

August 2009

*Stewardship  
in Iowa:  
Our Own  
Horatio Algiers*

***POLICY***  

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***STUDY***  

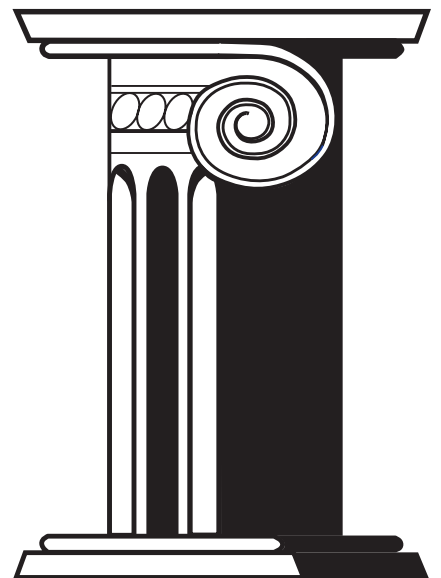
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No. 09-7

by

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**PUBLIC INTEREST**



**I N S T I T U T E**

**POLICY STUDY**

August 2009

No. 09-7

**Public Interest Institute**

**Dr. Don Racheter,  
President**

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# *Stewardship in Iowa: Our Own Horatio Algers*

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During turbulent economic times people are concerned about their jobs and careers, their children's futures, and the direction of our government and country. It is helpful to step back and review the successes of our people and institutions. Demonstrating and renewing our commitment to good stewardship; the careful and responsible management of something entrusted to one's care, is especially critical.

Similar to the young men from difficult circumstances who worked hard, demonstrated integrity, and then helped others, popularized by Horatio Alger in the dime novels of the late 1800s, many Iowans are continuing the uniquely American tradition of stewardship and philanthropy. In Alger's novels the boys work their way up from extreme poverty and difficulties, becoming personally and financially successful. Not enormously wealthy, merely what we today would call "comfortable." Nevertheless, they appreciated those who helped them and felt compelled to help others in turn. Many current writers, including Claire Gaudiani and Paul Pilzer, are discussing and documenting the effect of philanthropy, wealth increases, and technology changes on our economy and our people.

Today's philanthropists often focus on helping institutions of higher education and students, recognizing the benefits of their own education and encouraging others.

Nationwide over \$31.6 billion was given to 1,052 colleges and universities in 2008. Recently the University of Iowa announced over \$200 million in donations in fiscal year 2009, for only the second time in history. The total amount donated since 1956 has passed \$2 billion. At Iowa State University "Campaign Iowa State" raised over \$127 million in fiscal year 2009, passing the original goal of \$125 million, with almost 6,300 new donors – in the most difficult economic period since the Great Depression.\* Additional untold amounts of time are given by citizens every day – from those who serve as advisors to campus organizations, to student mentors, to parents and grandparents encouraging their progeny.

This Policy Study is a brief review of several Iowans who have come up from great personal difficulties and been especially generous in their support of higher education. While many people today turn to government, increased regulation, and taxation to solve problems, these people are solving problems in the free-market and private sector. They have taken their own initiative, and followed their own path in demonstrating good stewardship.

While this study does not, and can not, name all those who work hard to improve their own lot in life and that of others, it recognizes some individuals and details the enormous difference they make.

## *Executive Summary*

*“Good Stewardship;  
The careful and  
responsible  
management of  
something entrusted  
to one's care.”*

# Stewardship in Iowa

## Iowa State University Fundraising History

### Introduction

Horatio Alger was an American author during the late 1800s, famous for writing boys' adventure stories. In a stereotypical Horatio Alger story, the young man was the hero, and though originally he had very limited personal means – he succeeded and prospered through a combination of working hard and leading an “exemplary” life. Key to his long-term success was helping others along the way, and doing “good” with his success.<sup>1</sup> Over time the author’s name, Horatio Alger, became synonymous with the idea of business and personal integrity and high achievement.

The University of Iowa (UofI), Iowa State University (ISU), and other colleges and universities have been fortunate to have their own Horatio Algers over the past few years. These individuals, known and unknown, have focused on the long-term success and growth of our higher education system as part of their personal story and part of their personal stewardship of the financial

resources they have acquired.

