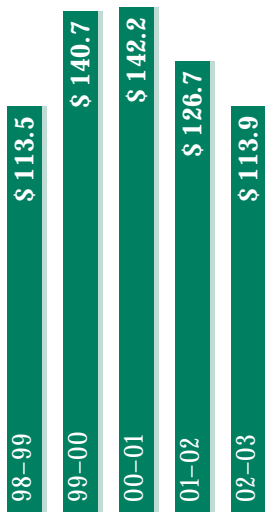
2002–03



Alumni	\$47,804,840
Foundations	\$26,696,124
Other Individuals	\$15,066,991
Corporations <i>Including Matching Gifts</i>	\$14,661,325
Non-Alumni Parents	\$6,645,846
Other Organizations	\$3,010,521
Holy Cross and Other Religious Organizations	\$1,500,000

**TOTAL DOLLARS
RAISED**

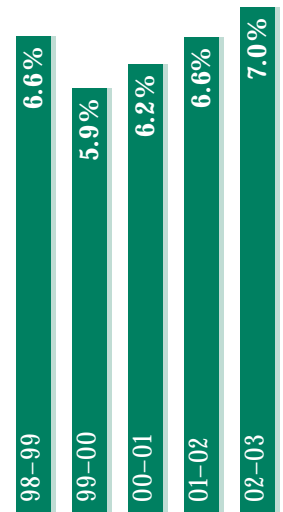
By Fiscal Year



Students working at the Development Phone Center in Grace Hall

**COST OF
FUNDRAISING**

By Fiscal Year



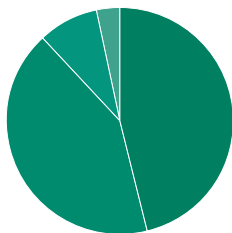
FINANCIAL HIGHLIGHTS

Fiscal year 2002–2003 marked the sixth consecutive year that the Notre Dame Development Department raised over \$100 million; this year’s cash contributions totaled \$113,887,147. During this period, the University experienced an 11% increase in donor participation, reaching a record high of 59,693 contributors. Though overall giving to the University was down in fiscal year 2002–2003, the Annual Fund and the Offices of Corporate Relations, Foundation Relations and Law School Advancement all reflected increases in dollars raised over the previous year.

EXPENDABLE GIFTS

\$46,494,904

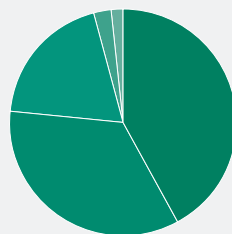
2002–03



- Other Academic Support
\$21,444,179
- Unrestricted
\$19,495,989
- Scholarships
\$4,001,251
- Fellowships
\$1,553,485

ENDOWMENT GIFTS — \$58,859,061

2002–03

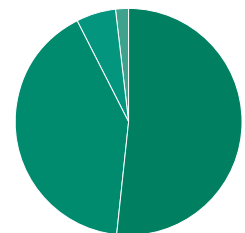


- Undesignated Endowment
\$24,725,005
- Scholarships
\$20,346,511
- Other Endowment
*Academic programs, chairs,
institutes, etc.*
\$11,322,693
- Fellowships
\$1,468,554
- University Libraries
\$996,298

GIFT DISTRIBUTION

\$113,887,147

2002–03



- Endowment
\$58,859,061
- Expendable Funds
\$46,494,904
- Plant Fund
\$6,425,649
- Gifts In Kind
\$2,107,533

ENDOWED CHAIRS AND DIRECTORSHIPS



“Your generous fellowship has enabled me to cross the Pacific Ocean to pursue my academic life here.” — Shan Huang, Graduate Student

MUCH OF NOTRE DAME’S recent progress can be attributed to the growing number of endowed chairs and directorships at both the university and collegiate levels. In the last five years, this number has increased by nearly 50% (from 147 to 219). Each newly endowed professor and director brings to the University an established record of achievement, thereby increasing the potential for significant scholarship in each of Notre Dame’s five colleges as well as in the Law School, the Graduate School and the School of Architecture. The \$3,583,128 raised in 2002–2003 in support of endowed chairs and directorships will certainly heighten the University’s distinction as a center for teaching excellence.

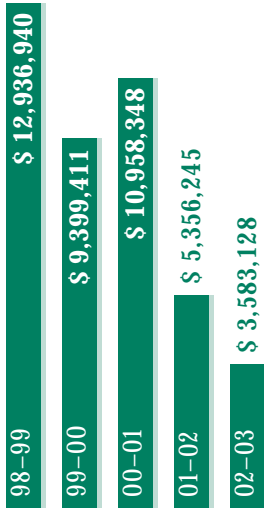


The 2002 Summer Shakespeare production of The Tempest

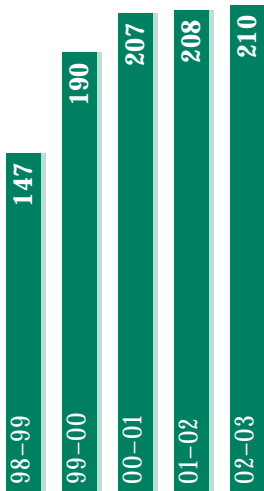
THE JUDD AND MARY LOU LEIGHTON DIRECTOR FOR THE PERFORMING ARTS

CASH GIFTS TO ENDOWED CHAIRS

By Fiscal Year



GROWTH IN ESTABLISHED ENDOWED CHAIRS AND DIRECTORSHIPS



The Judd and Mary Lou Leighton Director for the Performing Arts was established by prominent South Bend civic leader and philanthropist Judd Leighton in 2003. Judd, who earned both his bachelor's and law degrees at Northwestern University, has assumed numerous roles in the South Bend community: member of the advisory council for Notre Dame's Mendoza College of Business since 1962, chairman of the board of the Leighton-Oare Foundation Inc., member of the board of the Community Foundation of St. Joseph County and Project Future, and director of Memorial Health System Inc. and Memorial Hospital of South Bend. Judd was formerly chairman of the board and chief executive officer of Benicia Industries, chairman and director of First Interstate Bank of Northern Indiana (now Wells Fargo Bank Indiana), director of Paramount Communications Inc., and director of Associates Corporation of North America (now Citigroup, Inc.).



