

## The Kluge Challenge for Endowed Financial Aid

### MULTIPLYING YOUR GIFT'S IMPACT

Nothing is more important to securing the future of Columbia College, and its special character as an academic community, than building endowment in support of student financial aid. The Columbia Campaign seeks \$400 million in new financial aid endowment for students in Columbia College, an unprecedented goal that is now within reach. John Kluge's recent pledge of \$200 million for College financial aid represents an historic step. Combined with approximately \$60 million in gifts from other alumni since the beginning of the Campaign, it challenges us to raise the remaining \$140 million in endowment gifts by the end of 2011.

Mr. Kluge has agreed to set aside \$50 million of his \$200 million pledge as a challenge fund to match new pledges and gifts for financial aid as of November 1, 2007. The Kluge Challenge for Endowed Financial Aid will enable a widening circle of alumni, parents, and friends to extend the opportunity of a Columbia College education to generations of deserving students.

### How the Match Works

Under the Kluge Challenge, a one-to-one match will apply to all donations of \$150,000 and up. There is no ceiling on the matching of endowment gifts for financial aid.

Donors whose gift totals \$500,000 or more, along with previous and future donors of \$1 million or more to College endowed financial aid, will become members of the honorary Kluge Council and will be invited to a special annual gathering of Kluge Council members.

### Enhancing Both the College Fund and the Endowment

Our goal is to encourage much-needed annual giving to the College Fund for current-use financial aid even as the Challenge multiplies each donor's impact on the permanent endowment. In addition to matching all endowment giving one to one, the Kluge Challenge will match the first \$50,000 to the College Fund for current-use financial aid with an endowment gift of the same amount.

In order to qualify for the Kluge match, donors must give a minimum of \$150,000, allocated and matched as follows:

**Donor's gift (\$150,000):** \$100,000 will be applied to an endowed financial aid fund named for the donor, and \$50,000 to the Columbia College Fund for current-use financial aid.

**Matching gift (\$150,000):** This amount will be added in full to the donor's endowed financial aid fund when Columbia receives Mr. Kluge's gift. This structure is more fully explained in Example A.

### Multiplying Your Gift's Impact: Two Kluge Challenge Examples

#### EXAMPLE A *\$150,000 five-year pledge to current-use and endowed financial aid*

Alumnus A is a loyal donor who consistently gives \$5,000 to the Columbia College Fund each December. This year he decides to enhance his support for students in the College by establishing an endowed scholarship. The Kluge Challenge for Endowed Financial Aid inspires him to increase his giving to the College Fund today for current-use financial aid and more than doubles the value of his gift to the financial aid endowment in the future.

Alumnus A pledges \$150,000 over five years: \$50,000 to the College Fund for current-use financial aid and \$100,000 to establish the Alumnus A Endowed Scholarship Fund. He commits to increasing his annual giving from \$5,000 to \$10,000 each year over five years and to establishing an endowed fund with annual payments of \$20,000 each year over the same five years. When Mr. Kluge's Campaign gift is realized, Alumnus A's entire commitment of \$150,000 will be matched on a 1:1 basis, with all the matching dollars added to the endowed scholarship for a total endowment of \$250,000.

#### The Impact

|  |  |
|--|--|
| Donor Commitment                                   | \$150,000 over five years  |
| Allocation   | \$100,000 to endowment, \$50,000 to the College Fund<br>for current-use financial aid  |
| Annual Payment                                     | \$20,000 to endowment, \$10,000 to College Fund  |
| Kluge Match  | \$150,000  |
| <b>Total Impact with Kluge<br/>Challenge Match</b> | <b>\$250,000 added to financial aid endowment, \$50,000<br/>available as current-use scholarship funding over five years</b> |

#### EXAMPLE B *\$500,000 five-year pledge to current-use and endowed financial aid*

Alumna B established an endowed financial aid fund many years ago with a gift of \$100,000. Now she wants to play her part in The Columbia Campaign for Undergraduate Education through substantially increased giving to financial aid.

Alumna B decides to make a new pledge of \$500,000 to be paid over five years: \$50,000 to the College Fund for current-use financial aid and \$450,000 to her existing scholarship fund. She will do this by contributing \$90,000 per year to the endowment and \$10,000 per year to the College Fund for current-use financial aid. When Mr. Kluge's campaign gift is realized, Alumna B's entire gift of \$500,000 will be matched on a 1:1 basis, which means a total of \$950,000 will be added to her existing endowed scholarship fund.

#### The Impact

|  |  |
|--|--|
| Donor Commitment                                   | \$500,000 over five years  |
| Allocation   | \$450,000 to endowment, \$50,000 to the College Fund<br>for current-use financial aid  |
| Annual Payment                                     | \$90,000 to endowment, \$10,000 to College Fund  |
| Kluge Match  | \$500,000  |
| <b>Total Impact with Kluge<br/>Challenge Match</b> | <b>\$950,000 added to financial aid endowment, \$50,000<br/>available as current-use scholarship funding over five years</b> |