According to a news announcement from the University of Iowa Foundation in June 2008, almost \$162 million was raised last fiscal year. Of that amount, over \$96 million was in outright gifts, versus deferred giving. The total was 9.3 percent over the previous year, and the outright giving was almost 60 percent of the total. There were over 64,000 individual donors, and another \$26 million was given directly to the University, instead of the Foundation.<sup>2</sup>

In 1999, as part of “Campaign Destiny,” Iowa State University (ISU) received an anonymous gift of \$80 million, the largest ever given to any public institution in Iowa and the largest to any college of agriculture.<sup>3</sup>

At ISU the most recent gift drive “Campaign Iowa State: With Pride and Purpose” has raised over \$673 million since 2003. The previous two campaigns, in 1993 and 2000, raised \$673 million combined. These funds have allowed for several new and renovated facilities, includ-

Date	Amount	Campaign and Purpose
1969-75	\$27 million	Iowa State Center Building and Jack Trice Stadium
1980-87	\$50 million	Excellence in the 80's campaign
1988-93	\$124.5 million	Partnership for Prominence
1994	\$50 million	President's Scholarship Campaign
1995-2000	\$458.6 million	Campaign Destiny: To Become the Best
2001-2003	\$51.5 million	Investing in People
2004-current	\$673 million	Campaign Iowa State: With Pride and Purpose
		Data Source: A Brief History of Educational Fund-Raising at Iowa State University, < <a href="http://www.foundation.iastate.edu/site/PageServer?pagename=about_history">http://www.foundation.iastate.edu/site/PageServer?pagename=about_history</a> > (August 2, 2009).

ing the Alumni Center, Hach Hall, and the Lloyd Veterinary Medical Center. In addition, 60 endowed faculty and over 580 new scholarships have been established. The total goal of the effort is \$800 million.<sup>4</sup> According to the ISU Foundation, over 55,279 donors gave \$82 million in Fiscal Year 2005 alone, most of which was allocated to scholarships, faculty chairs, and endowed professorships.

### **Nationally, College Donations are Big Business**

In 2008, 1,052 colleges and universities in the United States received over \$31.6 billion in donations, according to a report from the Council for Aid to Education. This was the highest total ever reported,

following \$29.8 billion in 2007. The top 20 universities raised \$8.41 billion, approximately 26 percent of the total. This included Ivy League schools such as Stanford, Harvard, Columbia, and Yale, as well as the University of California at Los Angeles, and Big 10 leader Indiana University, which received three megagifts totaling \$171 million.<sup>5</sup>

The amount raised in any one year must be considered in relation to the continuing endowments. Again, Harvard University is the well-known leader, with an endowment of over \$36 billion. Other Big 10 schools also do well with the UofI and ISU ranking 80 and 130 respectively with endowments of \$935 million and \$568 million.

## *Our Own Horatio Algers*

### *Major University Endowments Fiscal Year 2008*

Ranking	Institution	Amount (in millions)
1	Harvard University	\$36,556,284
7	University of Michigan	\$7,571,904
8	Northwestern University	\$7,243,948
12	University of Pennsylvania	\$6,233,281
24	University of Minnesota	\$2,750,770
31	Ohio State University	\$2,075,853
37	Purdue University	\$1,735,660
45	Indiana University	\$1,546,469
47	Grinnell College	\$1,472,448
48	University of Illinois	\$1,459,967
56	Michigan State	\$1,282,073
80	University of Iowa	\$935,453
130	Iowa State University	\$568,674
	Data source: 2008 NACUBO Endowment Study, National Association of College and University Business Officers	

# Stewardship in Iowa

## Stewardship and Iowa Citizens

In a previous POLICY STUDY, *Stewardship in Government Spending: Accountability, Transparency, Earmarks, and Competition*, from January 2009, the Public Interest Institute looked at examples of poor stewardship, as demonstrated by government projects and programs which have not lived up to expectations or which have become financially problematic. Within these earmarked “pork” projects, there is much inefficiency and a lack of transparency and accountability.

In contrast this study looks at selected examples of positive stewardship, especially in the funding of higher education buildings, research, and scholarships. Many people who have been personally and financially successful in their chosen careers demonstrate this stewardship or philanthropy. They understand that government should not and can not be responsible for all the needs of citizens and organizations, and that citizens and organizations can not rely on tax dollars alone. As we shall see, behind the philanthropy numbers there are a wide variety of interesting and outstanding citizens, serving their states, their countries, and our children.