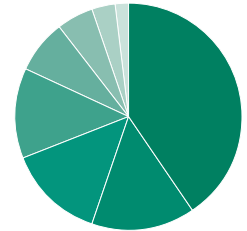
Judd Leighton

John A. Haynes, the executive director of Notre Dame's new Marie P. Debartolo Center for the Performing Arts, was named the Judd and Mary Lou Leighton Director for the Performing Arts in 2003. Before coming to Notre Dame, John, who majored in philosophy and classics at the University of Texas at Austin, spent ten years as a programming and production executive at CBS Television Network in New York and at Viacom in Beverly Hills. John has served as president and CEO of the California Center for the Arts, as well as executive director of the Tony Award-winning Children's Theatre Company.

Adamant about the necessity of arts in community development, John has lectured extensively on the need for funding of public arts, most notably upon invitation from the government of the People's Republic of China at a conference of political leaders in Nanjing. Other distinguished endeavors as an arts advocate include John's five-year term as a trustee and treasurer of the Minnesota Citizens for the Arts and his service on peer review panels for the National Endowment for the Arts—hence his current status as a cultural non-profit leader.

DISTRIBUTION OF ESTABLISHED ENDOWED CHAIRS

As of June 30, 2003



- College of Arts and Letters
85 Chairs

- College of Science
31 Chairs

- Mendoza College of Business
29 Chairs

- College of Engineering
27 Chairs

- Directorships
16 Directors

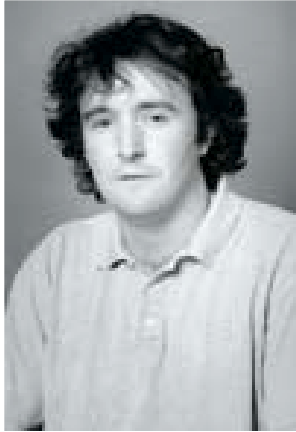
- Law School
11 Chairs

- Other
7 Chairs

- School of Architecture
4 Chairs

FINANCIAL AID

SCHOLARSHIP AND FELLOWSHIP ASSISTANCE



“I would not have been able to attend Notre Dame had it not been for this scholarship and the generous financial aid package I received.” — James Madden, 2003 Graduate

OVER 1,500 SCHOLARSHIPS, reflecting a seven percent increase over the previous year, are supported by the University’s financial aid endowment of \$678,901,993. During fiscal year 2002–2003, 8,617 benefactors donated \$24,347,762 for en-

dowed and expendable scholarships, while 1,964 donors made gifts of \$3,022,039 to endowed and expendable fellowships. These numbers serve as a tangible testimony to our donors’ commitment to ensure that the exceptional experience of a Notre Dame education remains attainable for our students.

The generosity of our benefactors helped the University to meet the full demonstrated financial needs of all admitted

and current students. While the economy continues to have a dramatic impact on our students and their families, the unfaltering support of financial aid from alumni and friends has enabled the University to admit talented, diverse and service-oriented students, regardless of their financial resources.

The average scholarship award for the Class of 2007 was \$15,852. While a typical financial aid package includes scholarship, grant assistance, student loans and part-time work-study income, Notre Dame students still graduate with an average need-based debt of \$16,500. The University continues to be sensitive and responsive to the student loan portion of the financial aid award.

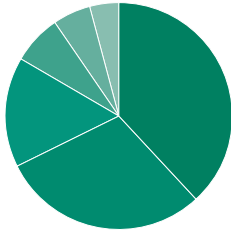
The numbers reflected in this report demonstrate the commitment and sacrifices made by our benefactors on behalf of Our Lady’s University and her students.



Students walking from Bond Hall

**SOURCES OF AID:
UNDERGRADUATE**
\$125,992,613

2002-03 Total



- University-administered Scholarships
\$47,985,765

- Loans
\$37,325,883

- Grants
\$19,763,859

- Other Scholarships
\$8,875,400

- ROTC
\$6,804,970

- Campus Employment
\$5,236,736

**UNDERGRADUATE
SCHOLARSHIP GIFTS**

By Fiscal Year
(Expendable and Endowed)



The Donnelly Family—Patrick '07, Michael '04, Maureen, and Jack

**THE JOHN J. DONNELLY
FAMILY SCHOLARSHIP**

A tribute to a father and a testimony to the value of higher education—the John J. Donnelly Family Scholarship is a reflection of both. John (Jack) Donnelly of Randolph, New Jersey, established this scholarship in memory of his dad, a self-educated and self-made man. While John Sr. never had an opportunity to attend college, he instilled in his five children the importance of a college education. He was a single parent, having lost his wife to cancer when their children were small. As president of Stewart Superior Corporation, a marking and identification products company, he managed both the family business and the family.

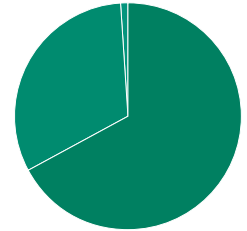
Jack had the privilege of working with his father until the elder Donnelly's death in 1996. Jack now follows in his father's footsteps as president of the company. John Sr. always wanted to create a scholarship benefiting a student who otherwise would not have an opportunity to attend college. It seemed only appropriate to Jack to establish the scholarship at Notre Dame, a place his father loved—and a place that had family ties.

Jack experienced the magic of the Notre Dame campus while his brother, Joe (BA '77 and JD '81), was a student here. Wanting to share his passion for this place with his own four sons, Jack began a family tradition. As each boy entered third grade, father and son would visit Notre Dame for a Fighting Irish football weekend. Two of his sons, Michael and Patrick, returned to campus as students. Michael is a member of the Class of 2004, and Patrick is in the Class of 2007—making Jack and his wife, Maureen, Notre Dame fans as well as Notre Dame parents. The Donnelly's oldest son, Brian, recently earned a master's degree from Villanova, while John, their third son, is a junior at the U.S. Naval Academy. The Donnellys certainly give new meaning to the phrase "God, Country, Notre Dame"!

