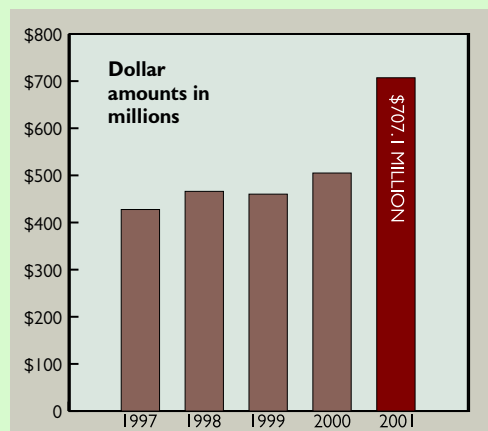


## Spirit of Giving



The University Campaign, concluded at the end of 1999, essentially doubled giving to Harvard, to \$400 million or more annually. But remarkably, in fiscal year 2001, after the fund drive and in a weakening economy, total giving rose 40 percent, to \$707 million. This sum reflects several large one-time research grants from non-federal sponsors; a \$50-million Ford Foundation endowment for a program at the Kennedy School of Government; and the gift for the new Bauer Center for Genomic Research. Still, all categories of giving increased, from unrestricted current-use gifts to endowment funds and gifts for capital facilities.

to \$113 million. Distributions from endowment income rose by nearly 11 percent, to \$614.9 million. An unexpected surge in gifts (see chart) further swelled the restricted income line as the funds supporting a few large projects—for example, a \$25-million grant to the School of Public Health for AIDS prevention in Nigeria—flowed through the year's financial statements. These robust revenues may be timely; the weak economy has begun to slow other sources of income for Harvard, such as the large executive and continuing-education programs in the professional schools.

In light of the Corporation's 21 percent boost in the endowment distribution for fiscal 2002, to nearly \$750 million, "This year will be somewhat the same," at least in terms of restricted operating results, says Elizabeth C. Huidekoper, vice president for finance and coauthor of the annual report with D. Ronald Daniel, the University treasurer.

The past fiscal year, Huidekoper and Daniel write, "was the culmination of an extremely successful era for Harvard." The recent surpluses, strength of giving and of sponsored funding for research (the latter rose 17 percent in fiscal year 2001, to just over a half-billion dollars), and endowment distributions made many good things possible during the past decade. From 1991 to 2001, scholarships and student awards nearly doubled, to \$187.4 million (increasing 12 percent in the most recent fiscal year). The rate of growth in

tuition charges fell steadily, reducing students' share of the University's revenue from 27 percent in fiscal year 1991 to 23 percent last year, as endowment distributions rose from one-fifth to 28 percent of income. And for those with an eye on the bottom line, a decade that began with Harvard troublingly in the red ended, decisively, in the black.

The University's current growth, bolstered by increasing financial strength during the 1990s, reflects its "culture of entrepreneurship," Huidekoper says. That is, as scholars conceive new areas of inquiry, Harvard's structure "rewards individuals for optimizing their own resources and programs." As a central administrator, naturally, she has to worry about the administration's ability to keep up in terms of office space, laboratories, housing, and all the required academic accouterments. Capital outlays in fiscal year 2001, for instance, totaled \$606.4 million, for 365 active projects and acqui-

sitions. Even excluding the \$315 million expended to buy 48 acres of land in Allston and the Arsenal office complex in Watertown, investments in facilities were up sharply from the prior year. That pace is likely to be sustained by large expansions of scientific research facilities, continuing library renovation, and graduate-student housing projects. Funding will come from the retained surpluses, future gifts, and debt financing.

The challenge, in Huidekoper's view, is to "balance the entrepreneurship with the needs of the institution." That means

managing physical and programmatic growth within the capacities of Harvard's people and the desires of its surrounding communities in the near term—years before academic use of the Allston space begins.

In his installation address, President Lawrence H. Summers may have suggested how he will proceed toward that "balancing" when he said, "Renewal does not just mean doing new things and growing larger. It means moving beyond activities that have run their course"—even while pursuing new opportunities. After a decade of expansive, long-term academic planning, propelled by breakthroughs in knowledge (information technology, genomics) and access (the end of the Cold War, democratization in Latin America)—and by the funds to proceed (the \$2.6-billion University Campaign, outsized investment returns on the endowment)—a period of consolidation and tradeoffs among priorities may be in the offing.

