



Working Group on Endowed Positions

Report – March 2023

Examined data and identified patterns regarding the use or underuse of endowed positions at Ohio State, researched comparable data at peer institutions, considered the concerns identified in a previous report from the Ohio State Foundation Board group, and identified successful practices at Ohio State that might move the campus toward optimal approaches to endowed positions.

A BRIEF REPORT:

Outlining the strategy, systems-wide approach and recommendations



THE OHIO STATE
UNIVERSITY



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Background and Working Group Charge and Process

At the spring term 2022 meeting of The Ohio State University Foundation Board, the Office of Academic Affairs (OAA) began a discussion of the importance of endowed chairs and professorships at Ohio State. Following conversations among the full board, Ohio State Executive Vice President and Provost Melissa Gilliam convened a group of Foundation Board members (with representation from OAA and the Office of Advancement) to explore means for Ohio State to increase the number of these endowed positions and to maximize their use to support academic excellence. That Foundation Board group reported back to the Office of Academic Affairs in September 2022. As a next step, Provost Gilliam appointed this Working Group on Endowed Positions.

At the Working Group's initial meeting on November 21, 2022, it was charged to examine data and identify patterns regarding the use or underuse of endowed positions at Ohio State, to research comparable data at peer institutions, to consider the concerns identified in the report from the Foundation Board group, and to identify successful practices at Ohio State that might move the campus toward optimal approaches to endowed positions. Finally, Provost Gilliam asked the Working Group, drawing on this information, to present its findings to the Council of Deans in January 2023 and subsequently provide "a brief report, outlining the strategy, systems-wide approach and recommendations" for endowed positions at Ohio State

The Working Group immediately began the process of information gathering: Data regarding endowed positions was requested from 15 benchmark institutions. Internal information about endowed positions at Ohio State was gathered from the Office of Advancement, the Office of Academic Affairs and individual colleges and departments. For qualitative information, the Working Group decided to interview those actively engaged with managing endowed positions; with notice and guidance from deans, the Working Group conducted hour-long interviews with 14 leaders of academic units, covering a uniform set of questions created by the Working Group. All Working Group members participated in the interview process (two members attended each interview), and notes from each interview were shared with the entire Working Group.

The Working Group held four in-person meetings and constantly shared work electronically to gather and consider this information. In January 2023, the Working Group met with Provost Gilliam to discuss its findings and potential recommendations, and then presented findings and recommendations for discussion at the Council of Deans meeting on January 25, 2023. The Working Group then finalized its findings and recommendations in this report as presented below.¹ The recommendations are organized according to the stakeholder that would have primary responsibility for implementation: Office of Academic Affairs, deans and chairs, faculty holding endowed positions, and the Office of Advancement.

¹ These findings and recommendations are based on the extensive information gathering (both internal and external) described above. Although, for brevity, most of that underlying information is not presented in this report, the Working Group has passed that information, with a working index, to the Office of Academic Affairs for future reference.

Working Group Findings

Use of Endowed Positions and Funds. An endowed chair or professorship is one of the highest honors that can be bestowed upon a faculty member. As a result, endowed positions are an extremely valuable tool for both recruiting and retaining eminent faculty. The leaders of academic units almost without exception described the prestige of the honorific of a chair or professorship as deeply valuable for recruitment/retention. Moreover, at Ohio State, endowed positions are plainly used for retention *and* recruitment. For example, over the past three years, about 75% of endowed positions awarded to new holders went to existing Ohio State faculty, and 25% were a part of bringing a faculty member to Ohio State from another institution. Of the leaders interviewed, eight said their units awarded endowed positions both externally and internally, three indicated all or a strong majority were awarded internally, and two indicated a preference for or requirement of external appointments for endowed positions.