Several individuals who have significantly influenced the course of both the University of Iowa and Iowa State University have been inducted into

the Horatio Alger Association of Distinguished Americans. According to their website, the association was started in 1947 to “dispel the mounting belief among the nation’s youth that the American Dream was no longer attainable.”<sup>6</sup>

There are three components to the Association’s mission. First is to recognize successful individuals who have overcome adversity while demonstrating integrity, hard work, perseverance, and compassion throughout their lives; second is to provide scholarships to young people who themselves are demonstrating these principles in situations of adversity; and finally to mentor the scholarship recipients and promote both the American free enterprise system and service to others.<sup>7</sup>

During the current economic recession, with the resulting questioning and overturning of many of the fundamental principles of both the capitalist economic system and democratic government, it would seem appropriate to review the positive stewardship contributions of those who have achieved the American Dream and are passing it along.

At the same time there are significant questions about the direction, role, function, and funding of higher education in our state. Therefore it seems doubly appropriate to review how successful Iowa entrepreneurs have demonstrated good stewardship and supported our colleges and universities. In

*“Government should not and can not be responsible for all the needs of citizens and organizations.”*

some respects, all entrepreneurs featured in this study live by the Lee Iacocca quote of, “Apply yourself. Get all the education you can, but then, by God, do something. Don’t just stand there; make it happen.” These individuals and many others have all made something happen.

There are currently six Iowans who are members of the Horatio Alger Association; Roy Carver, John Colloton, Barry Griswell, Lee Liu, John Pappajohn, and Marvin Pomerantz. Though Mr. Pomerantz has passed away, he is still listed on the membership. In addition, a former Iowan, Henry B. Tippie, is a member, but credited to the State of Texas. Their dedication to education combined with hard work and entrepreneurship as the way to succeed in life is evident throughout their careers.

### **Carver: The Innovator**

Mr. Roy Carver had a paper route as a young man, a beginning career path still available today – though many young people aren’t very excited about getting up at 5:00 a.m. to deliver papers in the rain, cold, and snow, and many wait until they are able to drive a car, instead of walking. Carver was a straight-A student, earning a scholarship to the University of Illinois. As a young engineer working for the state of Illinois, he became convinced he could build a better self-priming pump and quit his job

to do so. As a result of the demands of both the British and American military during World War II, his pumps sold well and he became a success. Later Carver continued to adapt his business to market conditions, using “new European techniques,” and expanding into the retread tire market. At every step in his career he continued to innovate and introduce new technologies and ideas.<sup>8</sup>

In the book *God Wants You to Be Rich* Paul Zane Pilzer, a Wharton-educated economist, professor, and entrepreneur, discusses the idea of the “technology gap,” the idea that individuals and industries often do not use the “best practices possible with current technology,” but instead use older systems and technologies which are more comfortable but inefficient.<sup>9</sup> This book was a follow-up to his earlier work *Unlimited Wealth*, which promotes and supports the idea that our world has unlimited wealth as a result of rapidly advancing technology developments.

Pilzer encourages the idea that God wants people to become prosperous, documenting his ideas with concrete examples from scripture and history. He also supports the premise that by becoming prosperous, people are then able to help others and demonstrate good stewardship by their efforts. This is in direct contrast to today’s popular attitude that wealth and wealth creation are not to be desired. Instead

## *Our Own Horatio Algers*

*“By becoming prosperous people are then able to help others and demonstrate good stewardship by their efforts.”*

# Stewardship in Iowa

*“My life was a quest  
for quality --  
in workmanship,  
associates, and  
performance.”*

Americans are told to be content with what they have and be willing to redistribute their wealth through government programs to those who are not successful, so that everyone is taken care of.

Mr. Carver’s approach to technology and business development, though implemented before Mr. Pilzer’s writings, supports the philosophy of increasing the wealth of all by improving the use of our resources. Carver followed this approach personally, not just in business, but also by learning and speaking five languages fluently. His quote on the Horatio Alger member webpage, “My life was a quest for quality -- in workmanship, associates, and performance,” further reflects this idea.

