

PATRON



Published by the Loyola University Public Relations Office, PATRON presents development-related news, profiles on unique members of the Loyola community, and substantive special reports on particularly noteworthy aspects of the university. PATRON is a tri-annual publication sent to Loyola's friends and supporters.

Public Relations Office

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Loyola University of Chicago

An equal opportunity educator and employer



On the cover: This photograph, taken at the time of the Venetian Night Festival, shows the dramatic beauty of the Chicago skyline at night. Freelance photographer Roger Mattingly, of Roger Mattingly and Associates, caught this view on Ektachrome from a point near Adler Planetarium.

SPECIAL REPORT

LOYOLA: CHICAGO

This annual report reviews the highlights of the last year at Loyola University of Chicago.

For 117 years, Loyola University has enjoyed a partnership with the city of Chicago: a healthy interdependence in which both parties draw upon and contribute to the resources of one another. This past year, Loyola has continued its tradition of interest in and influence upon the peoples of this city. Of the 2,927 Loyola graduates in 1987, the vast majority will remain in Chicago and contribute to the metropolitan area as business managers and teachers, physicians and attorneys, social workers, nurses, dentists, and psychologists, to name a few of the professions represented by Loyola's 80,000 alumni living in the U.S. and abroad. As reflected in this annual report, Loyola's dedication to education and health care generates myriad effects on multiple levels throughout metropolitan Chicago.

Loyola's commitment to the physical well-being of Chicago became more tangible than ever in 1987. As a part of the city, the university shares in concerns over lakefront erosion and beaches vanishing in the wake of the forces of nature. Throughout the year, Loyola hosted community meetings aimed at addressing the erosion problem, and shoreline erosion was the priority topic in the president's *Personal Report* issued in July. In October, President Raymond Baumhart, S.J., unveiled a shoreline protection plan for the Lake Shore Campus on the city's North Side. The plan, heralded with front page headlines and editorial com-



Waves such as these have battered Chicago beaches and caused serious shoreline erosion. Loyola University has proposed a shoreline protection plan for the university's Lake Shore Campus.

of the program will be financed entirely by the university. Loyola's active participation in combating the lake shore erosion problem is a model of the university's concern for all urban issues: at Loyola, there is awareness, analysis, and attempted resolution of urban challenges.