Jack and Maureen are both graduates of St. Michael's College and share a belief in the value of a Catholic education. They hope this scholarship will help Notre Dame to successfully compete for the best and the brightest students. According to Jack, "Notre Dame is a Catholic institution working to maintain its place among the great universities of the world while continuing its Catholic heritage." The John J. Donnelly Family Scholarship allows the Donnelly family to support this very special Notre Dame mission forever.

**SOURCES OF AID:
GRADUATE**
\$73,574,621

2002-03 Total



- Fellowships and Grants
\$49,365,866

- Loans
\$23,441,844

- Work Study
\$766,911

**GRADUATE
FELLOWSHIP GIFTS**

By Fiscal Year, includes MBA and Law
(Expendable and Endowed)



THE UNIVERSITY LIBRARIES

AND THE KRESGE LAW LIBRARY



“I have met many wonderful people, learned many valuable lessons, and strengthened my faith in God and the Catholic Church. I can’t imagine being anywhere else at this point in my life.” — Reina Montes, 2004

A VIBRANT and ever-changing community of learning, the University Libraries of Notre Dame are ranked among the top 50 research libraries in the country and now have 167 named library funds. Ranging in areas from

Medieval literature to computer science and engineering, these diverse collections have supported the University Libraries’ goals of meeting information needs across all disciplines, building rich and unique research collections in areas that support Notre Dame’s priorities and aspirations, defining our role within the global network of libraries, and creating a Catholic identity in a research library—one that exists to acquire and preserve

the intellectual heritage and culture of the world.

To meet our objectives and those of the University, the Libraries must continue to contribute to the pursuit of academic excellence by making available the informational resources our students and faculty need for their teaching, learning and research activities. The \$1,560,810 raised this past year has and will continue to bring us significantly closer to obtaining our goals. As we proceed with renovations of the Hesburgh Library—beginning with the lower level this past year—we must be mindful of the technological and spatial needs of our constituents. This careful attention to the needs of the University community is essential as we persist in building the libraries and infrastructure necessary to become an even stronger teaching and research institution.



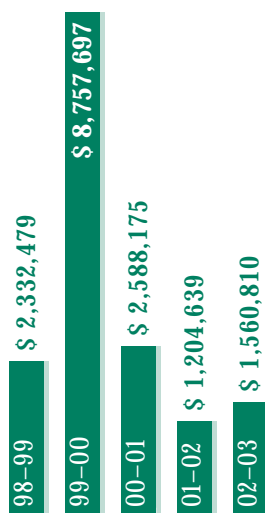
The newly renovated lower level of the Hesburgh Library

THE SMURFIT COLLECTION IN IRISH STUDIES:

Furthering the Irish Fiction Initiative
with the Loeber Collection of Irish Fiction

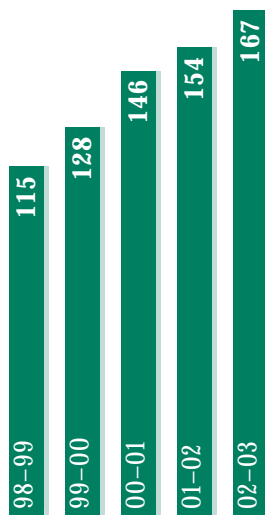
LIBRARY CASH GIFTS

By Fiscal Year

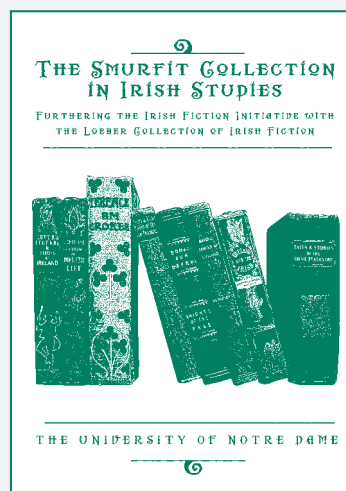


GROWTH IN NAMED LIBRARY FUNDS

By Fiscal Year



To further the Irish Fiction Initiative and elevate the University's position as the premier site in the world for Irish literary studies, Dr. Michael W.J. Smurfit established the Smurfit Collection in Irish Studies. Michael is chairman and past chief executive officer of Jefferson Smurfit Group PLC, one of the world's largest and most successful paper and packaging companies, based in Dublin. Among his many achievements, Michael—a member of Notre Dame's Ireland Advisory Council—is a Fellow of the International Academy of Management and holds honorary doctorates in law from Trinity College, Dublin; the National University of Ireland; University College, Galway; the University of Scranton, Pennsylvania; and Babson College, Boston. He is also the honorary Irish consul to the principality of Monaco and has been honored by the royal family there as well as receiving recognition from the governments of France, Venezuela and Colombia for his achievements in those countries.



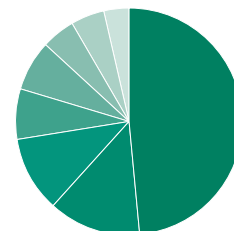
Educated at Clongowes Wood College, Ireland, Michael received his management training at the Continental Can Corp, USA. He is a member of many sporting and social clubs in Ireland, the United Kingdom, Monaco, Spain and the United States.

The Smurfit Collection in Irish Studies has played a significant role in aiding the University Libraries in securing the Loeber Collection, an incomparable repository of Irish fiction—some 1,900 titles and more than 500 reprints of works by both well-known and lesser known authors—all in support of the University of Notre Dame's Irish Fiction Initiative. The goal of this initiative is to build the University Libraries' Irish fiction collection, from the eighteenth through the twenty-first centuries, into the top collection in the world and to establish Notre Dame as *the* place to study it. Gathered by Rolf and Magda Loeber, medical faculty of the University of Pittsburgh, this collection serves as the basis of the Loebers' own work, a detailed bibliography of Irish fiction.

The Smurfit Collection in Irish Studies has helped to make the University Libraries a chief repository of Irish fiction, thereby attracting researchers and scholars from around the world to the University of Notre Dame and its Libraries.