As his fortunes improved, Mr. Carver provided in his will for the Roy J. Carver Charitable Trust, based in Muscatine, Iowa. Following his 1981 death, it was established and is the largest private philanthropic foundation in the state, with assets of over \$200 million. Over 1,850 individual grants have been awarded, totaling over \$235 million, with an annual distribution of approximately \$12 million.<sup>10</sup>

Recent gifts to the University of Iowa include \$1 million for the modernization of the Dental Science Building. The total modernization of the Dental Science Building is expected to cost over \$45 million, with private donations expected to cover 20 percent

of this amount.<sup>11</sup> In May of 2008, the Carver Trust awarded two grants to Iowa State, one for the infrastructure required to install a new supercomputer and the second to study plant cell wall composition.<sup>12</sup> In total, the Trust has given \$24 million to Iowa State alone. Donations have also been made to many of Iowa’s private colleges, including a recent gift of \$100,000 to Central College in Pella for a community-based learning center in their new education and psychology building.<sup>13</sup>

## **Colloton: Man with The Vision**

John Colloton began his professional career at the University of Iowa Hospitals and Clinics (UIHC) in 1956, remaining there for 44 years. He advanced within the organization and served as the Director and CEO for the University of Iowa Hospitals and Clinics from 1971 to 1993.<sup>14</sup> This was a critical 20-plus years in the development of the industrial medical complex, especially at the UIHC. The book; *The Rise of a University Teaching Hospital* by Dr. Samuel Levey chronicles the success story of how a one-room schoolhouse became a major medical hospital and teaching college over 100 years of changes and development.

As early as 1966, over \$115 million in capital needs for modernizing the hospital were identified, largely driven by the



“immense new requirements” of the then new Medicare program.<sup>15</sup> Compounding the problem was that in contrast to the late 1960s when tax dollars funded 37 percent of the construction costs for teaching hospitals, by 1977 the tax-based funding from both federal and state government had fallen to 8 percent of the total, while costs were increasing dramatically.<sup>16</sup>

During this same period the number of students attending medical school increased, along with several state mandates, including the requirement to increase the number of general practitioners statewide. This concern for appropriate access to medical services in rural areas is still with us today. Major medical research and treatment improvements during the 1970s were occurring in arthritis, kidney disease, juvenile diabetes, cancer, heart disease, and mental illnesses. These changes and legislated reorganizations resulted in the name of the hospital being changed to the University of Iowa Hospitals and Clinics, UIHC, in 1971, the name still used.

As these changes occurred, Colloton was a key player in the negotiations for private donor funding, as well as federal and state support for the complete rebuilding of the physical plant. In accreditation reports prior to the building campaigns, the facilities were referred to as “antiquated” and “decompensated anachronisms.”<sup>17</sup> Yet the UIHC was the only hospital in

Iowa with a then revolutionary heart-lung machine for surgery patients. The plans as Colloton presented them were for phased construction over what became 23 years.

A major change assisting in the funding of the building plan was the authorization of the state to allow independent bonding of the construction projects, instead of allocation of state or federal tax money. The bonds were to be paid back out of hospital income. The first phase (the North Tower -- now named the “Boyd” Tower) of the ambitious plan was authorized in 1973 and completed in 1976, with no federal tax dollars used for construction.<sup>18</sup> The second phase, initially called the South Pavilion, became the Roy J. Carver Pavilion following a \$2 million gift from Mr. Carver, the first of many.

Building and changes continued under Colloton at a rapid pace. The 1977 report showed that 56 projects had been completed since 1974, costing \$5.6 million, with 16 others under way. At the 10-year mark in 1987, total construction costs were \$74 million, as a result of adding or remodeling over 113,700 square feet of hospital and clinic space.<sup>19</sup> By 1983, \$60 million in revenue bonds had been sold, with \$7.4 million in donations plus reserves from the capital fund covering the rest of these costs.<sup>20</sup> The three major building projects, the Boyd Tower and Roy J. Carver and John Colloton Pa-

## *Our Own Horatio Algers*

*“Colloton was a key player in the negotiations for private donor funding.”*

# Stewardship in Iowa

*“Luke 12:48, ‘to whomsoever much is given, of him shall much be required.’”*

vilions had been completed, at a cost of \$120 million.

Another important financial gift of \$3 million came from John and Mary Pappajohn in 1989, for the new John Pappajohn Pavilion. This was followed by two endowments from the Pappajohns, one for the Clinical Cancer Center. By 1991, the Pomerantz family, Marvin, Rose Lee, Harry and Dorothy, gave another \$3 million for a new facility housing an eye institute, women’s health and family care centers, a geriatric clinic, otolaryngology and dental clinic.