## Airing Out the Living Wage

THE OCCUPATION OF Massachusetts Hall last spring by the Progressive Student Labor Movement (PSLM)—proponents of a minimum "living wage" of \$10.68 per hour for Harvard workers, a rate adopted by the city of Cambridge—ended with the formation of the Harvard

Committee on Employment and Contracting Policies (see "Wage Wrangling," July-August 2001, page 64). This 20-member body was scheduled to deliver its report to President Lawrence H. Summers in December (after this issue went to press). Known as the "Katz Committee" after its chairman, professor of economics Lawrence F. Katz, the group included 11 faculty members, three unionized staff members, two administrators, and four

## Kaats and Bear Arrive

**Railroad tycoon** Edward Harriman financed a scientific expedition to the coast of Alaska in 1899 and went along on it with his family. When the expeditionary forces came to Gash village at Cape Fox, they thought it abandoned, and so they loaded various artifacts, including six totem poles, onto their steamer. Harriman gave one of the poles to the Peabody Museum of Archaeology and Ethnology. It depicted a bear peering out of its den. Bear-paw tracks climbed the pole, which was surmounted by a large loon. Except for the time it left town in 1970 to attend the Japan World Exposition in Osaka, the pole charmed and instructed visitors to the Peabody. But on May 29, 2001, under the mandate of the Native American Graves Protection and Repatriation Act, the pole, which depicts the brown bear crest of the Tlingit clan Teikweidi, began the return trip to its regional home in Ketchikan, Alaska.

In anticipation of its return, the people of the Cape Fox Corporation at Saxman, where many Teikweidi now live, gave Harvard in May 2000 a stout red cedar tree from which a new pole might be fashioned. "It is a fine gesture," Ruby Watson, director of the Peabody, said at the time, "and one that symbolizes a new bond between the descendants of Gash village and the museum." The Peabody then commissioned master carver Nathan Jackson, a Tlingit and resident of Ketchikan whose work has been widely exhibited in North America, Asia, and Europe, to carve a new pole.

That pole is named Kaats and Bear Pole, Kaats being the name of a Tlingit hunter. It was officially dedicated at the Peabody on November 19. Jackson and representatives from Saxman danced and offered a blessing.



Jackson at work on Harvard's new pole

students. In October, the committee held a public forum on its work-in-progress at the Kennedy School of Government, both to share interim findings and to hear viewpoints on the living-wage issue from the Harvard community. The event, attended by about 150 people, was "fairly unprecedented," according to Katz, in that a Harvard committee was releasing a major chunk of its data with deliberations still in progress.

The day of the forum began with a bombshell: a committee member, professor of economics Caroline M. Hoxby, abruptly resigned, claiming that the group was strongly biased toward the Living Wage Campaign position. Hoxby published her views in the *Crimson*. "I am ashamed to admit that my university does not have an atmosphere that fosters a free exchange of ideas on this topic,"

she wrote. "Anyone who speaks publicly against the Living Wage risks being demonized." In particular Hoxby charged that the committee's membership was "far from balanced," and that its data-collection process was slanted. "Just consider the testimony it [the committee] has heard," she wrote. "Apart from hearing from administrators and contractors who have presented institutional information, it has heard exclusively from groups lobbying for the living wage.... The committee has not heard one presenter who made a positive case against the living wage."

At the forum, Katz countered that, on

the contrary, the group had "heard from a wide range of speakers," and repeated several times during the evening that the committee was "open to all points of view." Program organizers had scheduled 10 speakers, eight of them Living Wage proponents, although two of these, a custodian and a security guard (the only persons on the agenda from job categories directly touched by the proposed reform), failed to appear, in one case because of a work-shift conflict.

The committee released some data it had collected, such as:

- As of March, Harvard directly employed 424 workers earning less than \$10.68 per hour, up from 170 employees earning the equivalent amount (adjusted for inflation) in 1994. Of this group, 290 were custodians, 58 worked in dining services, 53 were security/museum guards, and 23 occupied various clerical/technical positions. All were union-represented.

- Contractors providing similar kinds of service or landscaping employed 579 workers at Harvard at rates below \$10.68. Almost all these custodians and most dining-service workers were unionized, but the security/parking and landscaping personnel were nonunion.