NAMED LIBRARY FUNDS BY ACADEMIC AREA

as of June 30, 2003



- College of Arts and Letters
81 Endowments
- Unrestricted / General Library Endowment
22 Endowments
- Kresge Law Library
18 Endowments
- Mendoza College of Business
12 Endowments
- Other
12 Endowments
- College of Engineering
8 Endowments
- College of Science
8 Endowments
- School of Architecture
6 Endowments

ENDOWMENTS FOR EXCELLENCE



“The strength of the extracurricular programs at Notre Dame—and its emphasis on service—means that I learn as much outside the classroom as I do inside.”

— Greg Hengehold, BBA 2000, MBA Candidate 2004

IN FISCAL YEAR 2002–2003, the Endowments for Excellence initiative was strengthened with \$1,710,509 in contributions. The endowments, which support Notre Dame’s colleges, schools, centers and institutes, have done much to advance the University’s educational mission. From supporting workshops for management professionals in the Mendoza College of Business to underwriting conferences for new bishops and lectures on religion, faith and politics, the Endowments for Excellence initiative has provided a splendid enhancement to the quality of intellectual and spiritual life here at Notre Dame.



Notre Dame students playing with children in Thailand

THE REV. DON MCNEILL, C.S.C. ENDOWMENT FOR EXCELLENCE IN SERVICE LEARNING INITIATIVES AND LEADERSHIP

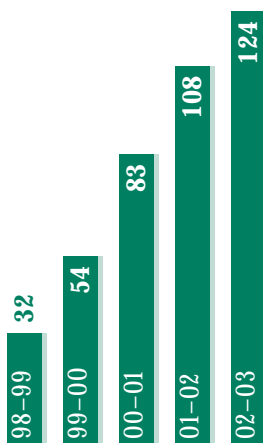
CASH GIFTS TO ENDOWMENTS FOR EXCELLENCE

2002-03



GROWTH IN ESTABLISHED ENDOWMENTS FOR EXCELLENCE

By Fiscal Year



Father Don McNeill's vision of experiential service learning—in collaboration with other faculty and staff, students and community partners—inspired and founded the Center for Social Concerns (CSC) in 1983. Padre Don, as he is known, served as CSC director until his July 2002 retirement, and in that time had a tangible and lasting influence on both the center and on those touched by it. In honor of his dedicated service, the University—through the generous donations of Padre Don's classmates and those involved with the center—established the Rev. Don McNeill, C.S.C. Endowment for Excellence in Service Learning Initiatives and Leadership.

In his nearly 50-year relationship with the University—as a student, theology professor and CSC director—Padre Don inspired legions of students and other members of the Notre Dame community. His legacy includes the many service learning initiatives developed under his leadership at the center. For Padre Don, the CSC's mission of encouraging students and faculty to take action “for a more just and humane world” was also a personal mission; he took seriously his call as director of the CSC to help students discern their own calls to service and advocacy. It is appropriate then that an endowment in tribute to him should fund initiatives that are intimately connected to students' discernment and call to action.

Thus, the McNeill Endowment funds initiatives related to the CSC's Senior Transition Programs. These programs assist students as they discern the ways in which they can integrate faith and social concerns into their lives beyond Notre Dame, with special attention given to post-graduate service programs. With around 10% of each senior class committing to one or two years in a service program after graduation, the importance of these programs cannot be overestimated. The fund also supports a full-time Director of Senior Transition Programs, a position of immeasurable support in helping students to navigate the discernment process.

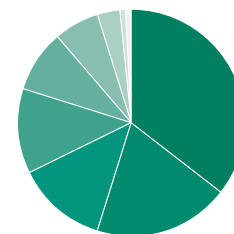
Each year, this process culminates on Commencement weekend with the Service Send-Off. The McNeill fund helps to support this moving ceremony, in which the 200 seniors who have committed to a service program are honored by Father Malloy and other members of the Notre Dame community. In funding those initiatives closest to Padre Don's heart, the McNeill Endowment is a fitting tribute to a person who continues to personify the Gospel call to action.



Rev. Don McNeill, C.S.C.

