

**The Teagle Foundation**



*Annual Report June 2004*

## About the Foundation

The Teagle Foundation was established in 1944 by Walter C. Teagle (1878 – 1962), longtime president and later chairman of the board of Standard Oil Company (New Jersey), now ExxonMobil Corporation. Its assets derive from gifts and bequests from Mr. Teagle, his wife, Rowena Lee Teagle, and their son Walter C. Teagle, Jr.

Mr. Teagle graduated from Cornell University in 1899 and maintained close ties with that university throughout his lifetime. He served as a trustee at Cornell from 1924 to 1954 and made generous contributions to it. Reflecting Mr. Teagle’s wish, the Foundation includes among its directors a person nominated by the president of Cornell and another nominated by the chairman of ExxonMobil.

Mr. Teagle gave the Foundation a broad mandate, “to advance the well-being and general good of mankind throughout the world,” mentioning many areas of concern and possible recipients of its support. Over the intervening decades the Foundation has pursued many of these avenues, always, however, including among its grants the aid Mr. Teagle envisioned for “institutions of higher learning and research,” and assistance to family members of employees of his corporation who were “desirous of obtaining some form of educational advantage.”

At this stage, the Teagle Foundation carries on this work with a special emphasis on seeing that today’s students have a challenging, wide-ranging and enriching college education. We believe the benefits of such learning last for a lifetime and are best achieved when colleges develop broad and intellectually stimulating curricula, engage their students in active learning, set clear goals, and systematically measure progress toward those goals. The Foundation seeks to apply new resources, financial and intellectual, its own and those of potential partners, to advance such education; it will listen attentively and work closely with those who share our commitments, including undergraduate colleges that maintain high standards and achieve good results with limited resources.

### Contents

---

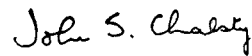
Chairman’s Introduction	1
Richard Kimball Retires	2
President’s Report	3
Community Service Grants in New York City	11
Access to College	11
Financial Materials	12, 13
George Bugliarello Retires	14
Board of Directors	15
New Additions to the Board of Directors	15
Staff of the Teagle Foundation	16

## Chairman's Introduction

Since our last annual report the Teagle Foundation has substantially reinvented itself. To be sure, we are proud of the creative philanthropy undertaken since Walter Teagle established the Foundation in 1944. Thus we remain strongly committed to the values that led to its establishment: a desire "to advance the well being of mankind," a belief that strong institutions of higher education are essential to such advancement, a desire to see that talented young people are not denied access to such education, and a sense that philanthropy, however wide-reaching in effect, should not neglect those close to home.

Still, sixty years is a long time in today's rapidly changing world. The retirement of Richard Kimball, who served so well for 15 years as president and CEO of the Foundation, seemed an appropriate time to review the Foundation's work and prepare for a new chapter in its history. The Board of Directors, and in particular its Governance Committee, has reviewed and revised almost every aspect of the way in which we carry on our work, including the text of the Bylaws, governance structure, investment policy, spending rules, budgeting process, and, not least, the focus and definition of our mission. Parallel with this review, the Foundation undertook during 2003–2004 a moratorium on new institutional grants. (We continued, however, the Teagle Scholarship Program and our support of community service organizations working with young people in metropolitan New York.) This moratorium provided a valuable opportunity to look in depth at developments affecting colleges and universities, and to listen closely to their needs and opportunities. We will soon resume grants to institutions of higher learning, as subsequent sections of this report will make clear.

Since our last annual report, one director in addition to Richard Kimball has retired, George Bugliarello, who for 28 years helped guide the Foundation. Five new board members have been elected, each a leader in finance or education. Several new staff members have joined us, including two humanistic scholars, Donna Heiland as Vice President for Programs and Bob Connor as President. In the following pages Bob recounts his experiences in his first year in office and sets forth his sense of how the Foundation can best set a course for the future. His report is not the usual catalogue of events and grants. It's a personal and incisive look at higher education from someone who knows the field well. You will find it, I am sure, an important contribution to the understanding of liberal education in our country and an exciting prelude to the new work of the Teagle Foundation.



John S. Chalsty  
*Chairman of the Board*

## **Richard Kimball Retires**

*When Richard Kimball left Exxon Corporation to become president of the Teagle Foundation in 1987, grantmaking was at the \$2.5 million dollar level and the Foundation's endowment totaled approximately \$61 million. When he retired on May 31, 2002, grants had reached \$13 million and the endowment had grown to \$148 million.*

*During his presidency, the Board of the Foundation approved well over \$100 million in grants. Close to 20% of these funds provided scholarships for children of ExxonMobil employees, almost 6% went to community service organizations in the metropolitan area and to a matching gift program. The lion's share, however, more than \$80 million, helped almost 400 colleges, universities and seminaries strengthen their infrastructures and teaching. Among several new initiatives, the Foundation's Collaborative Ventures Program brought institutions together in ways that helped them share resources, co-ordinate purchasing and develop joint programs.*

