Report to Investors

FISCAL YEAR 2015

SEPTEMBER 1, 2014 – AUGUST 31, 2015
Dear Friends,

I am delighted to share with you the 2015 Report to Investors. With gifts this past fiscal year from a broad-based community of alumni, corporate partners, and friends in support of Stanford Graduate School of Business, you help make lasting global impact that keeps the school strong. Your generosity enables us to reach high-potential leaders around the world, provides much-needed student financial aid, advances collaborations with partners throughout the university, and cultivates the pipeline of distinguished faculty.

Whether it be by strengthening the student experience in our renowned degree programs, investment in educational technology, or the construction of Highland Hall, our new student residence scheduled to open in 2016, your commitment drives our progress across a number of strategic initiatives. Recently launched or expanded programs included the Executive Program for Education Leaders for K-12 school superintendents; the growth of Stanford Ignite to six global locations beyond the Knight Management Center; and a re-envisioned framework for on-the-ground education and coaching for entrepreneurs in developing economies through Seed. In addition, in its third year, the Global Fellows Program drew a record number of MBA applicants from Africa who, due to financial barriers, would not otherwise have the opportunity to consider the GSB.

Thank you for your consistent annual support, reunion commitments, and endowment investments that are so essential to our ongoing global leadership in management education. Together with an impressive record of volunteer service and participation, we collectively demonstrate the enduring strength of the GSB.

Stephanie Frost
Associate Dean for External Relations

In recognition of your investment in Stanford Graduate School of Business, this report highlights the collective power and impact of gifts received September 1, 2014, through August 31, 2015. View the names of our donors and volunteers acknowledged at honorrolls.stanford.edu.

The 50/50: Philanthropic gifts make up 50% of the school’s operating budget annually

Student tuition covers only half of the real cost of a Stanford GSB education

Generous donor support helped pilot new programs, support student fellowships, expand the Global Fellows Program, foster strategic collaborations, attract and retain distinguished faculty, enhance the living and learning environment, and seamlessly incorporate educational technology throughout the GSB experience.

Thank You!

50/50 honorrolls.stanford.edu

49% Tuition and Fees
13% Current Use Gifts
4% Research Grants and Other Revenues
34% Endowment Income

Generous donor support helps fund the Stanford Graduate School of Business, one of the nation’s leading business schools.

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Financial Summary (in millions)

Operating Budget Revenues
Tuition and Fees $110.5 49%
Endowment Income $75.9 34%
Student Life Gifts $20.8 10%
Research Grants and Other Revenues $10.9 5%
TOTAL (in millions) $228.1

Operating Budget Expenditures
Faculty, Teaching, and Research $67.2 32%
Centers and Initiatives for Leadership, Entrepreneurship, Global Business, Social Innovation; Seed; and other programs $15.6 7%
Student Programs $20.7 10%
MBA, MS, (including the Sloan Master's Program, PhD, Executive Education, Global Innovation Programs) $47.3 22%
Infrastructure (IT and Library) $19.8 9%
Facilities, Finance and Planning, Human Resources $20.3 9%
Endowment/Budgets and Alums $19.3 9%
TOTAL (in millions) $218.6

Fiscal Year End Endowment Summary
Professorships/Faculty Awards $486 36%
Fellowships $352 25%
Teaching and Research $216 16%
Library $19 1%
Endowment Income $195 14%
TOTAL ENDOWMENT VALUE (in millions) $1,382

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Investing in the Future

50/50

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49% Tuition and Fees

13% Current Use Gifts

4% Research Grants and Other Revenues

34% Endowment Income

15/85
Stanford GSB offers unparalleled opportunities that help students launch meaningful careers and make an impact.

Over 50% of GSB students receive financial aid

Reaching High-Potential Leaders

“Your support allows military veterans to receive a world-class education in business fundamentals in parallel with the skillsets of entrepreneurship and innovation.”
Andrew R. Trapp, Special Operations Stanford Ignite Post-9/11 Veterans Program Participant

“Our district team is learning the latest research in the area of leadership, management, and education from the researchers themselves in a close and collegial learning environment. The experience to work, learn, and immerse our team in a world-class academic environment engages, challenges, and invigorates the entire leadership team.”
Donald Gill, Ed.D. Superintendent of Schools Antioch Unified School District Participant, Executive Program for Education Leaders

“The GSB community is unparalleled. My classmates’ accomplishments, thoughtfulness, and sky-high ambition continually humble me.”
Lucy Cowans, MBA Class of ’16 Business School Fund Fellowship Recipient

“Your generous contributions to my educational and career goals are deeply appreciated.”
Kore Crawford, MSx ’15 Business School Fund Fellowship Recipient

“I signed up to help organize our class gift campaign because I believe that my time at the GSB has truly transformed who I am, the way that I live, and how I view the world. I want to do everything that I can to give back to this incredible place and to show my thanks for the people who have generously given before me to make my experience here possible. I firmly believe that organizing a class gift campaign that mobilizes 100% of our classmates is the best way to do just that.”
Evan Schlossberg, MBA ’15 Co-Chair, 2015 MBA Class Gift Committee

“I am sincerely grateful for your fellowship support, which makes it possible for me to have access to the world-class professors, illuminating classes, and brilliant classmates at the GSB. I hope to take advantage of this great opportunity and become a world-class scholar.”
Hugh Wu, PhD Class of ’19 Cha Family Fund Fellowship Recipient

“I thought the dream might be too big and the financial burden too high. This experience will allow me to make a positive economic impact in Africa.”
Kudzi Chikumbu, MBA Class of ’16 Stanford Africa MBA Fellowship Recipient Global Fellows Program

“I am really grateful for the fellowship support. I am so thankful.”
Korin Crawford, MSx ’15 Business School Fund Fellowship Recipient

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Evan Schlossberg, MBA '15
Co-Chair, 2015 MBA Class Gift Committee
Our faculty create powerful ideas and new knowledge by rigorously pursuing innovative research at the leading edge of their fields.