DISTRIBUTION OF ESTABLISHED ENDOWMENTS FOR EXCELLENCE

as of June 30, 2003



- College of Arts and Letters
44 Endowments

- Institutes and Centers
24 Endowments

- Other
16 Endowments

- Mendoza College of Business
15 Endowments

- College of Engineering
11 Endowments

- College of Science
8 Endowments

- Law School
4 Endowments

- Athletics
1 Endowment

- School of Architecture
1 Endowment

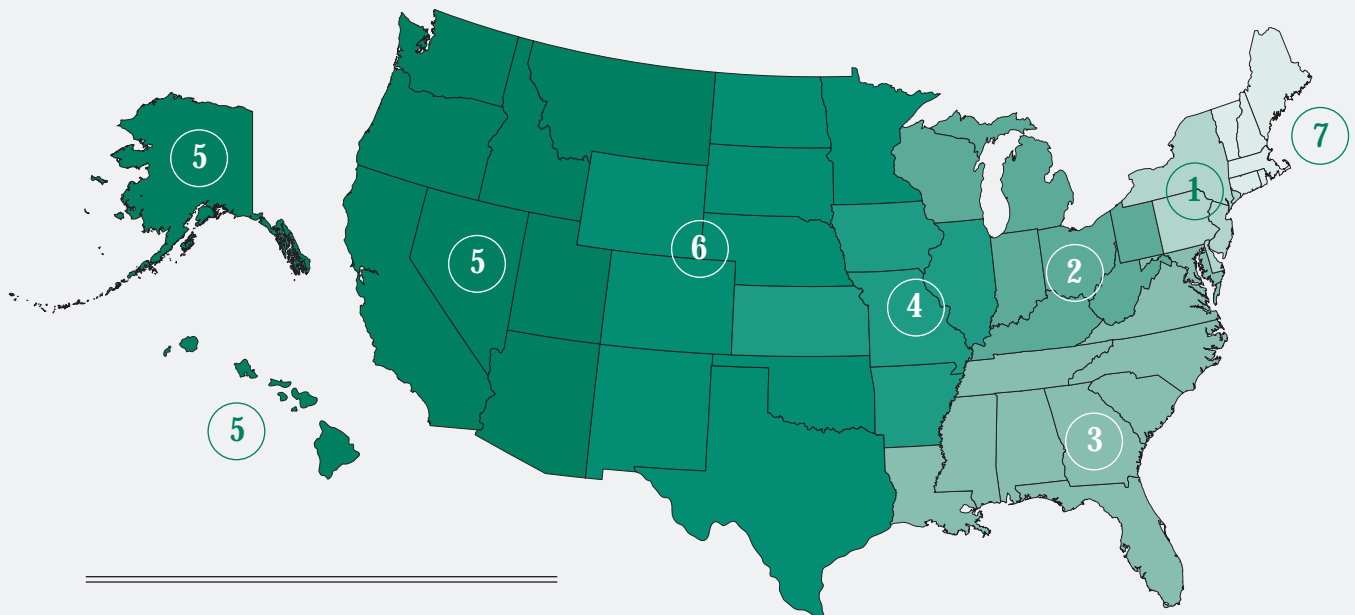
DEVELOPMENT PROGRAMS

THE REGIONS



“Notre Dame has given me more than just an education—it has taught me how to live.” — Jalana Ballen, 2005

IN FISCAL YEAR 2002–2003, Notre Dame’s development efforts were organized into seven regions spanning the country. Regional directors were based on campus and in offices located in Atlanta, Boston, Chicago, Detroit, Los Angeles, New York and Stroudsburg, Pennsylvania. A total of 15 regional development directors were responsible for soliciting pledges and gifts at the leadership level (defined as \$100,000 or more). During the past fiscal year, they raised \$31,127,320 and were responsible for 103 new leadership commitments, an increase of 29 over 2001–2002. To better serve our benefactors in the future, the regions will be reorganized in fiscal year 2003–2004.

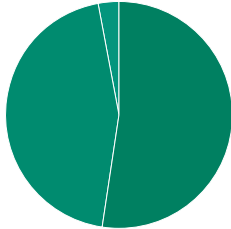


THE REGIONS

- | | |
|---------------|----------------------|
| 1 Northeast | 5 West |
| 2 Great Lakes | 6 Plains/Southwest |
| 3 Southeast | 7 New England States |
| 4 Midwest | |

**GIFT INCOME
BY GIFT TYPE**
\$113,887,147

2002-03



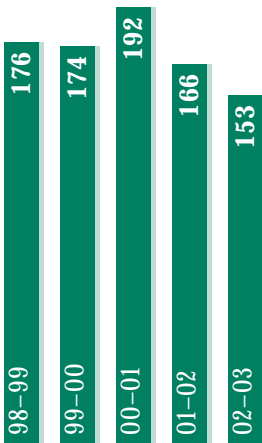
- **Outright Gifts**
Cash gifts that are not connected to a pledge.
\$59,641,759

- **Pledge Payments**
Cash gifts directed against existing commitments.
\$50,880,638

- **Matching Gifts**
A corporate or foundation cash gift which matches an employee gift.
\$3,364,750

LEADERSHIP GIFTS
\$100,000 and above

As Received by Fiscal Year



Coach Ty Willingham and staff watch the action on the field

**THE TYRONE WILLINGHAM
SCHOLARSHIP**

Imagine losing everything. On September 11, 2001, Jimmy Dunne knew exactly what that felt like. His firm, investment bank Sandler O'Neill, was among the hardest hit at the World Trade Center, losing more than a third of its 171 employees, along with every shred of paperwork, company records, and computers. For Jimmy, the loss was enormous; among the dead were his mentor and Sandler O'Neill founder Herman Sandler, and his best friend and firm partner Chris Quackenbush. With the losses came the startling reality that Jimmy would now assume the role of Senior Managing Principal, the future of the firm suddenly thrust into his hands.

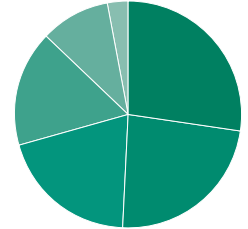
In the months that followed, Jimmy and his colleagues did something nearly inconceivable: they reconstructed Sandler O'Neill, quickly returning it to profitability. More importantly, they made certain that the families of their lost colleagues were not forgotten, extending to them pay, health benefits and bonuses. The firm also established a foundation, which has since raised \$8 million, as a source of ongoing financial assistance to the families.

Having come face-to-face with adversity, Jimmy knows firsthand that character is often cast in the darkest hours. Character is a decisive factor in Jimmy's decision to establish an endowed scholarship in honor of Notre Dame's football coach, Tyrone Willingham. When Notre Dame was defeated by Boston College in his first season under the Golden Dome, Coach Willingham exhibited the type of character that epitomizes a true sportsman and leader. His handling of the situation with dignity and grace made Notre Dame a winner, even in the face of seeming defeat.

The Tyrone Willingham Scholarship is Jimmy's way of honoring those students who have demonstrated their own fortitude in the face of adversity. This scholarship will enable outstanding minority candidates—who might otherwise be forced to put their dreams on hold due to financial constraints—to attend the University. Just as the ashes of tragedy give rise to hope, so too will the gift of one man be felt in perpetuity by future Notre Dame students.

**GIFT INCOME BY
PROGRAM**
\$113,887,147

2002-03



- **Other Gifts and Pledge Payments by Individuals**
\$31,127,320

- **Foundations**
\$26,696,124

- **Annual Fund**
Excludes Matching Gifts
\$22,615,962

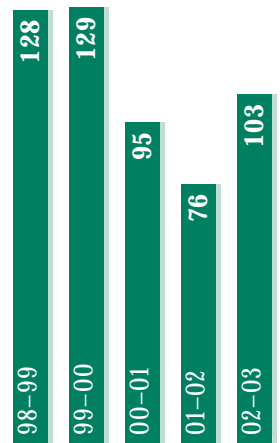
- **Planned Giving**
\$18,786,416

- **Corporations**
\$11,296,575

- **Matching Gifts**
\$3,364,750

LEADERSHIP PLEDGES
\$100,000 and above

As Received by Fiscal Year



THE ANNUAL FUND



“I came to Notre Dame because I admire the experience so many of my family had here. Growing up in an alumni family, I always sensed that Notre Dame fostered the growth of the whole person.” — Alexis Urda, 2004

REPRESENTING the loyalty of more than 50,000 Notre Dame supporters every year, the Annual Fund is an integral part of the University’s overall fund-raising efforts. With its shared goals of encouraging alumni participa-

tion and increasing annual unrestricted giving, the Annual Fund draws on a pool of generous donors who provide Notre Dame with an unwavering foundation of support.