*These grants were not lightly made or easily won. Dick insisted on meeting the president of institutions applying to the Foundation, not the dean or provost, and certainly not a development officer. He questioned potential recipients incisively and sized up the quality of institutional leadership with a keen eye; when he was convinced that the leadership was there, he backed it wholeheartedly. I often meet these grantees and find they admire Dick and appreciate not only the Foundation's generosity but also his personal interest in how Teagle support could best be used. When he made a site visit, he plunged into the life of the institution. He insisted on direct and individual meetings with students and teachers, as well as administrators. I don't believe that anyone who met Dick Kimball will ever forget him. The Teagle Foundation certainly will not.*

W. Robert Connor

## President's Report

In a planning retreat in September 2002, the directors of the Teagle Foundation made a decision that no one would think remarkable except for the fact that many other foundations have in recent years chosen to go in other directions. The board reaffirmed that higher education should be the main focus of its work, thereby continuing a pattern begun by its founder and a tradition that has shaped its philanthropy over the past six decades. The issue for the Teagle Foundation then came to be not whether, but how, to use its resources to strengthen the education students acquire in college. To develop such a strategy has been the core of my work since joining the Foundation in May 2003.

*. . . a minor odyssey, a story of new cities visited and unexpected ways of thinking encountered . . .*

This has been an immensely exciting and instructive opportunity for me. And so, rather than an official retrospective on the past few years of the Foundation's activities, the following pages are an informal, personal report on what I have learned and what I have still to figure out as I try to find how the Teagle Foundation can be most effective at this point in its history.

These past months have also been a minor odyssey, a story of new cities visited and unexpected ways of thinking encountered, a period of rich experiences and fresh learning.

During this period, the Foundation has reviewed almost every part of its operations, and modified many of them. A new endowment spending rule and budgeting process led to a moratorium on new grants to institutions. No foundation welcomes such a pause in activities, but we have tried to turn the moratorium into an opportunity to make sure that existing programs and proposed ones were well designed. The scholarship support the Foundation has provided for the education of the children of employees of ExxonMobil,

and the contributions it makes each year to community service organizations in metropolitan New York have both been restructured in ways that, I am convinced, will sustain them at a high level of quality for many years to come.

*. . . good philanthropy has to be based on knowledge, not the current fashion or sentimental whim.*

In my previous work directing the National Humanities Center, I often observed philanthropy in action from the other side of the desk. I became convinced that good philanthropy has to be based on knowledge, not the current fashion or sentimental whim. To help the Foundation base its giving on a deeper understanding of higher education, the staff in the New York office, assisted by capable summer interns, began in 2003 to develop a new database, making it possible swiftly to acquire and analyze information concerning colleges and universities around the country.

The database is helping us identify institutions that seem to be doing a lot with a little, that is, achieving good results with relatively small financial resources per student. These are a natural focus of interest for the Foundation.

### The "Great Road Trip"

In reading the biography of Walter Teagle, *Teagle of Jersey Standard* by Bennett H. Wall and George S. Gibb, I had been struck by his experience as an undergraduate at Cornell. Clearly something very important had happened to this young man, at first not deeply engaged with the academic side of college life but three years later, as he approached an early graduation, excited by what he was learning, and tempted to accept the invitation to

*. . . if his foundation could do one thing to carry forward his legacy, it would be that—help students catch fire.*

pursue graduate education and a research career in chemical engineering. That experience, I believe, inspired his long service on the Board of Trustees of Cornell, and shaped his philosophy. He had “caught fire.” It seemed to me, then, that if his foundation could do one thing to carry forward his legacy, it would be that—help students catch fire.

And so, while the database was being developed in New York, I started visiting college campuses. Setting out from the small adjunct office the Foundation now operates in North Carolina, I visited the sixteen institutions in that state to which the Foundation had made grants over the past decade or so, as well as some other colleges that were also likely to prove instructive. And instructive they were. After many decades in higher education, I found I had much to learn and much to absorb. The institutions were a good sample of recent recipients of Teagle grants. Some were quite tiny, others a good deal larger. Church-affiliated, secular, urban, rural, historically black, and Appalachian colleges were all represented. All were private; none was very wealthy; some were financially very vulnerable. Some, I suspect, might not have survived without the Foundation’s support. I wanted, however, not to judge past successes or to admire the lawns and buildings. I wanted to know what was happening to minds inside those buildings and on those beautiful campuses

#### **Meeting Socrates.**

“The great road trip,” as my assistant and I came to call it, sometimes turned into a stroll down memory lane. As I travelled, I found myself thinking about my own education many years ago at another undergraduate college, and what it had meant to me in the ensuing years. I realized that apart from the Greek and Latin I had learned and some poetry I had memorized, I had forgotten much of what I had been taught. Some habits of mind that were nurtured in college, however, have remained and perhaps grown over the years—above all curiosity and amazement about the ways human beings think and act and the creativity that seems so much a part of our nature.