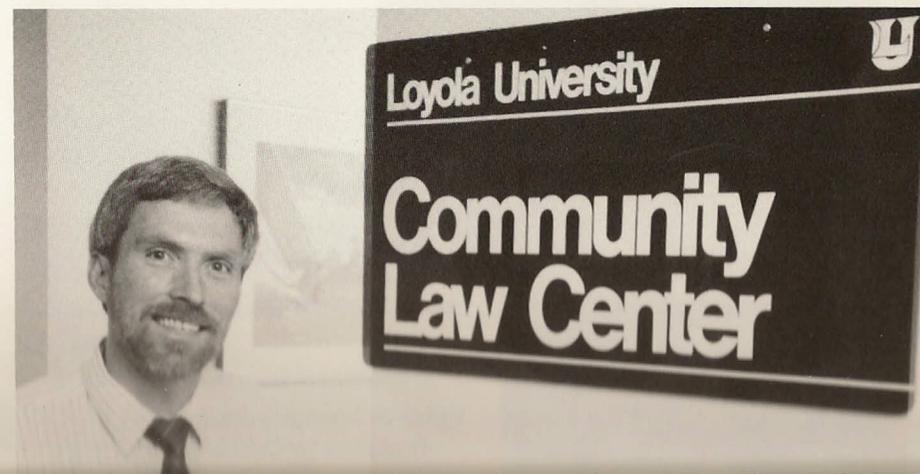
In and Around the City

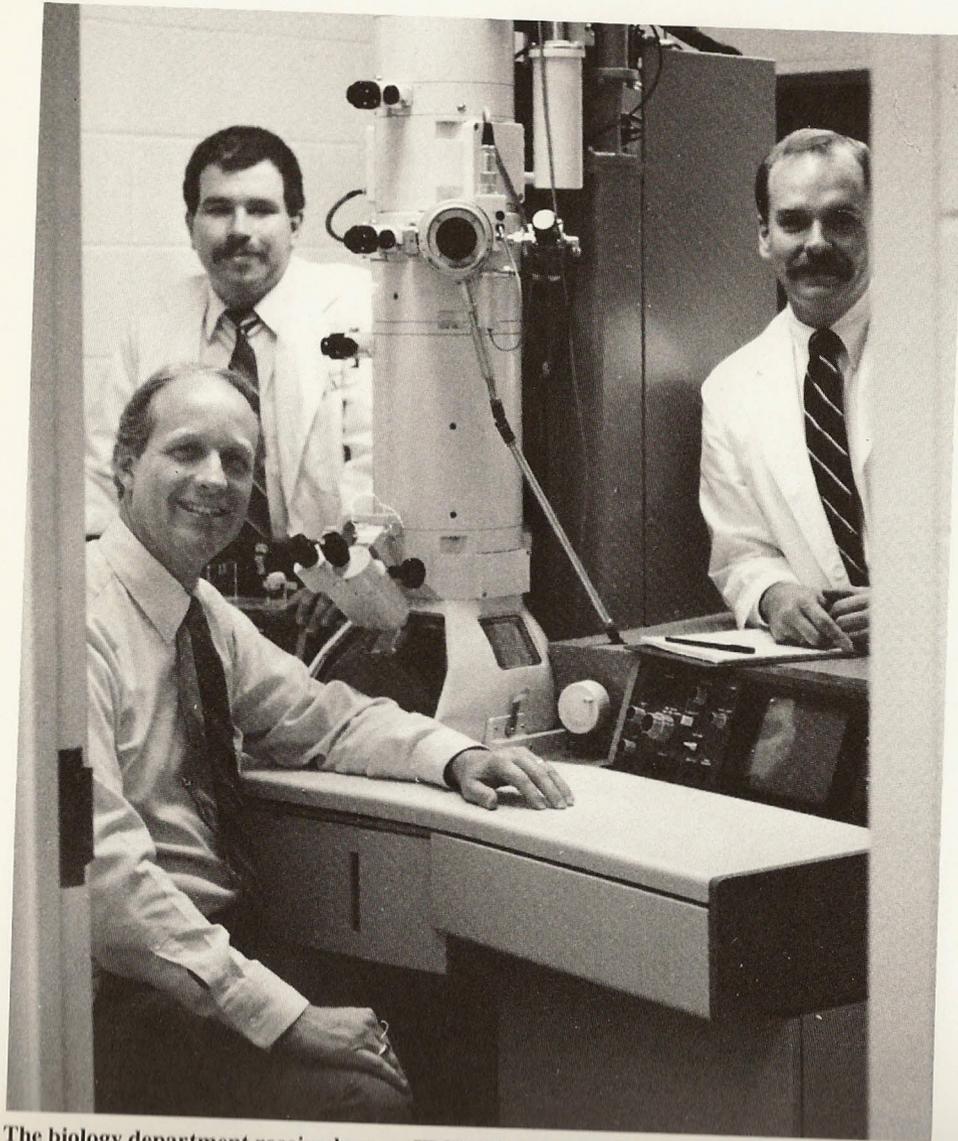
The Chicago public school system came under the scrutiny of Dean of the School of Education Michael Bakalis, as he made attempts to improve schools by bringing interested groups together

J.S. Fuerst addressed urban topics in public housing in frequent opinion columns in the major daily press. A recognized authority on the subject of managed integration in Chicago neighborhoods, Fuerst also holds a seat on the Chicago Public Library Board.

Edward Marciniak, president of the Institute of Urban Life, chaired a committee appointed by Federal Judge Marvin Aspen to recommend a receiver for the Chicago Housing Authority's scattered site program. He also testified before the U.S. Civil Rights Committee on housing alternatives to Cabrini-Green.

John L. Ward, Loyola's Ralph Marotta Professor of Free Enterprise, examined the importance and future of family business in Chicago, and history professor Lawrence McCaffrey published a book examining the Irish community in Chicago.





The biology department received a new JEOL 1200EX transmission electron microscope.

Professor of Law Allen E. Shoenberger, and two Loyola alumni,

rights ordinance became law.

Associate Professor of Sociology

loans for real estate purchases in neighborhoods adjacent to the Lake Shore Campus.