The Annual Fund is comprised of five giving programs. The Direct Mail program maintains quarterly contact with alumni, parents and friends, while providing them with convenient opportunities to contribute.

The Matching Gift program is a powerful tool by which donors can increase the impact of their gift through their employer’s matching contributions, which can double, triple or even quadruple the amount of the original gift. The Development Phone Center program puts Notre Dame students in direct contact with alumni, parents and friends in order to personally encourage pledges in support of the Annual Fund.

Giving Societies—namely, the Edward Frederick Sorin Society, the Order of St. Thomas More, and the John Cardinal O’Hara Society—allow the University to recognize donors whose annual giving meets certain distinguished levels, as well as to encourage sustained annual giving at these levels.

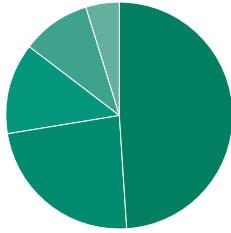


Commencement Weekend 2003

THE REUNION GIVING PROGRAM

ANNUAL FUND
\$25,980,712

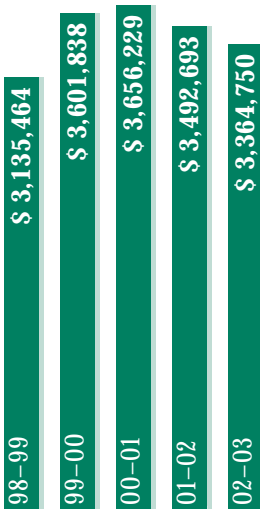
2002-03



- Sorin Society
\$12,722,259
- Direct Mail
\$6,094,200
- Matching Gifts
\$3,364,750
- Other
\$2,554,315
- Phone Center
Pledge Payments
\$1,245,188

MATCHING GIFT TOTALS

By Fiscal Year



The Reunion Giving program is the fifth component of the Annual Fund. Established in 1987, this program builds on the momentum and excitement generated by class reunions. Through it, alumni participation is dramatically increased in the year prior to each class's respective reunion. Ten classes participate annually, representing those celebrating their fifth through fiftieth reunions.

The Class of 1978 demonstrated its loyalty to Notre Dame in high style at its recent 25th-year class reunion during Reunion Weekend 2003. In the fiscal year leading up to the reunion, this class broke its own records by achieving a 59.5% participation rate. Not surprisingly, this was the second highest rate among the classes celebrating reunions last year. It was also the highest rate ever for a class celebrating a 25th reunion.

Emblematic of the power of the Annual Fund to turn many individual gifts into a gift of high impact, the class gave a total of \$1,216,642. This exceptional gift and record-breaking participation rate were facilitated by the enthusiastic efforts of reunion gift chairpersons, Patrick J. Flynn (Class President) and Mary Lou Mulvihill Skalkos (Class Vice President). Like all unrestricted gifts, the contributions of Pat, Mary Lou, and their classmates were used in support of the University's most pressing needs—top among those being student financial assistance.

As the Class of 1978 gathered in June to remember their own golden days as students under the Dome—days capped by a national football championship their senior year!—they made a dedicated effort to reach out in support of current Notre Dame students. Their generous and sustained devotion is now easing the financial burden on current students while supporting programmatic and capital needs of the University.

The Reunion Giving program is just one means by which alumni demonstrate that legendary Notre Dame loyalty. Like each reunion class, the Annual Fund has its own Notre Dame story to tell—the story of the 50,000 annual donors who make sacrifices big and small to ensure that the University continues to thrive. It is a story of individual generosity and collective energy. A testament to the enduring ties between Notre Dame and its alumni, parents and friends, the Annual Fund is a resource of tremendous financial value for the University, as well as a symbol of the supreme loyalty and goodwill of its supporters.

THE ANNUAL FUND'S REUNION GIVING PROGRAM

RANK	CLASS YEAR	% PARTICIPATION	\$\$\$ RAISED
1	1953	63.6	1,754,644.94
2	1978	59.5	1,216,642.38
3	1958	57.9	1,398,739.92
4	1973	57.9	902,847.33
5	1963	57.7	951,302.61
6	1968	57.0	907,460.20
7	1983	56.7	481,596.30
8	1988	49.1	654,585.12
9	1993	45.9	178,347.02
10	1998	43.0	290,720.15

The 2003 reunion classes raised a combined total of nearly \$9 million for the Annual Fund in fiscal year 2002-2003.

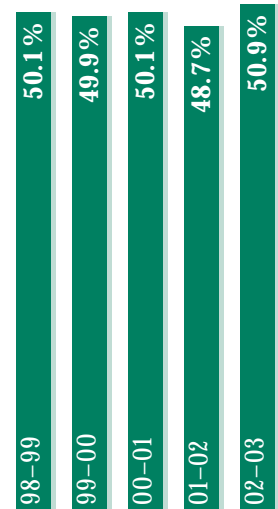
ANNUAL FUND
In Millions



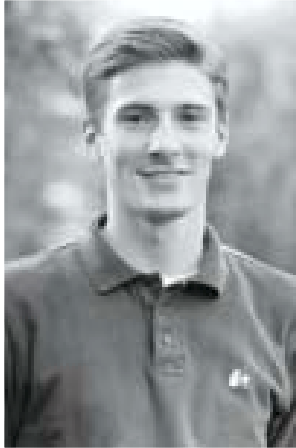
- Sorin Society
Cash Revenues
- Total Cash Revenues

ALUMNI PARTICIPATION RATE

by Fiscal Year



PLANNED GIVING



“My scholarship at Notre Dame has allowed me to pursue my academic interests while reducing my concern over increasing academic costs.” — Ryan Kennedy, 2004

PLANNED GIFTS, which can take on many forms such as bequests, charitable remainder trusts, retirement plans and insurance policies, allow the University to plan confidently for the future. These gifts are often part of the donor’s overall estate plan and offer charitable estate or income tax deductions to the donor. Estate gifts may be designated for specific purposes such as scholarships, library collections and endowed chairs, or they may be unrestricted. Benefactors who have included Notre Dame in their estate plans are invited to join the Stephen Theodore Badin Guild. Established in 1987, the Badin Guild has 750 members.