While endowed positions are universally valued across Ohio State for recruitment and retention, funds from endowments are used in diverse ways across colleges and departments. Most commonly, academic units devote the endowment income solely to salary support, but some devote the income to research and some to a mix of the two. Funds devoted to salary support most frequently serve as an offset against college funds (i.e., reducing the college's compensation expense) rather than as a "bonus" to the faculty member. The Working Group also learned that the approach of using the endowment income as salary support (with the resulting offset for the college) is the almost uniform practice of at least one of the most prestigious and well-funded members of our peer group. Unsurprisingly, the colleges that used endowment funds for salary support had lower average cash balances in their endowments than colleges that did not. The Working Group found that colleges' and departments' choices among these options for use of funds were usually intentional and strategic. Some leaders, however, were not aware of the range of potential approaches, an issue we address in our recommendations.

The maximum term for an endowed position at Ohio State is five years. The Working Group found, however, that endowed position holders who remain at Ohio State are overwhelmingly reappointed at the end of their terms, except in the small number of units that have express policies against reappointment. As a result, about 56% of Board of Trustees appointments to endowed positions in the past three years were reappointments. At the same time, the unit leaders the Working Group spoke with considered these reappointments well-deserved. While the Working Group did *not* hear regrets about reappointment decisions, some leaders saw untapped potential in the appointment and reappointment processes both for expectation setting and for celebration, which we address in our recommendations.

Policies Regarding Endowed Positions. Appointment and reappointment to endowed positions require the approval of the college, the Office of Academic Affairs, and the Board of Trustees. The de facto “lead” decider, however, is most frequently the department chair, though in some colleges the dean is sometimes or always the “lead” decider. In two departments we spoke with, a small faculty committee were the “lead” deciders.

Of the 14 academic units the Working Group interviewed, only six had written policies related to endowed positions. The academic units that did have policies varied substantially both in what subjects the policy covered and how that subject was treated. All six policies did cover the procedure for appointment to endowed positions; some covered reappointment, review and/or expectations. The Working Group has provided a compilation of written policies to the Office of Academic Affairs.

While the Working Group endorses the existing local autonomy in determining policies regarding endowed positions, we think capturing local policies in writing should be mandatory. Providing a written description of the impact of endowed positions in the academic unit and of the process and criteria for appointment will be valuable for the resulting shared understanding among faculty, administrators, and fundraisers. It is also a best practice from a human resources perspective and an important support for diversity and inclusion. This recommendation was highlighted at the Council of Deans meeting and received no objection.

Fill Rate of Endowed Positions. As of January 2023, there were 355 fully endowed chairs and professorships at Ohio State. Of those 355 positions, 277 (78%) were held by current faculty members approved by the Board of Trustees. There were 78 vacant positions (22%). That “fill rate” compared favorably with peer institutions that provided data to the Working Group—the 22% vacancy rate was lower than that of any of our responding peers (See Exhibit 1 below).

Exhibit 1: Endowed Positions: Ohio State and Responding Benchmarks (as of 1/9/2023).

| | Iowa | Penn. State | Purdue | U. Texas | U. Washington | Ohio State |
|---|-------|-------------|--------|----------|---------------|------------|
| Total endowed positions | 549 | 627 | -- | 989 | 866 | 355 |
| Total filled endowed positions | 412 | 435 | 174 | 760 | 641 | 277 |
| % Endowed positions, vacant | 25% | 31% | -- | 23% | 26% | 22% |
| Total endowed positions as % of tenure track (T.T.) faculty | 37.9% | 22.7% | -- | 48% | 20.2% | 12.5% |
| Total endowed positions as % of T.T. faculty (excluding medicine) | 27.0% | 19.8% | N/A | 50% | 19% | 10.2% |
| Total filled endowed positions as % of T.T. faculty | 28.4% | 15.8% | 7.7% | 41% | 15% | 9.7% |

Do not track data: Illinois, Maryland, Minnesota, Wisconsin (Chicago and Purdue partial).
No response: Arizona, Berkeley, Michigan, UCLA and Vanderbilt

Although Ohio State is a leader in filling its endowed positions, there remains room for improvement. About 6% of endowed positions at Ohio State are “long-term” unfilled, and the sum of the cash balances across all of the 78 vacant positions is significant. Academic unit leaders identified reasons for some of these vacancies (narrow endowment definition and cost of start-up package were the only reasons cited in more than one interview), and we suggest means to reduce vacancies in our recommendations.