Director of Loyola's Hispanic Alliance Angeles Eames was appointed to the Chicago Board of Ethics. Loyola Trustee Jerome Van Gorkom agreed to help the troubled Chicago Housing Authority solve its financial crisis, taking the position of managing director.

Loyola's commitment to inner-city problem-solving was apparent as two minority student programs, Students Together are Reaching Success (STARS) and Learning Enrichment for Academic Progress (Project LEAP), took top honors among the American Jesuit Colleges and Universities.

Domeena Renshaw, M.D., who has served as a resource to advice columnist Ann Landers on human sexuality and relationships, advised the *Chicago Sun-Times* as the newspaper sought a Landers replacement. Loyola's Public Relations Specialist Ann Toland Serb was among the 22 national semifinalists in the advice column contest. A Loyola art student, Dean Kulov, created the winning design for the 1987 Ravinia poster.

In the Field of Medicine and Health Care

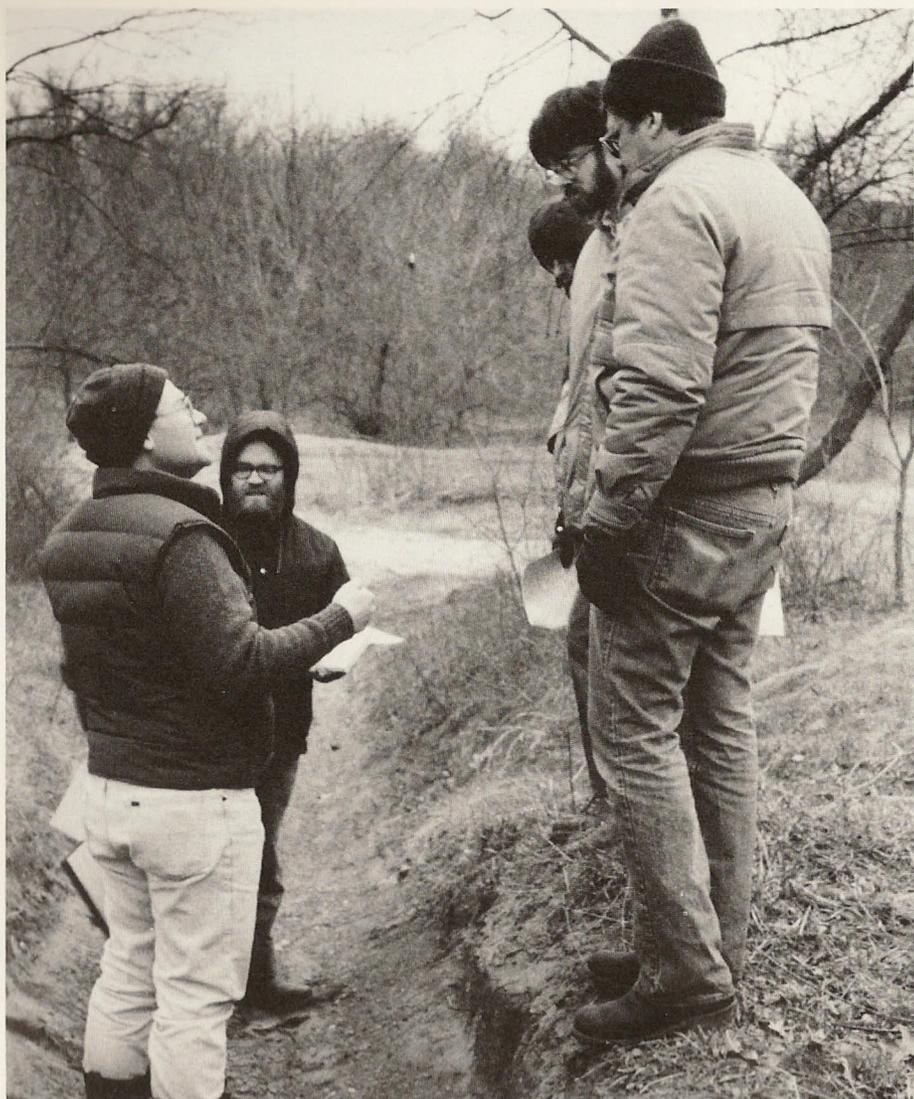
Loyola's active interest in the city



An automated teller was installed on the Lake Shore Campus in the fall of 1987.