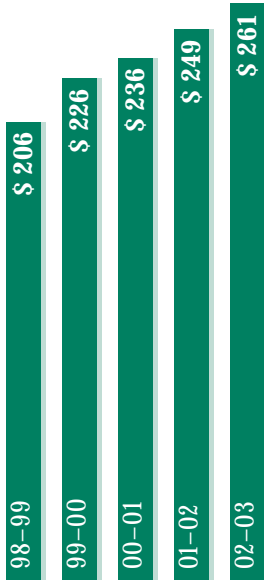


A quiet study spot in front of O’Shaughnessy Hall

CHALLENGE PLEDGE BOOSTS NEW ENGINEERING BUILDING FUND

BADIN GUILD GIFT EXPECTANCIES

By Fiscal Year / In Millions

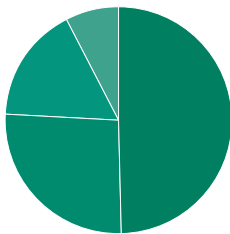


Total Membership Commitments

PLANNED GIVING TOTAL COMMITMENTS

\$18,977,446

2002-03



Bequests	\$9,415,260
Trusts	\$4,980,001
Insurance	\$3,139,962
Other	\$1,442,223

Over his lifetime, Hubert Schlafly has had a profound impact on one of this century's most ubiquitous and influential inventions—the television. A 1941 graduate of Notre Dame's College of Engineering, Hub used his excellent training as an electrical engineer to pioneer the development of the TelePrompTer, which quickly became essential to producing live broadcasts after its introduction in the early 1950s. His brilliant work in the field of cable and pay television, including the development of satellite technologies, led to the first nationally transmitted cable program in 1973. The Academy of Arts and Sciences honored Hub's groundbreaking efforts with two Emmy Awards. He also received an honorary doctor of humane letters degree from Sacred Heart University for his achievements in the television industry.



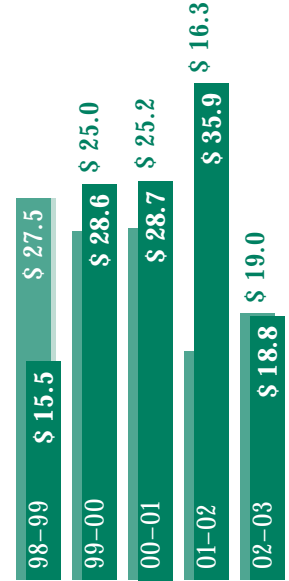
Hubert Schlafly

Now the chairman emeritus of Portel Network Services Inc., Hub is having a similar momentous effect on Notre Dame. The Advisory Council for the College of Engineering, to which Hub was appointed in 1976, is benefiting from his vision, as well as his experience as a first-rate engineer and businessman. This past year, Hub assumed a leadership role in the college's efforts to raise funds for a new engineering building by challenging his fellow council members to pledge their support for this vital project. Leading by example, Hub committed \$2 million to the building fund, the first million of which was used to establish a charitable remainder unitrust that provides benefits for both Hub and the University. By contributing to Notre Dame in this manner, Hub receives not only a tax deduction but also a lifetime annual income. Upon the trust's termination, the remaining funds—which will have grown over the years—will be applied to the building fund. His second \$1 million contribution will be given to the University as an outright gift. Hub's exceptional generosity has been an inspiration to those men and women who served beside him on the council and has provided a tremendous boost in funding for this exciting and timely project.

The Engineering Multi-Disciplinary Learning and Research Center, when completed, will represent more than an upgrade in facilities; it will symbolize the University's commitment to elevating the College of Engineering to the highest tier of engineering schools. Equally important is that the college continues to contribute to Notre Dame's distinctive Catholic character. To do so, it must address society's most pressing needs by engaging in the dialogue between the engineering disciplines and medicine, biology and environmental science. The new engineering facility will house the technologies and laboratory space necessary to help distinguish the college as a world-class research center. Thanks to the support of Hub Schlafly, the College of Engineering is one giant step closer to its future.

PLANNED GIVING SUPPORT

By Fiscal Year / In Millions

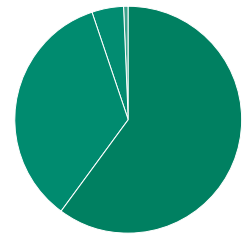


■ Cash
■ Commitments

PLANNED GIVING CASH TOTALS

\$18,786,416

2002-03



Trusts	\$11,286,429
Bequests	\$6,527,634
Other	\$848,408
Insurance	\$123,945

CORPORATE RELATIONS

The Office of Corporate Relations is responsible for developing mutually beneficial relationships between Notre Dame and the corporate sector. Thus, the office seeks to help companies define and achieve their objectives for a relationship with Notre Dame while securing gifts and grants in support of University priorities and aspirations.

JOHNSON & JOHNSON AND NOTRE DAME: A Valued Relationship

The relationship between Johnson & Johnson and Notre Dame demonstrates the many benefits of collaborative effort. Through the years, Johnson & Johnson and its subsidiaries have lent their generous support to myriad projects and programs at the University.

There are approximately 100 Notre Dame alumni now working at or associated with Johnson & Johnson, which continues to be among the top recruiters of Notre Dame graduates. Recently, the company declared Notre Dame a target school for recruiting, thereby assuring that alumni employment numbers will continue to grow. Furthermore, Johnson & Johnson has contributed to the professional development of Notre Dame students through a very selective research internship through their Corporate Office of Science and Technology. This office also awarded three 3-year Focused Giving grants to Notre Dame, two of which were given consecutively in 1997 and 2000, for retina degeneration research. Additionally, support from Johnson & Johnson initiated the Morris Pollard Fellowship in Biological Sciences at Notre Dame.