Visiting the colleges on the Great Road Trip, I realized how much I wanted the students I saw to engage, to catch fire, or, as I put it to one student, to meet Socrates. He looked at me in some puzzlement, but if he reads his Plato he’ll know what I mean, and why it’s important. Once you have met Socrates, however vicariously, it is no longer sufficient to

lead an unexamined life. Everything comes under examination, not least one’s values and commitments. Once that has happened, philosophy, history, literature and the other liberal arts stop being distractions from real life, and become indispensable sources of guidance and perspective in living life fully and well. I came away from the trip with a determination whose intensity surprised me: to do everything I could to see that such education flourishes. I know it won’t be easy, and if I didn’t, economist Sarah E. Turner – cited in the *New York Times* (June 19,

2004) – would remind me: “As recently as 1968, nearly half of all bachelor’s degrees were in the arts and sciences. . . . But by 1983, they had fallen to 25 percent and they have stayed below 30 percent since then.” That’s the big picture and the specific cases can be even more discouraging. Take, for example, the situation of one of the most basic of the liberal arts and sciences—mathematics. According to the National Science Foundation, over 19 percent of the bachelor degrees and 44 percent of PhD’s awarded by

*I realized how much I wanted the students . . . to meet Socrates.*

American institutions in this field go to foreign-born recipients. This is a great tribute, no doubt, to the appeal of American education, and to the country's continued (albeit precarious) receptivity to talent from other parts of the world. But what about American students? Where have they gone?

### **A New Gresham's Law?**

The answer is not a happy one. Louis Menand's much-quoted article in the *New York Review of Books* (October 18, 2001) points the direction:

In 1970, nearly 25,000 students received bachelor's degrees in mathematics (about 3 percent of all BAs) and 1,621 received bachelor's degrees in fields categorized as "parks, recreation, leisure and fitness studies." In 1997, 12,820 students graduated with degrees in mathematics (only 1 percent of all BAs) and 15,401 took degrees in parks, etc.

Such stark statistics can readily breed gloom and doom, but I knew that there were valid reasons for some of the changes. Consider, for example, the appeal of intellectually rigorous and exciting technical fields that have emerged in that

same period: information technology, environmental science, molecular biology and now nanotechnology. The ability of the liberal arts and sciences to convince students entering such fields to broaden their range by also studying the core disciplines of the arts and sciences may be a better measure of success than the tabulation of majors.

I also knew that the liberal arts and sciences had done quite well in recent years in research universities, offsetting declines in traditional liberal arts colleges. My analysis then had to concentrate not on the number of majors in various disciplines but on the causes that led to the displacement of the liberal arts (and of their long-lasting benefits) by programs promising short-term advantage, and above all, a job right after graduation. Some of the changes over the past few decades are in

many respects the educational equivalent of the economic law formulated by Sir Thomas Gresham, finance minister of Queen Elizabeth I—*bad money drives out good*. (If you have two coins of the same face value but different metallic content, you'll try to make your purchases with the base one and hoard the purer one.) In higher education today something similar is happening: many American students flee the more rigorous fields for easier ones, and too many colleges allow that to happen.

It's not surprising that some young people should prefer what seems an easy path to a more challenging one. Why not step directly from college into a job as a park ranger? At eighteen it may seem fun to metamorphose into Smoky the Bear. But why would a college allow its students to major in fields that have little intellectual integrity? The Great Road Trip helped me see the answer and it is not what is often claimed—that students (or more often their parents) *insist* on courses that promise good jobs immediately after graduation. No doubt there is pressure in that direction. But why give in to that pressure? Surely there is sufficient evidence to make a hard-hitting,

*My analysis . . . had to concentrate . . . on the causes that led to the displacement of the liberal arts . . . by programs promising short-term advantage, and above all, a job right after graduation.*

*At eighteen it may seem fun to metamorphose into Smoky the Bear.*

tough-minded case that the skills that really count in a rapidly changing economy are adaptability, problem solving, analytical reasoning, and cogency of written and oral expression—in short, skills that can be developed in a rigorous liberal education. And when a college takes the pains to collect and present the evidence, graduates with a liberal education usually show high levels of job satisfaction, civic engagement and, yes, personal income. Why should a student settle for less?

As I traveled, I encountered several colleges where Gresham's law was hard at work. The reason was that the leadership of the college was scared. The faculty members I met were

*. . . perhaps donors should follow the Hippocratic injunction: "First, do no harm."*

deeply committed to liberal education and working hard, often under difficult circumstances, to achieve it. I came away deeply impressed, almost in awe of them. The same could be said of many of the senior administrators I met, but some of them were staring disaster in the face. Sometimes I wondered if their knees were trembling. Their colleges were "tuition driven," they said. That meant, I found, that lacking a solid endowment or other sources of support, they needed to fill each and every

available seat if they were to pay the bills. Is it surprising that some of these colleges turn to marketing consultants who in turn encourage them to offer programs and majors designed to appeal to the least qualified and least ambitious applicants? (Philanthropy has sometimes encouraged this movement; perhaps donors should follow the Hippocratic injunction: "First, do no harm.")