The building and growth of the UIHC continues today, with over \$500 million in construction costs as of the mid-1990s, and over 2.2 million gross square feet of new hospital and clinic space. The most important aspect of this work is that under Colloton’s direction, none of the construction was paid for with state tax appropriations. Though important for public relations and community development purposes, only \$13.4 million came from private gifts, such as those from our Horatio Alger honorees. Patient revenues paid for the vast majority. Though the ability to bond for guaranteed funds was critical, as of 1993 there was only \$35 million in debt owed. Currently Colloton holds the title of director emeritus and has since 2001.<sup>21</sup>

In discussing his dedication to the UIHC and his work with the Alger Association, Colloton quoted from *The Bible*, Luke

12:48, “to whomsoever much is given, of him shall much be required.”<sup>22</sup> He further outlined his approach to evaluating success by three ideas 1. Has the person conducted their professional or occupational life to fully develop their God-given talent? 2. Have they met their obligations to their family? 3. Have they followed a respectable code of morality?<sup>23</sup>

## **Pappajohn: You have to Learn to Give**

John Pappajohn, though born in Greece, has given his adopted country and state much. He credits his mother with teaching him that even if you don’t have much to give, you give all you can, because the more you give the more you receive. He typifies the Horatio Alger stereotype of a poor young man who worked hard, had integrity, and did well. He was the oldest child in his family, and after his father passed away when he was 16, Pappajohn and his brothers took turns working and putting each other through college. How many brothers today would think to do the same for each other? Starting as an insurance salesman, he became a venture capitalist focusing on the medical industry and helping to found over 50 start-up companies.<sup>24</sup>

His contributions to the University of Iowa and to education in general have been many and varied. He donated funding for the John Pappajohn Business Building and the Pap-

pajohn Pavilion at the UIHC. The John and Mary Pappajohn Entrepreneurial Centers, located at five colleges in Iowa, have helped to start over 1,000 new businesses. In 1997 he and his wife funded a \$5 million scholarship fund, which awarded over \$350,000 in scholarships in 2004 to ethnic, disadvantaged, and minority students. Most recently they gave \$2 million to a new collaborative higher education center working with seven schools in Iowa.<sup>25</sup>

Pappajohn's support for new technologies in developing industries as a way to develop wealth for both individuals and organizations and his commitment to philanthropy echoes the theme of a book by Dr. Claire Gaudiani; *The Greater Good: How Philanthropy Drives the American Economy and Can Save Capitalism*. *The Greater Good* outlines how it is not Americans wealth that makes us generous, but our generosity that makes us wealthy. For example, eighty-nine percent of Americans make donations each year, not just to our religious institutions, but to a wide variety of causes. She demonstrates that generosity supports upward mobility. For example, college-educated people typically make more money, leading to a higher socio-economic status. People with a higher socio-economic status donate more to help others, and often donate to colleges so others move up the economic ladder themselves. Therefore, donat-

ing to education supports upward mobility. She argues that philanthropy helps to develop new industries, which would typically use the new technologies that Pilzer would argue are so important, and further that it supports democracy.<sup>26</sup> Gaudiani and Pilzer wrote the books; Pappajohn and our other examples lived them.

### **Tippie: A Farmer, Veteran, and Racer**

Henry Tippie began life in Iowa as the son of a dairy farmer. Milking cows is a hard and demanding life, requiring 24/7/365 attention. It was especially hard in the 1930s. After graduating from high school and entering the Army, Tippie no longer milked cows. After finishing his military service in World War II he returned to Iowa, graduating from the school of business now bearing his name. Like many current college graduates, after earning his degree he was forced to move away from his home to earn a living. He took his first job with a family business in Delaware as an accountant and never left – moving up and expanding the business then becoming the head of five major corporations, including a major motor sports and entertainment/gaming operation.

Today Tippie still spends much of his time away from Iowa at his ranch in Austin, Texas, but hasn't forgotten his home or his stewardship responsibilities.<sup>27</sup>

## *Our Own Horatio Algers*

*“Eighty-nine percent of Americans make donations each year, not just to our religious institutions, but to a wide variety of causes.”*

# Stewardship in Iowa

*“Someday I want to create a scholarship to help someone else make their dreams come true. Just as Mr. Tippie did for me.”*

He began his stewardship in 1954, shortly after graduating, when, according to the story he first sent a \$5.00 bill to the college.<sup>28</sup> As part of his support for the University of Iowa business school he funded a 175-seat auditorium and a student lounge and diner.<sup>29</sup> In 1999 he made an additional gift of \$30 million to the business school, the fifth-largest donation to a business school at that time.