Physicians and nurses, using the most advanced medical technology, treated Chicago-area residents and patients from throughout the country and the world. Surgical teams under the guidance of Dr. Roque Pifarré and medical staff led by Dr. John Robinson completed their 100th successful heart transplant. The Health Care Finance Authority named Foster G. McGaw Hospital a regional heart transplant center. The National Cancer Institute awarded Loyola a four-year \$2.7 million contract to continue participation in the clinical trials of activated lymphocytes in treating patients suffering from advanced cancers.

Loyola University Medical Center (LUMC) became one of 16 medical centers participating in a major national study to determine what



David Keene (at left, in hat) worked to save the historic Zimmerman Site from housing development.

operation performed in the United States. A citizen of Chicago's South Side was the first person ever to receive a heart-lung transplant at Loyola's Medical Center. Physicians also implanted the CPI cardioverter defibrillator, a device that shocks the heart back to normal rhythm in pa-

professor of otolaryngology-head and neck surgery, obtained international media coverage for introducing a technique of surgically implanting a biocompatible magnetic hearing device behind the ear which allows bone conduction of sound directly to the inner ear. He learned this procedure

Chicago reporter's personal experiences as a patient there were featured in a WLS-TV documentary shown across the nation. The Chicago Nursing Association honored Burn Center nurses with an award for outstanding nursing care, and the Chicago Heart Association named Doris Hullihan, director of food services at the Medical Center, "Heart of the Year" for her contributions to preventing heart disease through diet.

A heliport for medical emergency transportation was installed at the Medical Center to accommodate helicopters that swiftly transfer patients to Loyola's trauma center. The last air link in transporting vital organs for transplanation is frequently by helicopter.

Loyola dental students worked on special projects throughout the city, including volunteer work at a clinic in Lawndale on Chicago's South Side and at the Misericordia Heart of Mercy Village.

The Schools of Medicine, Dentistry, Social Work, and Law sponsored symposia addressing the topic of AIDS and its social, legal, and economic affects upon society.

Loyola's Ever-Widening Influence

In addition to an active interest in the City of Chicago, Loyola continues to express an extended interest in the welfare of the region, nation, and world.

Members of Loyola's University Ministry, under the guidance of chaplain Fran Glowinski, O.S.F., and Assistant Vice President Maureen

hunger and providing relief funds to the poor in Chicago and across the globe. The 1987 program exceeded its financial goal and heightened awareness of this international problem.

The university, led by counselor Peggy Thoma, hosted the three-day national assembly of Pax Christi, a Catholic peace organization. Loyola also sponsored a values and ethics symposium on "The Catholic University and the Urban Poor," and signed a contract with Loyola University Press to publish a series of books on values and ethics.

George Kaufman, the John F. Smith, Jr., Professor of Business Administration, again was called upon to testify before Congress in the areas of banking and financial markets, areas of concern to both Chicago and the nation.

Associate Professor of Law James Carey acted as the spokesperson in a series of televised legal advice spots broadcast throughout the state, while David Keene, lecturer in anthropology, worked to save the Zimmerman Site from housing development. The site is a National Historic Landmark in central Illinois and once the loca-



Marcella Niehoff School of Nursing Dean Julia Lane and President Raymond

tion of the Grand Village of Illinois.