Advancing Management Education

Only 50% of our faculty are supported by endowed chairs*

"I am passionate about research and field interventions that can better motivate consumers to live healthy, conduct pro-social behaviors, and generate friendly and productive interactions with others. Generous donor support allows me to conduct valuable research that can improve consumer welfare, as well as facilitate my delivery of consumer insights and knowledge in the classroom."

Szu-chi Huang
Assistant Professor of Marketing
2014-15 Spence Faculty Scholar

"I have alumni come and speak to my class, which focuses on firm strategy vis-à-vis government in emerging markets. It is terrific to layer the investor’s view over that of the entrepreneur, and the students love those sessions."

Katherine Casey
Assistant Professor of Political Economy
2014-15 John A. Gunn and Cynthia Fry Gunn Faculty Scholar

"By engaging with faculty and stimulating collaborative, interdisciplinary research, Stanford Ignite encourages the fundamental advances in knowledge required to address the complex, multifaceted barriers to economic growth in developing economies."

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Faculty Director and Executive Director, Seed

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"FGSB alumni play a crucial role in the Stanford Ignite program. They are mentors to the team project component, they are panelists providing crucial feedback to the teams, and they are guest lecturers. Moreover, they have embraced the Igniters worldwide and, by sharing the vision, have strengthened the GSB presence around the globe. We would not have been able to recruit top talent to participate in the program, to have successful meaningful projects, to integrate the participants to our community and values, and to have an applied education experience through the project without our alumni sharing their experience, advice, and time."

Yossi Feinberg
John G. McCoy - Banc One Corporation Professor of Economics
Faculty Director, Stanford Ignite

"The highlights of my past year include presenting at the annual conference of one of our top journals, Journal of Accounting and Economics, and studying development in South Africa and Vietnam as part of Stanford’s Faculty Study Trips program."

Ed deHaan
Assistant Professor of Accounting
2014-15 R. Michael and Mary Shanahan Faculty Fellow

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Target to Parker Professor of Finance and Economics

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Our faculty create powerful ideas and new knowledge by rigorously pursuing innovative research at the leading edge of their fields.
The Stanford GSB experience extends far beyond campus and long after graduation. Connecting Our Community

"As a coach, I'm able to span a wide variety of engagements with my companies, from very strategic to very tactical. On the big picture side, coaches help each company write a transformation plan—how they are going to achieve their big vision. And in writing that transformation plan, we touch on various areas of business from marketing strategy to operational goals. On the tactical side, I will jump in and do what is necessary to help them."
Corinne Augustine, MBA ’91, Seed Coach, Stanford Institute for Innovation in Developing Economies

"The GSB made a small investment in me, but it had a life-changing impact on my life. I view my annual support as a way of both repaying the debt and helping future students have the same exceptional experience that I did. I know firsthand that my annual support goes a long way."
Darian Vanghelu, MBA ’02

"I want to provide support for the students that followed me just as alumni had done for me and my class. The creative and pioneering initiatives undertaken with the support of unrestricted contributions are really making a difference, and I want to play a part in making those happen."
Jake Rohrer, MBA ’71, Business School Fund Council Chair

"I've always had an interest in developing economies, and the Global Fellows Program provided the perfect opportunity for me to help our school make a difference in some countries."
Dominique Michel, MBA ’98

"We had a great turnout for the Boston Business of Change event; it was a fun way to reconnect with GSB faculty, meet other alums, and strengthen our local chapter."
Marcus Catsouphes, MBA ’11, Volunteer, Business of Change, Boston

More than 50% of alumni participate in the life of the school by giving, volunteering, or coming to events.

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Jake Rohrer, MBA ‘71
Business School Fund Council Chair
Celebrating Milestones

FALL

- Groundbreaking ceremony for new student residence
- MBA Class of ’84 event at Schwab Residential Center
- Fall Reunion, MBA Class of ’79 panel

WINTER

- Executive Challenge student participants
- Student Study Trip to Israel

SPRING

- Ernest C. Arbuckle Award presented to Jeffrey Skoll, MBA ’95 (fourth from right)
- MBA Distinguished Teaching Award recipient Jonathan Levav (center), 2014-15 Younger Family Faculty Scholar
- MBA Class of ’79 Honors Bill Morrow, MBA ’78, with the New York Excellence in Leadership Award
- Hispanic Business Student Association presents the Jerry I. Porras Award to Leticia Miranda, MBA ’93 (second from right)
- Alumni with Professor Ed Lazear (third from right) at the Business of Change finale in Los Angeles

SUMMER

- Stanford Ignite Post-9/11 Veterans Program participants
- Stanford Ignite participants in new locations: São Paulo, Brazil, and Santiago, Chile (pictured)
- Stanford Commencement