Though many donations to the University are for infrastructure, this one was focused on the students – providing undergraduate scholarships based on financial need and motivation, not straight academics. The funds will also be used for endowed professorships. During an era when two-thirds or more of public college students graduate with loans, and those who have loans owe an average of \$17,250 plus interest, Tippie’s focus on the people instead of the buildings is appropriate.<sup>30</sup>

Interestingly enough, Tippie readily admits he wasn’t a stellar student, but was “motivated.” His premise is that a motivated student will, in the long run, be the more successful student. According to his Alger statement, for the future he “will bet on the one who’s motivated.”<sup>31</sup>

His efforts are resulting in future “Horatio Algiers,” as one student who received a Tippie scholarship said; “Someday I want to create a scholarship to help someone else make their dreams come true. Just as Mr.

Tippie did for me.”<sup>32</sup>

## Griswell: Iowa Transplant

Barry Griswell was born in Atlanta, Georgia, to what we would call today a “dysfunctional” family. His parents divorced, re-married each other, then divorced again. Later his mother married another man, and the family dealt with issues of alcoholism and abuse. Though his mother worked two jobs, the finances were always tight, resulting in 16 moves in as many years. However, in his Alger biography Griswell says, “Those early years were difficult, but I had many positives. I never went without a meal... my mother got me involved in church... I never felt sorry for myself.”<sup>33</sup> Recently Griswell co-wrote a book on adversity called, *The Adversity Paradox* in which his story was one of the example cases.

As a graduate of Barry College in Georgia and Stetson University in Florida much of Griswell’s education philanthropy goes further south, as do many Iowa “snowbirds” each winter, but he has been a trustee of Central College, in Pella, Iowa for many years. Most recently he and his wife Michelle had a wing in the new Central College Education, Psychology, and Communications Building named after them, following a \$1 million donation to the school. The total donations for this building are expected to total over \$9 million, according

to the Central College Development Office and students will begin using it this fall.

Currently, Mr. Griswell is retired as Chairman and CEO of Principal Financial Group and serves as President of the Greater Des Moines Community Foundation. This organization manages assets of over \$146 million for over 590 charitable funds in the Des Moines area. These funds awarded nearly \$28 million in gifts in 2008 to a wide variety of individuals and organizations.<sup>34</sup>

### **Liu: First Generation American**

Possibly the most difficult life path of all the Alger Distinguished American recipients is that of Lee Liu, born in China in the 1930s. His family was separated by war, first during fighting with the Japanese, then during the Communist takeover of China. They were forced to emigrate first to Hong Kong and then to Brazil, where both the language and the culture were very different.

At Iowa State, he initially studied to become a farmer then switched to electrical engineering and graduated in less than four years, working as a busboy, bowling alley pin setter, janitor, painter, and laboratory assistant while in school.<sup>35</sup> His first and last professional career position was with Iowa Electric, now Alliant Energy. Liu retired as Chairman of the Board several years ago.

Mr. Liu is active with a wide variety of charitable organizations and has an auditorium at Iowa State named after him. The Alliant Energy-Lee Liu Auditorium in the Howe Hall engineering building, funded with a gift of \$1 million from the Alliant Energy Foundation, hosts many lectures and conferences on leading engineering issues. It is considered the most “high-tech” auditorium on campus, featuring leading edge computer and communications equipment used during classes and for lectures and presentations. This, along with Liu’s work in nuclear power, is another example of the Pitzer philosophy of investing in technology for future economic growth. In addition he was a leader in two major fundraising campaigns for Kirkwood Community College in Cedar Rapids, with an endowed scholarship named for him. Currently much of his philanthropy is directed to his home country, China, where he is supporting several schools.

### **Pomerantz: Son of Polish Immigrants**

Marvin Pomerantz is the last of our stewardship examples who was a member of the Horatio Alger Association. As the eighth child of Polish immigrants, whose father was originally a walking broom peddler, Pomerantz moved far up the socio-economic ladder. After attending the University of Iowa and graduating in less

## *Our Own Horatio Algers*

*“Mr. Liu is active with a wide variety of charitable organizations and has an auditorium at Iowa State named after him.”*

# Stewardship in Iowa

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than four years, he began working for the family business, which grew and expanded. Later, he and his brothers dissolved the main business and branched out on their own.