Number of Endowed Positions. Ohio State has about one endowed position for every 10 tenure-track faculty members. For some of our peer institutions, that ratio is one in five, or even one in three. (See Exhibit 1, above). While it is very possible that our peer institutions that do not comprehensively track endowed positions or did not respond to our survey have fewer endowed positions, there is clearly opportunity for growth here. We offer suggestions for increasing the number of endowed positions in our recommendations. The Working Group noted, however, that the colleges devoting funds to salary support (as described above) had a higher percentage of Ohio State’s endowed positions than the same colleges at peer institutions (see Exhibit 2, below). Perhaps the use of endowment funds for salary support provides a strong incentive for the college to seek endowed positions.

Exhibit 2: Endowed Positions: Key Colleges (as of 1/11/2023)

| | Iowa | | | Penn State | | | Purdue | | | U Texas | | | U Washington | | | OSU | | |
|-----------------------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|
| | Endow'd Positions | Share of Univ E's | TT Fac w/End.P | Endow'd Positions | Share of Univ E's | TT Fac w/End.P | Endow'd Positions | Share of Univ E's | TT Fac w/End.P | Endow'd Positions | Share of Univ E's | TT Fac w/End.P | Endow'd Positions | Share of Univ E's | TT Fac w/End.P | Endow'd Positions | Share of Univ E's | TT Fac w/End.P |
| Business | 55 | 10% | 69% | 61 | 10% | 62% | 15 | 9% | 12% | 118 | 12% | 86% | 78 | 9% | 86% | 28 | 8% | 29% |
| Education | 5 | 1% | 8% | 6 | 1% | 6% | 6 | 3% | 10% | 26 | 3% | 25% | 5 | 1% | 9% | 10 | 3% | 7% |
| Engineering | 25 | 5% | 27% | 83 | 14% | 27% | 74 | 43% | 16% | 150 | 16% | 51% | 95 | 11% | 33% | 35 | 10% | 11% |
| Law | 39 | 7% | 134% | 8 | 1% | 47% | | 0% | | 120 | 13% | 226% | 24 | 3% | 75% | 28 | 8% | 88% |
| Liberal Arts (and Sciences) | 59 | 11% | 11% | 175 | 29% | 23% | 21 | 12% | 3% | 424 | 44% | 40% | 227 | 26% | 33% | 53 | 15% | 6% |
| Medicine | 282 | 51% | 62% | 124 | 20% | 54% | | 0% | | 13 | 1% | 118% | 250 | 29% | 11% | 146 | 41% | 24% |
| Other | 90 | 16% | 49% | 148 | 24% | 10% | 58 | 33% | | 102 | 11% | 12% | 187 | 22% | 40% | 55 | 15% | 7% |
| Total | 555 | 100% | 38% | 605 | 100% | 23% | 174 | 100% | N/A | 953 | 100% | 48% | 866 | 100% | 20% | 355 | 100% | 13% |
| Total % Fill Rate | 75% | | | 69% | | | N/A | | | 85% | | | 75% | | | 78% | | |

Stewardship. Common stewardship practices at Ohio State include an annual or biannual report to living donors and regular donor contact from the college dean. Otherwise, with some exceptions, stewardship of endowed positions is largely left to the Office of Advancement. Many department leaders cited a lack of resources for planning local celebrations of endowed positions as a barrier to making the most of the positions within academic units as well as with the donor. We also heard some stories of disconnect between academic units and advancement. In some cases, academic leaders thought advancement prioritized “bricks and mortar” giving over endowed positions; in other cases, Office of Advancement representatives did not feel well-educated by academic leaders about the use and value of endowed positions. Our recommendations address these issues.