Other institutions, I found, were doing their best to maintain academic quality, even when their financial resources were far smaller than those of their competitors. These colleges face stiff competition from wealthier institutions, public and private, for the best students, and lose others to low-priced community and technical colleges. But many of them are committed to a genuine liberal education and are achieving exceptional results in helping their students grow intellectually and personally. They deserve the help of alumni, friends, corporations and, yes, foundations. The pattern of support for private colleges in America, however, is skewed; those with the largest numbers of students needing financial aid, for example, usually have the fewest resources to respond to those needs.

### **Decline and Fall?**

The difficult economics of the small private college helped me understand another fact

*. . . there is no reason . . . to conclude that liberal education is in some inevitable decline or fall. It can achieve renewed vigor, but this will take fresh thinking and often significant changes in practice.*

that emerged from statistical analysis. The much discussed decline in liberal education is not occurring in all sectors of higher education. To be sure, all sectors of higher education are encountering pressures that can adversely affect liberal education, but these are greatest in private undergraduate colleges that have not won a place in the top rankings. The percentage of students majoring in the traditional liberal arts has remained virtually constant in the most prestigious (and affluent) private colleges. In recent years it has actually increased in the top research universities and, for that matter, overall. The shift away from liberal arts majors is intense, however, in one set of institutions, the small private undergraduate colleges that do not make it into

the top tier in rankings such as the *US News* report. Still, the leaders of almost every such college that I visited said they wanted to offer a strong liberal education. I believe they meant what they said. Some were doing just that with ingenuity and imagination; in other cases they were so distracted by financial and other problems that focus was lost. But there is no reason that I can see to conclude that liberal education is in some inevitable decline or fall. It can achieve renewed vigor, but this will take fresh thinking and often significant changes in practice.

### **Listening**

The challenge for philanthropy in this area is to identify the points where such renewal can be leveraged. The solution, it seemed to me, was unlikely to spring full-grown from a

foundation officer's head. One had to listen. So in the winter and spring of 2004 the Foundation convened a series of "Listenings" that brought small groups of faculty and administrators together around a circular table and asked what factors were likely to help or hinder their institutions from fulfilling their core academic mission over the next ten years or so.

*. . . the "battleground states"  
. . . the places where either a  
more robust liberal education  
would help students catch fire,  
or educational quality . . . would  
gradually erode.*

Our database was now sufficiently developed to help shape the invitation lists for these Listenings. We looked initially for private undergraduate colleges that seemed seriously committed to liberal education and were achieving good results (solid graduation rates in particular) with relatively limited resources. These seemed to me to represent the "battleground states" over the next few years, the places where either a more robust liberal

education would help students catch fire, or educational quality and intellectual vigor would gradually erode. I wanted to hear what their faculty and administrative leaders had to say.

I got an earful: smart, articulate analyses, and ingenious suggestions for how the Foundation should spend its money. More new initiatives were proposed than even Croesus or Bill Gates could fund. As I tried to sort out what I had heard, I was struck by two topics above all others. One was "time," the other "assessment." Everyone, it seemed, was happy to talk about "time"; everyone was very nervous when the word "assessment" came up. Below are a few words about each.

### **"Time"**

By "time" I thought at first that the participants in the Listenings meant the problems we all face: the ringing telephone, the email message marked "urgent," committee meetings that fill the day and leave little time for long-term planning. Yes, it meant that, but something more as well. The problem of time management is more troubling in higher education than in other sectors, since everyday pressures erode not just good planning but the core educational mission of an institution.

*. . . the institution is in danger  
of . . . being boarded and taken  
over by marketing consultants.*

When pressures drive out time for reflection, focus on mission and consensus building about how to realize that mission, the institution is in danger of going adrift, being blown off course

by every financial difficulty or enrollment problem, and finally of being boarded and taken over by marketing consultants. They are not a merciful lot. Soon, good programs, excellent faculty, perhaps even liberal education itself are walking the plank.

Excuse the melodrama, but at this moment many colleges are at risk of something very much like that. They are told that they will never flourish unless they eliminate under-enrolled programs and institute attractive new vocational majors. Parks and Recreation here we come. Naturally, then, they call “Time.” They know they need to preserve their core values and at the same time, somehow, respond to rapid change. They would agree, I believe, that three issues of great long-run significance for American society and for

*. . . three issues of great long-run significance for American society and for higher education . . . the increasing complexity and specialization in the economy, the increasing interconnectedness of every part of the globe, and the immense expansion in human knowledge.*

higher education need fresh thinking and concerted response: the increasing complexity and specialization in the economy, the increasing interconnectedness of every part of the globe, and the immense expansion in human knowledge. These, and no doubt other considerations, add up to the need for a rethinking of “liberal” education.

When I asked where the participants turned for help in such matters, the answers were disappointing. There are conferences by national organizations, though they often concern administrative matters rather than the educational core. Regional associations and consortia seem to be doing the best they can. Individual campuses sometimes report good results from centers, retreats or well-crafted strategic planning processes. A few foundations have been helpful. There was not and is not, however, a national venue for the sustained thinking and collaborative planning to strengthen liberal education. Without this, the centripetal forces take over and peripheral issues reign—the phone call, the committee meeting, and parking, always parking.