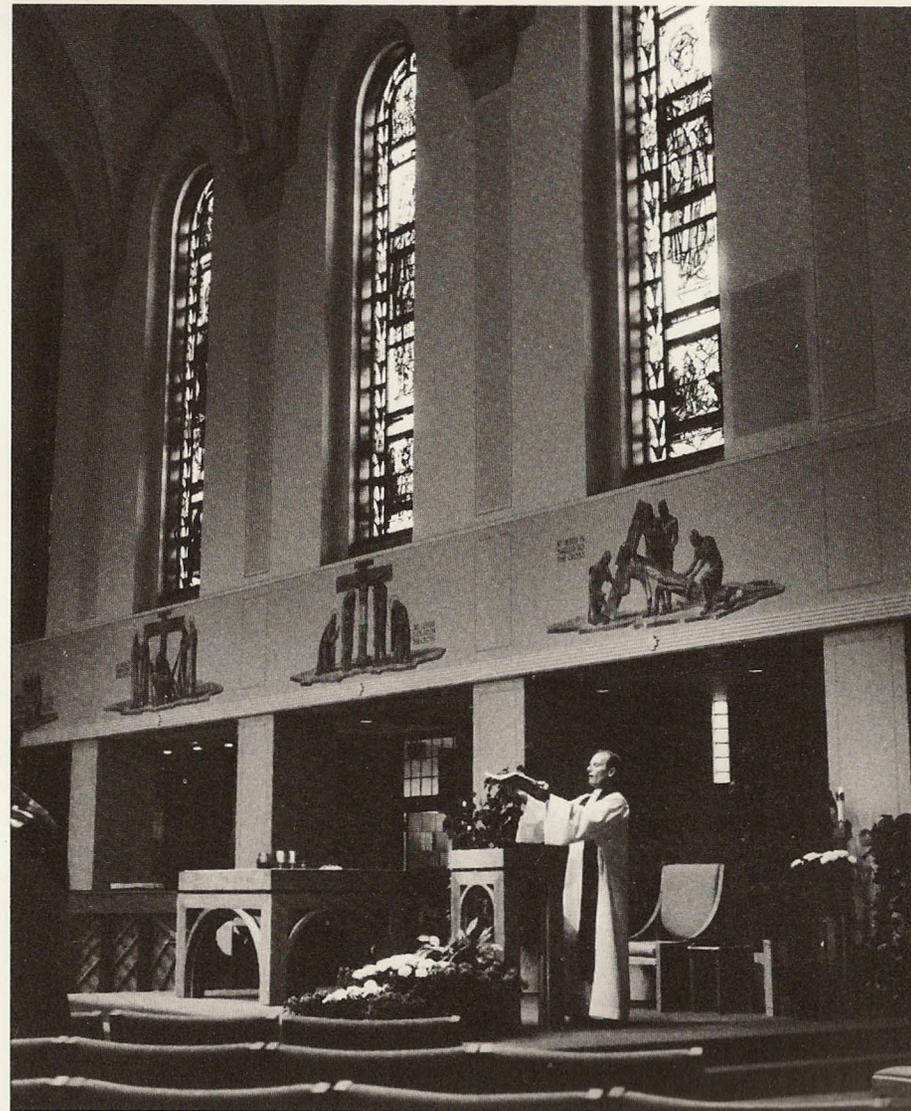
Continuing its regional leadership in the area of health law, the law school won approval for a new LL.M. degree program. This, along with the unique master's degree in health law and the growing collections in the Institute for Health Law's specialized library, provides a Midwest resource second to none.

This past year, Loyola offered more than 225 international students the opportunity to experience Chicago and the United States through study at Loyola. The university also gave American students a similar opportunity to study abroad at the Rome Center Campus, which marked its 25th anniversary in 1987. Celebrations at the Rome Center honored numerous dignitaries, Nobel Prize-winner Dr. Rita Levi-Montalcini and author-journalist Umberto Eco among them.

People at Loyola

Programs at the university brought people of consequence to the city for the benefit of all Chicagoans. At the 1987 winter graduation convocations, focusing on the 25th anniversary of Loyola's Rome Center, Alitalia Chief Executive Officer Umberto Nordio and Peace Corps Director Loret Miller Ruppe spoke and received honorary degrees along with conductor Bruno Bartoletti, who divides his time between Florence and Chicago. Seamus Heaney, internationally acclaimed poet, and J. Donald Monan, S.J., president of Boston College, spoke at the June commencements.

Author Grace Paley read from her works at Loyola, as did Pulitzer Prize-



Loyola's Jesuit tradition has continued for 117 years.

in Vietnam. Polish journalist Maciej Kozlowski gave an account of the independent press in Poland.