Working Group Recommendations

Endowed positions are a tremendous asset to Ohio State. They advance the eminence of Ohio State's faculty by providing resources to recruit and retain outstanding scholars, teachers and program builders. They also provide unique opportunities to celebrate the accomplishments of the current position holder and establish permanent cornerstones of faculty excellence in academic units. In accordance with our charge and based on our findings, the Working Group offers the following recommendations for maximizing the number of faculty holding endowed positions and optimizing their use. The recommendations are organized by the group that would have lead responsibility for implementation—in some cases of shared responsibility the recommendation appears under multiple headings.

OFFICE OF ACADEMIC AFFAIRS

(i) Set creation of endowed positions as a university priority for deans and the Office of Advancement. Leadership matters, and the priorities of top academic leadership influence all aspects of the university. Given the room for growth in endowed positions at Ohio State, setting growth in endowed positions as a university priority at the highest levels would be an important and impactful first step. Consistently tracking and reporting the number of endowed positions as reported in Exhibits 1 and 2 would also be a part of establishing and maintaining this priority.

(ii) Establish a central match to encourage donation of endowed positions. A central program similar to the match for endowed scholarship giving to kick off the Scarlet & Gray Advantage program would likely be a powerful driver toward the creation of more endowed positions and would clearly establish chairs and professorships as a genuine university priority.

(iii) Mandate written policies at the academic unit level regarding endowed positions. These policies would, at a minimum, describe the impact of endowed positions, a general description of criteria and process for appointment and reappointment, and a general expectation for participating in stewardship. Policies could also, at the discretion of the academic unit, address appointment letters, the reappointment process, use of funds, scholarly expectation and specific stewardship expectations. The substance of these policies would be determined at the local level, but the Office of Academic Affairs should provide academic units with a set of “example” policies that have been approved by OAA (drawn from the diverse array of existing excellent policies at Ohio State) to assist academic units in thoughtful written articulation of their own desired approach. The academic units will then submit the policies to OAA for approval.

(iv) Include endowed positions in annual review of deans. Annually review with deans how endowed positions are being used to support faculty eminence in their college, as well as the status of any vacant positions and the plans for any cash balances in endowments within the college.

(v) Continue the local flexibility in the use of endowed funds (e.g., salary support, research), while educating all stakeholders about the possibilities. While the breadth of disciplines, needs, opportunities and local cultures at Ohio State speak to the wisdom of the current approach of local determination about the use of endowed funds, optimal local decision-making requires *informed* local decision-making. The Office of Academic Affairs is uniquely positioned to know and understand the different approaches available and to educate all academic leaders to the possibilities.

DEANS AND CHAIRS

(i) As front-line leaders in the creation and use of endowed positions, articulate their value and expected impact in supporting faculty and increasing eminence. Articulate this value to faculty, donors and advancement partners to align expectations among these groups and avoid the disconnects that sometimes occur, while simultaneously cheerleading for growth and celebration.

(ii) Create written policies with regard to endowed positions. This is explained in recommendation (iii) for the Office of Academic Affairs above.

(iii) Address expectations of faculty excellence in appointment letter. Expression of expectations in an appointment letter is a means of articulating the value of endowed positions and of aligning expectations among stakeholders. Including them in the appointment letter also can provide a useful basis for discussion during annual reviews and reappointment conversations.

(iv) Regularly review cash balances in endowments and, where strategically appropriate, consider reinvesting the funds or redirecting the use of the funds (e.g., to salary support) within the parameters of the endowment description. Sometimes cash balances accumulate intentionally in an endowment for well-justified reasons, e.g., saving for a major research investment or ensuring continuity in case of a short-term funding shortfall. Putting endowments to active use, however, is a fair default expectation and an important step toward their optimal use and ultimate growth at Ohio State. For this reason, annual review of cash balances is an important aspect of responsible stewardship.

(v) With support from OAA and the Office of Advancement, assure appropriate celebration of endowed positions (e.g., through installation events). The awarding of an endowed position provides a unique opportunity for celebration of faculty research and accomplishment that can be inspirational and valuable for the academic unit's academic environment, its reputation, and its supporters. One example is an investiture ceremony at the department level at which the donor is publicly recognized, and the recipient makes a brief presentation about their research.