#### **Not a Silver Bullet, but . . .**

A second topic discussed in some of our Listenings, “assessment,” might be considered an example of the need for such a venue. It’s an emerging issue of the greatest importance for higher education; it is extremely important that it be done right. At this point, however, the issue has not been thought through at the grass-roots level. The pressure for assessment comes largely from above, governing boards, accrediting agencies, and state legislatures or other governmental bodies.

Understandably, then, there is anxiety in the trenches. “What are these outsiders going to impose on us?” is the most frequently asked question. In addition, many faculty and administrators doubt that any form of assessment can really measure the benefits of a college education. Richard Brodhead, the new President of Duke University, in valedictory remarks to the Yale class of 2004 spoke as follows:

In recent years there has been much discussion in this country about the need to identify goals and measure outcomes in education. . . I am . . . skeptical about outcomes-based theories as they apply to the kind of education you have received. What we have put you through here has involved some element of marking things to be learned, making you learn them, then measuring to see if you did in fact learn them. But that did not yield what was most worth getting here.

One limit of the outcomes concept of education is that it treats acquisitions as fixed that can prove in fact quite transient. Every one of you has mastered complex subject fields sufficiently to display that knowledge on cue on a final exam only to have it begin seeping from your brain soon thereafter. . . .

*The highest reward of a person's toil is not what he gets for it, but what he becomes through it.* — RUSKIN

Such inevitable forgetting is not a scandal in education because the original act of learning taught something more deeply valuable and left a deeper trace: trained deep habits of mind that survive the specific content that was originally attached to them and can then be put to a different use. . . .

In an office I was given the use of at Duke a few weeks ago someone had posted this saying from Ruskin: “The highest reward of a person's toil is not what he gets for it, but what he becomes through it.” That comes closer to my own philosophy of education, since to my mind, the real outcome to aspire to is

the building of the self—a process that does not lend itself to authoritative measure because it is never over and because its ways are oblique.

I have quoted President Brodhead at such length because his skepticism about assessment puts the issue so squarely. Assessment that tries to measure facts learned becomes meaningless as soon as the inevitable forgetting takes place. When assessment is done right, however, it probes not facts acquired but those “trained deep habits of mind” that stay with us long after we receive the diploma.

Fortunately, instruments are being designed, with the hope of better understanding the development of those habits of mind during the college years. They don't tell us everything but they should enable all of us in higher education to do our jobs more effectively. That will require, however, a fresh look at college students.

It's late summer. The first year students are arriving on campus. Who are they, these strange mixtures of childishness and maturity? We now know that their brains are still developing in late adolescence, but how? What are they thinking and where are they in their intellectual and personal growth? Any serious teacher asks such questions, but suppose now we could answer them with greater precision and clarity. Would we not teach better? Could we not use our limited time with them more effectively? Could we not do a better job of developing those trained habits of mind that we know are of lasting value to them? And would they, sharing this knowledge, not enter college with a clearer sense of why it is so important and a greater willingness to catch fire? No one pretends that we can look into our students' brains, but it is coming within our reach to know with greater

*. . . it is coming within our reach to know with greater specificity what is working in our teaching and what is not.*

specificity what is working in our teaching and what is not. It would be strange if any serious teacher turned away from such knowledge, saying, “No thanks; I don't want to know that.”

I do not mean to imply that systematic assessment is some silver bullet that will end all the problems of higher education and allow colleges instantly to achieve their loftiest goals, or inspire students to strike out from the path of least resistance and find their way to the learning that will last them a lifetime. But the movement toward better assessment is promising enough to be worth careful exploration and some risk taking on the part of faculty, administrators and also foundations. That possibility will be explored in the near future in another of the Foundation's Listenings. If our preliminary assessment can be confirmed and specific steps developed, the Foundation is likely to give high priority to this area, perhaps initially by inviting applications from selected institutions and by dis-

seminating information about what we learn. Our regularly updated website is the best way to keep informed about the Foundation and its initiatives.

### **Undergraduate College, Research University**

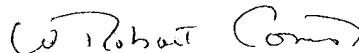
The participants in our Listenings came primarily from undergraduate colleges, neither the most affluent nor the most impoverished. I also invited, however, some participants from research universities, people I knew would be stimulating interlocutors. We were all surprised, I think, to find how often the issues that most profoundly affect undergraduate colleges also surfaced in research universities, and vice versa. These institutions are not parts of different worlds, but are, or should be, bound each to the other by a natural confluence of interest. The research university looks for good students from undergraduate colleges to enroll in its graduate programs; the undergraduate college needs well-trained (and well-attuned) PhDs from research universities for its faculty.