His two primary companies, the Great Plains Bag Corporation and Mid-America Group were very successful and were eventually sold at a profit. Pomerantz’s final company, the Gaylord Container Corporation, was formed in 1986 and named one of the United States’ top 10 containerboard producers.<sup>36</sup> On the Alger website, Pomerantz’ his quotation of “Knowledge is a resource that is virtually limitless” further supports Pilzer’s ideas about unlimited potential growth based upon education and technology.

Pomerantz’ stewardship efforts included serving on the Board of Regents and on the University of Iowa Foundation Board. His financial gifts were continuous and significant, including millions to the business school for a library, the establishment of a career center, an endowed professorship, and the funding for the Pomerantz Family Pavilion at the UIHC.<sup>37</sup>

He was tenacious and outspoken, as demonstrated in his final years. Before his death in 2008, Pomerantz had public disputes with both Governor Chet Culver and University of Iowa President Sally Mason on educational approaches. As Chairman of the Institute for Tomorrow’s Workforce, a think-tank created by the Legislature to research and promote

education in Iowa, Pomerantz publicly criticized Governor Culver for not doing enough to ensure equal educational opportunities for all students in Iowa. Eventually he resigned from the Institute and filed a lawsuit against the state asking that government adopt a statewide mandatory curriculum.<sup>38</sup>

An additional furor was raised when some alleged that Pomerantz tried to “bully” University of Iowa President Sally Mason into firing College of Public Health Dean James Merchant after Merchant refused a \$15 million donation from Blue Cross/Blue Shield Wellmark of Iowa. The donation involved naming the college after the corporation, which some in the university community thought would inappropriately hinder academic independence.<sup>39</sup> As someone who had donated for a wide variety of “named” projects he supported and had arranged for the Wellmark proposal and gift. If asked he might have replied that all money is green, as long as you support the growth of knowledge. Mr. Pomerantz passed away not long after this incident, following a heart attack, at the hospital he helped to build on the grounds of the University he supported.

## **Not only Buildings but Tuition**

Though the seven men and families featured in this study have large and elegant buildings and prestigious orga-

nizations named after them, possibly their most important contribution is in the area of scholarships given directly to college students.

According to the Horatio Alger website, in 2006 alone over \$300,000 was given to 100 Iowa college students in the form of \$3,000 scholarships to each. The funds came from Pappajohn, Pomerantz, and Tippie. The scholarships were given to students who have overcome “poverty, abandonment, physical and mental abuse, alcohol and drug abuse within the household, serious illness and the death of immediate family members.”<sup>40</sup> Integrity, perseverance, and initiative, in addition to critical financial need, are key determinates of who was awarded the scholarships. Though \$3,000 seems to be only the tip of the iceberg in funding a college education in this time of private schools with tuition, room, and board totals in the range of \$40,000-\$50,000 per year, it is a significant gift to students facing real challenges in getting their education.

Of further interest is that four of the seven, Colloton, Liu, Pappajohn, and Pomerantz were either first or second generation Americans from Ireland, China, Greece, and Poland. They and their families came to America because of our free-enterprise system and because of the opportunities available if you work hard and have integrity, because of the “American Dream.” Their bi-

ographies touch on how parents and grandparents did not speak English or not well – yet all the families knew and focused on the importance of earning an education to properly prepare you for life and for a better life. In addition several proudly served in the U.S. Military.

In contrast minority students today who speak and dress respectfully and properly, and work hard in school, are instead often told by peers they “aren’t ghetto enough.”<sup>41</sup> Hispanic students in California have taken down the American flag and instead posted a Mexican flag at American schools in a show of loyalty to their home country.<sup>42</sup> It is well documented that even graduating college students who are native-born Americans often do not know the basics about our Constitution and form of government.<sup>43</sup>

### **Stewardship has Many Faces**

There are many others who have demonstrated good stewardship of their personal resources, within both the University of Iowa and Iowa State communities and in other places.

One example is that of John and Allie Dane of Iowa City and their family. As a result of having a family member with profound deafness who was helped by a cochlear implant performed at the UIHC, the Dane family donated over 230 acres of prime Iowa farmland to benefit the Cochlear Implant

## *Our Own Horatio Algers*

*“The scholarships were given to students who have overcome ‘poverty, abandonment, physical and mental abuse, alcohol and drug abuse within the household, serious illness and the death of immediate family members.’”*

## *Stewardship in Iowa*

*“...Free college tuition and room and board to children of employees who have been with the company for more than 10 years.”*

Research Fund.<sup>44</sup> The family supports many other local and charitable organizations with both their time and their financial resources.