Notre Dame has forged partnerships with several Johnson & Johnson subsidiaries, reflecting the strength and synergy of this relationship. For example, DePuy, a manufacturer of advanced orthopaedic products, has supported *Expanding Your Horizons in Science and Mathematics™* (EYH), a program sponsored by the Notre Dame Chemistry and Biochemistry Department. Held on campus, this program for sixth- through



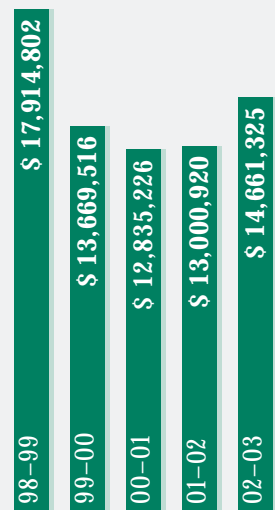
The Johnson & Johnson booth at the business career fair

eighth-grade girls emphasizes careers in science. With monies from the Indiana 21st Century Research and Technology Fund, Notre Dame is conducting collaborative research with DePuy and Purdue University on new tissue engineering methods. The goal of such research is to promote soft tissue integration into prosthetic devices for patients with cancer and orthopaedic deformities.

Through grants and employee matching gifts, Johnson & Johnson has contributed an average of \$115,000 per year to Notre Dame over the last four years; their overall gift total to the University is nearly \$1.6 million. Together, Johnson & Johnson and Notre Dame are providing students, faculty and the broader community with the fruits of their collaborative effort. The University looks forward to expanding this valued relationship.

CORPORATE SUPPORT

Includes Gifts-in-Kind
and Matching Gifts



FOUNDATION RELATIONS

The Office of Foundation Relations works with all University Colleges in order to establish and build relationships with private, family and community foundations across the country. The office seeks support for financial aid, faculty development and endowed chairs, as well as a wide variety of institutional priorities and programs. The Office of Foundation Relations has enjoyed considerable growth over the years and experienced another record-breaking year in 2002–2003, with a total of \$26,696,124 raised.

MATCHING GRANTS FROM LILLY ENDOWMENT, INC.

The University successfully met two matching challenge grants from Lilly Endowment, Inc. in fiscal year 2002–2003. Both grants encouraged philanthropy at Notre Dame (and at the 37 other colleges and universities in Indiana) and were designed to stimulate giving from certain constituents. Money raised through the grants was restricted to academic purposes. During these challenging economic and budgetary times, these special initiatives provided crucial support to Notre Dame.

The first grant, titled *The Initiative to Strengthen Board Commitment*, targeted gifts from the University’s Board of Trustees with a 1:1 match up to \$1 million dollars—with no more than one quarter of the matching amount coming from a single board member. Notre Dame’s Trustees responded to the challenge with tremendous enthusiasm and generosity. Participating at a 93% rate (52 out of 56 board members), they contributed over \$9.1 million in the allotted time period.

Using the monies from this grant, the College of Science will purchase new ultra high-field Nuclear Magnetic Resonance (NMR) instrumentation to be used in the NMR facility, housed in the addition to the Stepan Chemistry Hall. The new instrumentation will enhance the efforts of a broad group of scientists in various departments and programs, including those associated with the W.M. Keck Transgene Center, the Walther Cancer Research Center, the Magnetic Resonance

Saint Bernadette, at right, makes an offering of flowers to Our Lady at the Grotto

Imaging facility and emerging programs in bioengineering.

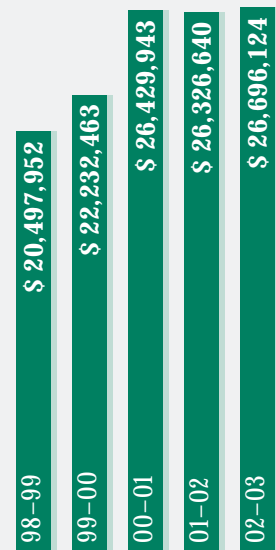
The Special Initiative to Strengthen Philanthropy for Indiana Higher Education Institutes, the second grant, challenged Notre Dame and other Indiana colleges and universities to raise \$3.5 million from alumni, parents, students, faculty and staff with a 1:1 match. In keeping with the purpose and intent, this grant had a measurable impact on each target group with participation levels up by 20% in December 2002. The funds generated by Lilly Endowment’s generosity were directed toward the Engineering Multi-Disciplinary Learning and Research Building. The initiative provided a catalyst for this capital project.

Lilly Endowment, Inc. is an Indianapolis-based private philanthropic foundation created in 1937, by three members of the Lilly family—J.K. Lilly, Sr. and his sons, J.K., Jr. and Eli—through gifts of stock in their pharmaceutical business, Eli Lilly and Company. These two most recent programs underscore the Endowment’s special emphasis on projects that benefit young people and promote leadership, education and financial self-sufficiency in the nonprofit, charitable sector.

Lilly Endowment also supports financial aid at Notre Dame through the Lilly Endowment Community Scholarship Program.



FOUNDATION SUPPORT



THE OBLIGATION OF STEWARDSHIP



*Again, we thank you
for your faithful support
of the University of
Notre Dame.*

As a reminder of our obligation to effectively steward contributions made to Notre Dame, the University adheres to the following guidelines:

- ❖ All gifts should be acknowledged in a timely and personal manner.
- ❖ A contribution accepted with a restricted purpose must be used for that purpose.
- ❖ If the University finds itself unable to utilize a contribution for its stated purpose, this should be communicated with the donor so that an alternative usage can be arranged or the contribution returned.
- ❖ Whenever feasible, and especially with endowment gifts, annual “impact” reports should be given to the donor.
- ❖ Proper recognition should always be given to the benefactor, and public recognition must be approved by the donor.
- ❖ The value of any “substantial” benefits as a result of contributions must be reported to each contributor.
- ❖ Contributions will be accounted for using universally-accepted accounting standards, allowing for maximum efficiency and productivity of each gift.



A student silhouetted against the globe in Hurley Hall



For more information, please call or write:

UNIVERSITY OF NOTRE DAME

Department of Development
1100 Grace Hall
Notre Dame, Indiana 46556-5612

574/631-5040 *telephone*

574/631-8325 *fax*