Do the two types of institutions have something to learn from one another? Can they work together to stimulate some of the fresh thinking that is so badly needed in liberal education? Are there forms of collaboration that need to be tried, evaluated and ultimately widely implemented? I do not know the answers to these questions, but am convinced they are worth exploring. A modest first step in this direction is already under way through an invitation to leading centers of research (universities, libraries, centers for advanced study, etc.) to submit proposals for working groups in liberal education, in each case involving colleagues from undergraduate colleges in the project.

The Foundation has now appointed a new Vice President for Programs, Donna Heiland, a Yale PhD who has brought great energy and imagination to the fellowship programs of the American Council of Learned Societies. One of her assignments will be to explore what forms of collaboration might make sense for both research institutions and undergraduate colleges committed to the liberal arts.

### **Saddle Time**

Perhaps we are now at one of those “saddle times” that one encounters in the study of history, where an institution or a whole culture crosses a divide and sees new prospects before it. Whether higher education in America, and particularly education in the liberal arts and sciences, is approaching such a divide may not be clear for many years, but in the meantime, perhaps the saddle metaphor will work in a different way—higher education and the philanthropy that supports it will be in for an exciting ride.



W. Robert Connor  
*President*

September 1st, 2004

## Community Service Grants in New York City

Young people in New York City, especially those living in areas of high poverty, face difficulties that are often hard to imagine. The Teagle Foundation has long felt that it has a special responsibility to the community within which it operates and, recognizing those difficulties, has contributed to a wide range of organizations that work with young people. Among them, the following ten organizations have in recent years received the greatest support:

Salvation Army of Greater New York  
Boys Club of New York  
Goddard Riverside Community Center  
Citizens Advice Bureau/Girls Club of New York  
Boy Scouts of America  
Henry Street Settlement House  
New York City Mission Society  
Project Reach Youth  
North Bronx Youth Collaborative  
East Harlem Tutorial

In May 2004, the directors of the Foundation resolved to align its giving to community service organizations in the metropolitan area more closely with its other programs and with its concern for access to higher education. In the summer following, all recent recipients of community service grants and several other groups were invited to apply for renewable grants of up to \$50,000 for programs to help disadvantaged youths prepare for, gain admission to, and succeed in college. This is a pressing national problem, especially intense, we believe, in metropolitan areas. By working closely with the recipient organizations, the Foundation hopes to learn more about their operations and effectiveness and increase its own effectiveness in this aspect of its philanthropy.

In February 2005 we plan to announce a half-dozen or more recipients of grants under this new program. For more information see our website:  
[www.teaglefoundation.org](http://www.teaglefoundation.org).

W.R.C.

## Access to College

When Walter Teagle established his Foundation in 1944, he said that he knew there were employees of what was then Standard Oil (New Jersey) who desired to attain "some educational advantage" for themselves or their children, and he expressed the hope that the Foundation would help them in their aspirations. His timing was superb, coinciding almost exactly with the passage of the G.I. Bill and a growing national consensus that some form of higher education should be accessible to all Americans who completed high school. Much has changed since then: Standard Oil (New Jersey) has become ExxonMobil; colleges, universities and state and federal governments have struggled hard to bring higher education within reach of every high school graduate who desires it—a huge and unprecedented task.

But students still need help in gaining access to higher education. Indeed, in recent years the situation seems to be becoming more difficult, especially for families of very modest means. Last year, for example, according to the College Board, the average tuition at four-year public universities rose 14 percent, while financial aid increased only 3 percent. Since much financial aid now takes the form of loans rather than grants, one can get a measure of the problem by tracking the amount of debt students have accumulated by graduation. Of those who have taken out loans for college expenses, the average debt at graduation at Harvard University is \$13,360, at the University of Texas at Austin \$17,200, at Amherst College \$12,270, and at small private undergraduate colleges often \$15,000 to \$17,000. Compare these numbers to family income in the bottom twenty percent of the population (an average of about \$12,500) for a sense of the intensity of the problem. And the problem is becoming exacerbated—students today owe about twice as much as they did ten years ago, even after adjusting for inflation.

Philanthropy begins at home, in a historical as well as a geographical sense. The Teagle Foundation's contribution to the continuing need for financial help in gaining access to college is its historic program of grants and of scholarship awards (not loans) to the children of ExxonMobil employees. This program has been re-examined and re-structured over the past year to focus it and assure its sustainability. Each year over a thousand high school students apply to this program, and fewer than a quarter make it through a rigorous selection process. To the neediest of these, Teagle funds provide scholarships of up to \$6,000 a year for four years of undergraduate education. Other high-ranking applicants, thanks to generous help from the ExxonMobil Corporation, receive a one-time recognition award.

The program over the next few years is likely to represent about 10 percent of the Foundation's total grant making. That is a significant share of the Foundation's budget, but only a small contribution to a growing national problem. Much more clearly needs to be done if all those who can benefit from it are to have access to higher education.