In addition to attracting out-of-towners, Loyola relied upon the city's resources for speakers and chose to recognize Chicago's best talent in a number of award presentations.

alumnus Frank Considine of American National Can Co. was the recipient of the Sword of Loyola. Boys Club founder Robert O. Buehler received Loyola's Damen Award; native Chicagoan Camille Hatzenbuehler, who served a two-and-a-half-year tour of duty for the United States



Sir Georg Solti (right) of the Chicago Symphony Orchestra received the 1987 Loyola Mellon award.

known as an advocate for the mentally and physically disabled, was the School of Social Work's Siedenburg Award winner. Archbishop Rembert Weakland spoke on the bishops' pastoral letter on the U.S. economy, and the four 1987 Chicago mayoral candidates presented their platforms to Loyola students, faculty, and staff. Founders' Day civic awardees included George Muñoz, State Senator Richard Newhouse, and Eleanor Petersen.

Within the University

Educational programs open to both Loyolans and the general public covered topics such as pornography, biomedical research, career/life planning, osteoporosis, women and social change, British studies, and college radio. Loyola also sponsored a Con-



Numerous Loyolans and Italian dignitaries gathered in 1987 to celebrate the Rome Center's 25th anniversary.

sixth annual conference on business ethics. Students attended the fifth annual Rome summer law program, and scores participated in a national teleconference to promote peace.

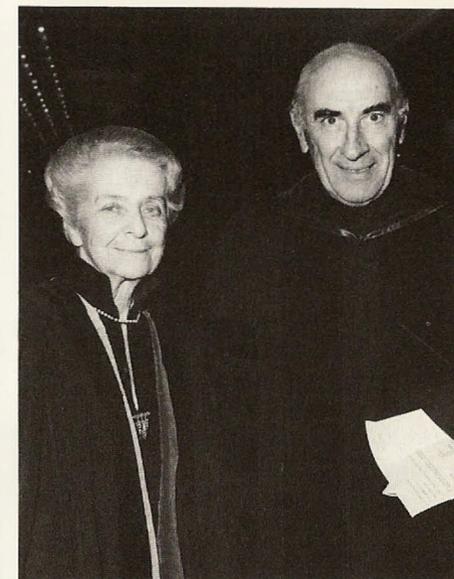
A program with broad implications and far-reaching effect, a symposium on the Consistent Ethic of Life was

theoretical approach to moral problems based on the dignity of human life, as articulated by Chicago's Cardinal Bernardin.

For all its 117 years, Loyola has prized its Jesuitness. A critical mass of more than 100 Jesuits was active in the university this year. Professor

to Loyola's Board of Trustees. And the presence of 23 Jesuit scholastics increased the I.Q. average of Loyola students and reduced the average age of Loyola Jesuits.

Among the funds supporting both the quality of Loyola and of the City of Chicago were grants made to the



Nobel Prize-winner Rita Levi-Montalcini and Alitalia chief Umberto Nordio were among the honored guests at the Rome Center convocation.

Susan Schroeder, Ph.D., of the Department of History, for the study of Brazilian culture from a Fulbright-Hays grant; and to Project Upward Bound from the U.S. Department of Education.

Building partnerships with the corporate sector of the city is the aim of Business Mobilized for Loyola University, which met its goal in 1987 under the leadership of James F. Fitzgerald, a graduate of the Institute of Industrial Relations. More than 450 corporations provided gift support from grants or matching gift programs.

Alumni, volunteers, and friends of Loyola, numbering in the thousands, dedicate their time and effort to support the university. The results are seen in the \$685,000 contributed at

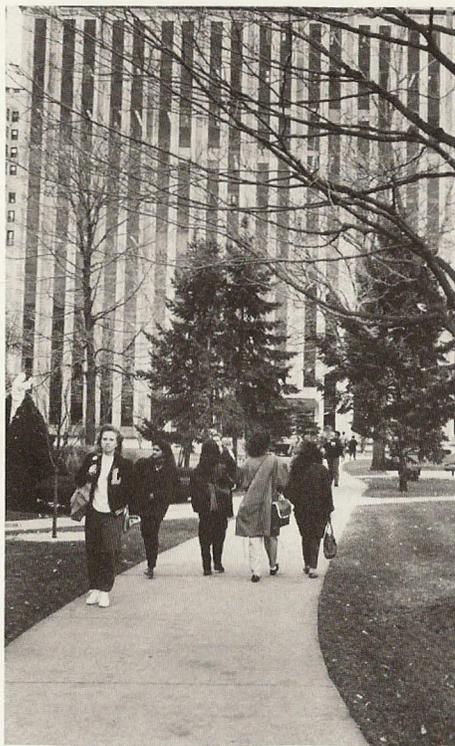
of the new advisory President's Alumni Council and Provost's Council; in the countless hours given to the Parents Associates of Loyola, alumni reunions, and phonathons.