FACULTY

(i) Use endowed positions to embrace expectations of excellence underlying the appointment. The title of Chair or Professor is a high academic honor reflecting outstanding accomplishment. As noted in (iii) under Deans and Chairs, acceptance of this honor includes aspiration for continued excellence.

(ii) Participate in stewardship related to the endowed position. Donors who establish endowed positions make an indelible contribution to Ohio State through their generosity. Endowed position holders are in a unique position to give donors an appreciation of the impact of their philanthropy. Participating in stewardship (in partnership with the Office of Advancement) is thus an important part of holding an endowed position.

OFFICE OF ADVANCEMENT

(i) Enhance awareness among advancement officers of the potential flexibility in who may be appointed to and the use of funds from endowed positions; working with academic leaders, advocate for positions and manage expectations accordingly. While there was a welcome diversity in the selection of endowed position holders and use of endowed funds (e.g., salary support vs. research) across the university, what a chair or professorship would accomplish for an academic unit is not always clearly articulated to advancement officers, who may, for example, mistakenly believe the funding will be sufficient to add a new senior faculty member or a new program. Alignment and understanding between academic leaders and advancement officers from the beginning is crucial to advocating for positions with donors and managing expectations appropriately.

(ii) Share stewardship practices across units and offer flexible, dedicated support to units developing their stewardship practices. Stewardship is crucial for building endowed positions at Ohio State; academic units need leading partnership from the Office of Advancement to execute well across the university.

(iii) Build mechanisms for enhanced celebration of endowed positions and connection to donors, coordinating local and university-level functions, including Advancement, Faculty Affairs, and Marketing and Communications. As noted throughout this report, stewardship is a significant part of any plan to maximize the number of endowed positions, and the Office of Advancement is best placed to take the lead role in strengthening this area, in partnership with all relevant stakeholders.

(iv) Examine the 35 endowed funds that have not reached the minimum funding level. The current funding level is \$1 million for an endowed professorship and \$3.5 million for an endowed chair. When a chair or professorship is pledged and at least \$100,000 is donated, an endowment is created in which the funds are held until the professorship or chair level of funding is reached. Ohio State currently has 35 endowments in this not-yet-fully-funded status. Fully funded, these would add 10% to the number of endowed positions at Ohio State. To be sure, many of these funds are on their expected trajectories, but strategic review could uncover pathways to full funding for any that are not.

(v) Encourage and educate advancement officers about the possibility of “Designated” Chairs and Professorships—which provide the cash equivalent of the endowed payout for five years. The Working Group spoke to academic leaders who had great success with “designated” positions, particularly for relatively junior “rising stars,” but others that we heard from expressed a desire for this possibility without knowing that it existed. Education by the Office of Advancement seems the shortest route to eliminating this disconnect.

Conclusion

The Working Group is pleased to have had this opportunity to explore endowed positions at Ohio State and extremely grateful for the support we received in completing our charge from countless individuals across the university, as well from the peer institutions that shared data with us. We hope the findings and recommendations in this report—and the repository of the information we gathered in the Office of Academic Affairs—will be useful to many stakeholders in enhancing endowed positions at Ohio State.

Appendix A

WORKING GROUP MEMBERSHIP

- Alan Michaels (Chair) – Edwin M. Cooperman Chair and Dean Emeritus, Moritz College of Law
- Trevor Brown – Dean, John Glenn College of Public Affairs (member of the original Foundation Board Work Group)
- Julie Clark – Associate Vice President, Advancement (member of original Foundation Board Work Group)
- Amy Golian – Senior Associate General Counsel, Legal Affairs
- David Horn – Dean, College of Arts and Sciences
- Kevin Leonardi – Senior Director of Marketing and Communications, Office of Academic Affairs
- Patrick Louchouart – Senior Vice Provost for Faculty, Office of Academic Affairs
- Timothy Pawlik – Urban Meyer III and Shelley Meyer Chair for Cancer Research and Chair, Department of Surgery, College of Medicine
- Marcia Worley – Merrell Dow Professor and Chair, Division of Outcomes and Translational Sciences, College of Pharmacy