W.R.C

## Investment Policy

For the past twenty-five years, the Teagle Foundation's assets have been invested primarily in equity and equity-like securities. While this strategy has served the foundation well, in the last year the portfolio has been broadened to include a wider range of investments, including real estate, commodities, and hedge funds. The chart which follows reflects the current allocation of investment assets. The equity portfolio includes a diversified mixture of large-, mid- and small-cap managers, and a balance between value and growth investment styles. Alternative equity investments include venture capital, private equity, and multi-strategy hedge funds. The objective is to enhance the yield of the portfolio and to maximize the ability of the Foundation to fulfill its mission. The market value of the portfolio was approximately \$142 million on June 30, 2004.

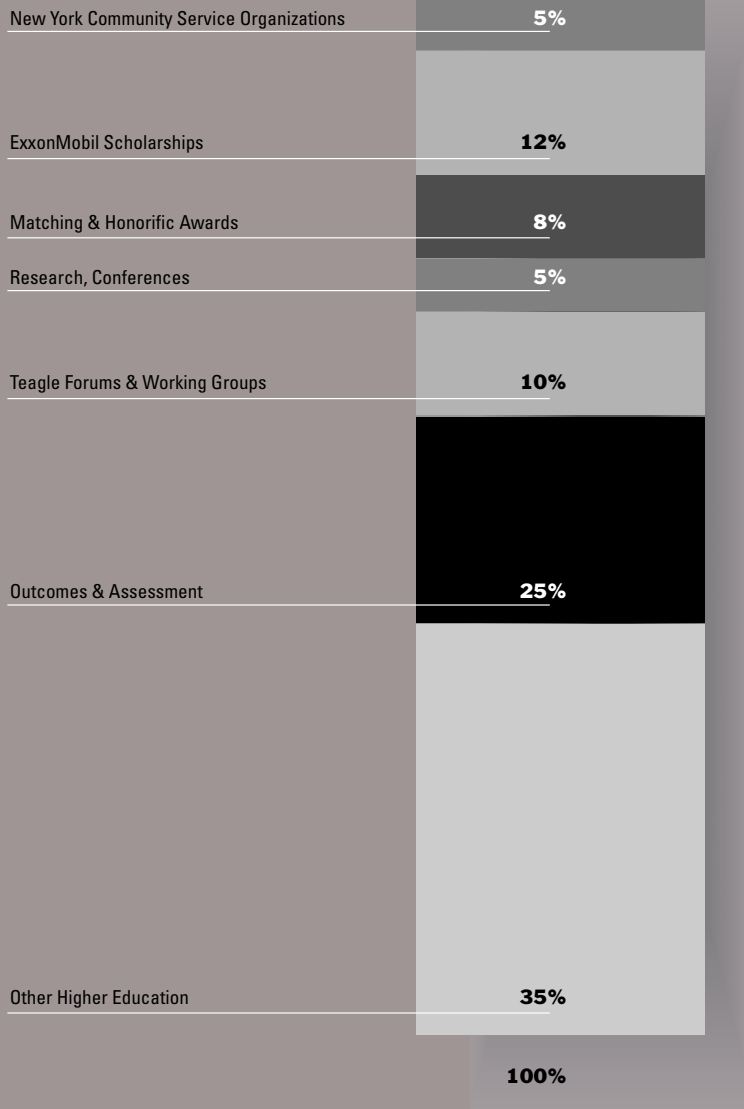
### Investments



## Projected Grantmaking

In May 2003, the Teagle Foundation instituted a moratorium on new institutional grants, and initiated a planning process for future grantmaking. The likely allocations are reflected in the following chart:

### Projected Grantmaking



## **George Bugliarello Retires**

*George Bugliarello, a Teagle director since 1976, retired from the board in May 2004. He continues as Chancellor of the Polytechnic University in Brooklyn, of which he was president from 1973 to 1994. His degrees include a doctorate in engineering from MIT and honorary degrees from Carnegie-Mellon University, the University of Trieste, the Milwaukee School of Engineering, the Illinois Institute of Technology, Pace University, and Trinity College. He was a founding fellow of the American Institute for Medical and Biological Engineering, a member of many academies and research organizations in this country and abroad, and has served as President of the scientific honorary society, Sigma Xi.*

*In expressing its gratitude for his twenty-eight years of service, the Board of the Teagle Foundation called attention to his vision, his compassion, and his ability to offer advice that was always insightful, courteous and “right on target.” The Board then approved \$280,000 of grants for organizations with which George Bugliarello has been closely associated, including:*

*The Massachusetts Institute of Technology  
The National Academy of Engineering  
The New York Hall of Science  
The Packer Collegiate Institute  
The Polytechnic University  
Sigma Xi, the Scientific Research Society*

*He is founder and co-editor of Technology In Society: An International Journal and has authored over two hundred professional papers. He is a member of the National Academy of Engineering, a foreign member of the Venetian Institute of Sciences, Arts and Letters, an honorary member of the Italian Society for the Advancement of Science, a fellow of the American Society of Civil Engineers, the American Association for the Advancement of Science, the New York Academy of Medicine, and the New York Academy of Sciences, and a founding fellow of the American Institute for Medical and Biological Engineering. His directorships include KeySpan Energy, the Lord Corporation, COMTECH, Symbol Technologies Inc., the Greenwall Foundation, Sigma Xi (of which he is past president), and the Lord Foundation of North Carolina. He is a Trustee of the William R. Kenan, Jr. Institute for Engineering, Technology & Science, and of The Paul and Daisy Soros Fellowships for New Americans.*