An alumni foundation based in Iowa City, the McCord Research Foundation, made a gift of \$2.3 million in 2008 to the University of Iowa to support biomedical research. This donation supports three research projects on free radicals and their impact on aging and healing, and includes fellowship support for the program. The McCords, Darlene and James, both graduated from the University of Iowa and have a successful medical research company – taking several products to the commercial marketplace.<sup>45</sup>

Their stewardship extends not just to the practical, core research programs, but also to more “feel-good” efforts, such as providing Perfect Petzzz to children with cancer. After being “relaxed and comforted” by one of the battery powered stuffed toys herself, Dr. McCord went out and purchased another 47 and took them to the hospital for the children.<sup>46</sup>

Yet another Iowa City-based family, Russell and Ann Gerdin, enabled the establishment of a Ph.D. program at Iowa State by donating \$1 million to an endowment fund. This was in addition to \$10 million they previously gave for the Gerdin Business Building and money for both athletic and citizenship programs.

The Gerdins founded

Heartland Express, a trucking firm that Mr. Gerdin built into one of the largest in the U.S. Heartland Express has been on the *Forbes* magazine list of “200 Best Small Companies to Work For” for seven consecutive years. Heartland trucks are seen on Interstate 80 and most U.S. interstate highways every day of the year. He, like Tippie, puts his belief in the students and their dedication to learning, and obviously in his employees. As a concrete example of this, Heartland Express provides free college tuition and room and board to children of employees who have been with the company for more than 10 years.<sup>47</sup>

Another couple, Dave and Ellen Raisbeck, have funded the Iowa State Endowed Dean’s position in the College of Business. Both graduates of Iowa State, they are not only active givers, but Mr. Raisbeck also serves on the Foundation’s Board of Governors, and is on the Advisory Council for the Business School. They have funded other programs including the President’s Leadership Initiative Award and the Raisbeck Career Services Center.<sup>48</sup>

The Beisners of Missouri gave to the Carver College of Medicine for scholarship awards, building renovation, and an equipment fund. A gift from the Sahs family in memory of the husband, Dr. Adolph Sahs, funded a visiting lectureship in Neurology. According to the University of Iowa Foundation website, over



3,300 Carver College of Medicine alumni, faculty, staff, and corporations have given over \$30 million to a special campaign, “Seeking Knowledge for Healing.” This funding has helped in the construction of a new Medical Education and Research Facility.<sup>49</sup>

These are but a few examples, the number of donors, both large and small, to higher education in Iowa goes on, making for a very, very long list.

### Summary

This is a short review of some key people who support higher education in Iowa as part of their stewardship of their abundant resources and financial success. There are many, many more – especially those who give at lower levels, in the \$100s of dollars, not the millions.

In addition, there are all the parents who do not “give” because instead they are paying for the tuition, room, and board of their personal students – and that is a struggle in itself. Their stewardship may be most important of all as they work hard to raise their children to themselves find and achieve the “American Dream.” We must also respect those students whose parents cannot afford their tuition and are working and taking out large personal loans to pay for their education. These students especially benefit from the facilities and scholarships established by

good personal stewardship. They both benefit from the modern “Horatio Algiers” and are themselves presented with the opportunity to persevere, work hard, maintain their integrity in difficult situations, and then to turn and support the generations behind them.

Focused and driven leaders can accomplish wonderful things for the citizens of Iowa, especially our students, by good stewardship of the gifts of private philanthropists. It is not necessary to always look to government and tax money for new buildings and scholarships. As our state and our nation move forward in the next few years, we must keep in mind that the most “unlimited” resource we have is our people, our children, and our workers.

The government must not take away their ability to work and care for themselves, make their own decisions, be responsible for their own future, and have the ability to succeed personally and financially beyond their wildest dreams. That is good stewardship of the opportunity provided by our Founding Fathers over 230 years ago. To change the American system into anything less would be a sacrilege.

*“Most people think that Americans are generous because we are rich. The truth is that we are rich, in significant part, because we are generous.” - Claire Gaudiani*

## *Our Own Horatio Algiers*

*“Their stewardship may be most important of all as they work hard to raise their children to themselves find and achieve the ‘American Dream.’”*

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