- Between 1980 and 1996, Harvard outsourced much of its janitorial work. The number of in-house custodians consequently fell from 980 to 260. In 1996, a new contract pegged in-house custod-

ians' wages to the local master union agreement, freezing salaries of existing workers and lowering pay for new workers. As a result, median hourly pay, adjusted for inflation, fell by 13 percent between 1994 and 2001. Simultaneously, the number of Hispanics, immigrants, and workers lacking a high-school diploma rose sharply among Harvard custodians.

The outsourcing of lower-paid work was a major area of contention. Associate vice president for facilities and environmental services Thomas E. Vautin argued for the merits of competition in the labor market, and for ensuring that "policies are applied uniformly to internal and external service providers." Vautin noted that by the late 1980s, cleaning buildings with Harvard's staff custodians "was costing 40 percent more than for an outside cleaning company—we could get cleaner buildings for less."

In sharp contrast, Molly McOwen '02 of the Harvard Living Wage Campaign proposed a "ban on outsourcing in the service sector. Bring all service work in-house."

The stressful lives of those at the lower end of the wage spectrum formed another theme. "The wages Harvard employees earn translate not into buying store-brand foods, but to eating in soup kitchens," McOwen asserted. An undergraduate speaking from the floor told of a Harvard janitor who worked three jobs and hence got only "one and a half hours of sleep each weeknight—and he's been doing this for a couple of years." Skyrocketing housing costs in the Boston area have also squeezed low-wage earners. "Statewide, housing prices rose by 233 percent over the last two decades," said McOwen, "and real wages fell 16 percent in the past eight years. It's been catastrophic." Ascherman professor of economics Richard B. Freeman noted the increasing economic inequality of the country in recent years, and declared, "I think the living wage is within any bounds of the market. It is a decision of what the University wants to do. I think this University is wealthy enough and important enough to be a leader for the United States."

Living-wage advocates stressed the moral aspect of the proposed reform. "It's a moral choice, not only an economic analysis," said Phillips Brooks House Association president Trevor Cox '01. "The business of a university is not to think like a business." Opponents, a clear minority at the forum, leaned more toward pragmatic arguments. But Tal Ben-Shachar '96, a Leverett House tutor and graduate student in organizational behavior, wrote a broadside distributed before the forum that assailed the Living Wage Campaign on ethical grounds as well. He described the PSLM's occupation of University Hall as a "violation of property rights and disregard of democratic process," and questioned, with Hoxby, whether the atmosphere at Harvard favored a free exchange of ideas on the topic. Later, Ben-Shachar also raised this point from the floor. "The almost unified voice I have heard here tonight," he said, "does not alleviate my concern."

### Reshaping the Science Center

**A treasure buried** in the basement of the Science Center for years, the Collection of Historical Scientific Instruments will at last be agreeably displayed in the fall of 2003 with the completion of additions and renovations to the Science Center (see "New Life for Old Instruments," November-December 2000, page 81). The \$22-million project, three years in the planning, will begin next summer and is expected to last 20 months, says Jeffrey J. Cushman '69, capital-projects manager for the Faculty of Arts and Sciences department of physical resources. It will add 32,000 square feet in three segments, and a like area will be renovated.

Three new stories above the current administrative wing along Oxford Street will give leg room to the cramped history of science department. A new museum for the historical instruments will occupy the first floor, and new seminar rooms and offices will fill the second and third.

Two stories will rise on top of a roof at the west end of the building, and builders will make 1,800 square feet of new space on the roof of the sixth floor, behind the central staircase. Immediate beneficiaries will be the mathematics and statistics departments and the Bok Center for Teaching and Learning. Computer Services will expand in a reconfigured basement.

The three new segments of the building will likely be made of opaque glass of a nature yet to be revealed. They will look of a piece—and different from the rest of the 1973 building, a landmark creation of Josep Lluís Sert, A.D. '67, a former dean of the Graduate School of Design. The new construction is designed by Andrea Leers of Leers Weinzepfel Association.

The building of the Science Center was funded by an anonymous \$12.5-million gift from the late scientist, innovator, and two-time College dropout Edwin Land '30, S.D. '57, cofounder of the now foundering Polaroid Corporation. Local myth has long held that the building was meant to resemble an early Polaroid camera, a suggestion that outraged Sert, says Cushman. After construction of the currently envisioned add-ons, any fancied resemblance to the camera will have blurred.