**W. Robert Connor**

## Board of Directors

**John S. Chalsty**

*Chairman*

Muirfield Capital Management, LLC

**Kenneth P. Cohen**

*Vice President, Public Affairs*

Exxon Mobil Corporation

**W. Robert Connor**

*President*

The Teagle Foundation

**Peter O. Crisp**

*Founding and Managing Partner*

Venrock Associates, retired

**William Chester Jordan**

*Professor of History*

Princeton University

**Sol Gittleman**

*Gantcher University Professor*

Tufts University

**Mary Patterson McPherson**

*Vice President*

The Andrew W. Mellon Foundation

**Roland M. Machold**

*Treasurer*

State of New Jersey, retired

**Richard L. Morrill**

*Chancellor*

University of Richmond

**Anne M. Tatlock**

*Chairman and CEO*

Fiduciary Trust International

**Walter C. Teagle III**

*President*

Teagle Management Inc.

**Stephen H. Weiss**

*Managing Director*

Neuberger Berman

**Pauline Yu**

*President*

American Council of Learned Societies

## New Additions to the Board of Directors

**Sol Gittleman** is a graduate of Drew University (BA), Columbia University (MA), and the University of Michigan (PhD). He served as Tufts University's Provost for 21 years, during which time he continued his teaching and scholarship in German literature and related fields. Dr. Gittleman has returned to full-time teaching and is now the Alice and Nathan Gantcher University Professor at Tufts, where he has been a member of the faculty since 1971.

**William Chester Jordan** has taught history for over 20 years at Princeton University, where he received his PhD, and is the former Director of the Shelby Cullom Davis Center for Historical Studies. Dr. Jordan has been awarded several prestigious research fellowships and serves as Chair of the Board of Trustees' Committee on Academic Affairs at Ripon College in Wisconsin, where he earned his AB.

**Mary Patterson McPherson** is the Vice President of The Andrew W. Mellon Foundation and former president of Bryn Mawr College. She is also Chair of the Board of Trustees at Smith College. In addition to her AB and LLD from Smith College, an MA from the University of Delaware, and a PhD from Bryn Mawr College, she holds numerous honorary degrees.

**Roland Machold** earned his BA from Yale and his MBA from Harvard University. Machold worked at Morgan Stanley & Co. for almost a decade, where he served as Vice President. Formerly Treasurer to the State of New Jersey, he was also Director of the New Jersey Division of Investment. A trustee of the Teachers College of Columbia University and Bryn Mawr College, Mr. Machold currently serves as Vice Chair of the Board at Child Health Institute of New Jersey.

**Pauline Yu** is President of the American Council of Learned Societies. She was formerly Dean of Humanities in the College of Letters and Science and Professor of East Asian Languages and Cultures at University of California, Los Angeles. A member of the Board of Overseers of Harvard University, Dr. Yu's scholarly specialization is the study of classical Chinese poetry.

## Advisor to the Board of Directors

**Jayne Keith**

### **Teagle's Irresistible Appeal**

The chance to work with the Teagle Foundation in promoting and strengthening liberal education was irresistible to me. Liberal education is to me synonymous with education that is at once broad and deep, synthetic and analytical, reflective and constructive. I too was energized by such an education as a student, found great satisfaction during my years as a faculty member at Vassar College, and equal satisfaction in developing support systems for faculty research when I was at the American Council of Learned Societies. My work at Teagle will draw on these experiences at a challenging moment in the history of liberal education. Our resources are considerable but limited, and the possible uses for those resources can seem unlimited. We want to support the overall strength of liberal arts colleges, which is surely inseparable from the vitality of student learning and of faculty engagement with teaching as well as research. Both students and faculty ground themselves in intellectual work, in disciplinary and cross-disciplinary conversations that are in some ways stable, in others constantly and necessarily changing, and the possibility of collaboration among different kinds of institutions holds the promise of further energizing their intellectual lives. Evaluating what is happening, understanding what needs support and why, and learning—through conversation with administrators, faculty, and students—how to provide that support will be high priorities.

Donna Heiland

### **Staff of the Teagle Foundation**

**W. Robert Connor**

*President*

**Donna Heiland**

*Vice President for Programs*

**Eli Weinberg**

*Treasurer*

**Helena Rosenwasser**

*Controller*

**Sabrina Esbitt**

*Program Assistant*

**Chris Graebner**

*Assistant to the President*



# The Teagle Foundation



The Teagle Foundation  
10 Rockefeller Plaza  
Room 920  
New York, NY 10020-1903

Telephone: (212) 373-1972

[www.teaglefoundation.org](http://www.teaglefoundation.org)