

**University of Cambridge
Faculty of Economics and Politics**

Centenary Conference



**Mary Marshall, who made a huge contribution of time and money to the Marshall
Library**

The Benefits of Benefactions

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The future of the Economics Faculty depends, more than ever before, on its ability to draw resources from benefactions. Central government funding for higher education has diminished steadily, in real terms per student, and Cambridge has had to take its share of this. Maintaining an effective supervision system and providing graduate students with the support that they need becomes ever more difficult. The University currently has a major savings exercise, making it difficult to maintain standards, let alone expand and diversify our educational provision and research activity.

Despite these difficulties, however, the recent history of the Faculty shows that it has been able to expand very effectively when helped by financial benefactions. The one-year Diploma course; the development of substantial accounting and finance teaching; the success of the Marshall Library; collaboration in DAE research; and the growth in research student bursaries are just a few of the initiatives that have blossomed from generous gifts. We here indicate some of the benefaction opportunities that we are confident will bring lasting benefit to the Faculty and its students.

1. Marshall Library (from £50)

Benefactions have enabled the Marshall Library to build up a position as both the most heavily used departmental teaching library in Cambridge, and an internationally renowned research archive. Mary Marshall provided a substantial early legacy to support the Library. In more recent years a trust established by the economist Jack Bellerby, entitled Education Services, has contributed large and regular payments. Many individuals (and some publishers) have made smaller donations. These have mitigated the Library's continual difficulty in maintaining the scale of provision and in innovating, at times when the cost of journals and books has been rising much faster than inflation or government funding. Donations are acknowledged with bookplates with the donor's name in books and journals. £50 permits us to buy an extra book; larger sums will sustain journals and electronic sources.

2. Student bursaries and fellowships (from £1,000)

Many benefactors have contributed to the University's scholarship schemes launched in the eighties to sustain the inflow of talented foreign students, and these support a significant number of the Faculty's overseas graduate students. Although further overseas bursaries could be put to very good use, government funding changes now mean that there are acute financial pressures on UK graduate students, who typically start their training with substantial debt, and face limited opportunities for public funding of their studies.

Mr Raymond Burton, Dr Bill Janeway, and the Tudor Corporation have in recent years made generous benefactions to help fund both UK and overseas economics research students. Further scholarships would aid access, secure an extra income stream for the Faculty and provide a source of aspiring academics who can help sustain the labour-intensive supervision-based teaching system. These scholarships carry the donor's name, and the beneficiaries report to the benefactor on their use of the scholarships. Smaller gifts can provide much-needed support for the travel often required by doctoral students for their fieldwork and other data collection.

3. Visiting fellowship/ professor (from £2000 to £1million)

Globalisation and specialisation mean that most academics need to travel regularly to work with the leading figures in their field. Support for research visits could be used in two ways:
i) *Outward* - Support for research visits by faculty to leading institutions, and for field work.

ii) *Inward* - The Faculty gains in many ways from visits by leading scholars from other institutions. But at the moment, the process is mostly passive, depending on who asks and can afford to come. A fellowship/professorship scheme would enable the Faculty to invite distinguished scholars targeted on research and teaching needs. The Faculty shares with other faculties the Pitt Professorship (in American economic history), a visiting post with full stipend. This attracts the most internationally distinguished academics in the field and makes a major contribution to our teaching and research. We should like to be able to replicate this arrangement for other areas of economics. The fellowship/professorship would carry the donor's name.

4. Academic fellowships (from £100,000)

Externally-funded short-term appointments to teaching positions in the Faculty are valuable in many ways. They help to mitigate a fundamental problem in the Faculty's programme: how to sustain a supervision-based teaching system, which is much more labour-intensive than in most other universities, without reducing the research time available for Faculty members to lower levels than those offered by our competitors in the academic recruitment market. They provide a way for the Faculty to experiment with newly developing fields. In the past decade, for example, the NatWest Bank enabled the Faculty to establish teaching in environmental economics, and CitiCorp's support set up the very successful one-year Diploma Course in Economics. Post-doctoral fellowships provide an early career opportunity to launch young academics.

Such fellowships can be structured flexibly in a number of ways that can benefit the Faculty, a college, or the research programme of the DAE. For example, a fellow can release a permanent member of the Faculty to complete a specially promising piece of research; a fellowship can be linked to a donor's college; and a fellowship can be tied to a research programme in the DAE, which would fund part of the cost. The fellowships are named after the benefactor.

5. DAE research projects (from £20,000)

For over fifty years the DAE has been an integral part of the Faculty, supporting a lively programme of empirical research that has greatly enhanced the teaching. It carries out externally funded research projects in many areas of fundamental research. In some of these, individuals or organisations contribute to projects in their field of interest. These can be negotiated in many flexible ways. For example, Deloitte & Touche have provided extra support to a Leverhulme Trust funded project on macroeconomic instability and business performance. This post also supported a College fellowship. Currently KPMG is supporting a research programme on credit risk in SMEs. This is a joint post with another College. This type of project supports both College teaching and lecturing in the Faculty. It also provides a bridge for young academics to move from doctoral work over to a permanent teaching and research position.

6. An established lectureship/professorship (up to £2.5million)

A new, permanent endowed post can secure an area of scholarship in the Faculty for the long run. Tenured positions can be offered - the most attractive in the recruitment market. The Faculty can incorporate the post in long term plans for teaching and research, confident that the post will not disappear in the next funding cut. Students gain from the extra diversity of the teaching programme; and the Faculty gain from an extra colleague who can enrich its teaching and research. A successful example is Montague Burton's endowment of a Chair in Industrial Relations. Such posts carry the donor's name in perpetuity.

7. An IT classroom (a six figure sum)

The Faculty has a long and honourable tradition in empirical training, and it has continually innovated in teaching computer-based methods in economics. IT skills are developed from the start of the Tripos, with computer-based projects in all three years. We are coming to the

limit of our physical facilities, however, and the next stage of development will require a large classroom of PC's specially designed for teaching. It is likely that the space will become available in the next phase of development of the Sidgwick Site; and the Faculty is now seeking funding to fit out the space with state of the art equipment. The cost will far exceed the regular budget allowed by the University for IT improvements; and we are seeking a donor, after whom the Centre would be named.

8. Contingency funds

Opportunities and needs are constantly arising with the teaching programme, for which regular income is not available. Recent examples include newly developed software, a guest lecturer who could give a course on a hot topical issue, and a specialist placement service for graduate students. A fund for such irregular, unpredictable expenses could yield disproportionate benefits for the Faculty's teaching and research programmes. Contributions of any size are welcomed.