Of all those participating in the Loyola effort this year, one couple emerges as an exemplar of commitment. Dr. John P. and Therese Mulcahy, for whom the Mulcahy Outpatient Center is named and who provided the Dr. John P. Mulcahy Chair of Ophthalmology in 1984, have agreed to fund another professorial chair at Loyola University's Medical Center.

Communications with alumni improved in 1987 with the introduction of two new alumni publications. *Loyola Law* and a revised *Bur*, for law and dental alumni respectively, joined *Loyola Magazine*, *Stritch M.D.*, and *Patron* in the spectrum of Loyola publishing.

Unusual changes in leadership occurred in 1987 with the retirement of two of Loyola's senior officers. After 42 years of service, W. Daniel Conroyd, senior vice president for development, became counsel to the president on development matters. Mariette LeBlanc, vice president of student services, left the university after 39 years.

Paul Parker, Ph.D., of Butler University, succeeded LeBlanc; and Alice Hayes, Ph.D., took the newly created position of vice president for academic affairs. Anthony Barbato, M.D., added duties to his deanship of the Stritch School of Medicine in the new role of vice president for health affairs. College of Arts and Sciences



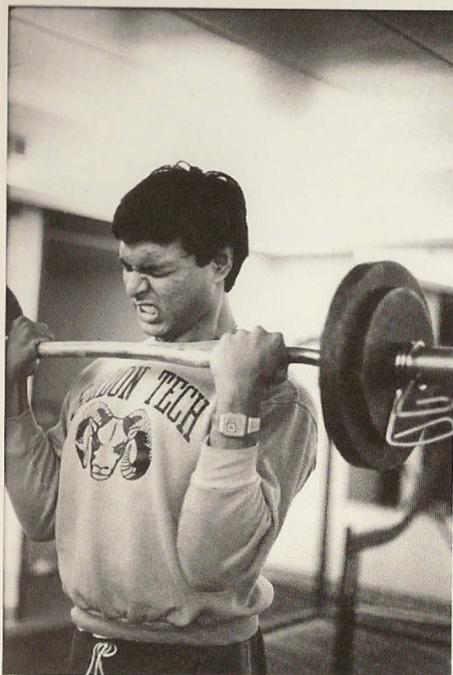
political science, became the new dean of arts and sciences.

Financial Performance

Continued excellence in the management of higher education and health care operations at Loyola coupled with the extended, historic rise in the stock market throughout fiscal 1987 (ended on June 30) produced a remarkable 16th year of positive financial results.

Total operating expenditures grew from the fiscal 1986 level of \$289 million to \$328 million; though revenues grew at a lower rate, the operating results were sufficient to cover over \$43 million in outlays for equipment, facilities, student loans, debt retirement, and increases in working





Halas Center memberships were computerized this year.

reached nearly \$233 million—a reserve which will be difficult to preserve in the face of a slumping stock market and continued pressures from all quarters to slow the rate of growth in the cost to the public of higher education and health care services.

While Loyola's use of uniquely structured debt instruments continued to provide the lowest possible cost of funds, innovations were made in another highly visible and significant arena. For years Loyola and other institutions have struggled to maintain appropriate coverage during what has been a crisis period for both the insurance industry and those in need of coverage. At the peak of this crisis the soaring costs associated with this problem were almost outweighed by



The annual Hunger Week program again raised awareness and funds to combat the world-wide hunger problem.

shore captive insurance company whose purpose is to acquire excess coverage for hospital liability risks; participation in the formation of SCUUL, a Bermuda-based insurance company specializing in the provision of general liability as well as direc-

professional liability program to maximize Loyola's management of risks for McGaw Hospital as well as its physicians. Together these actions will hedge against future insurance "hard markets" and will manage insurance costs to the advantage of all

of 1986 will affect Loyola in many ways in the future, and it is clear that the fiscal woes of the federal government will eventually become more of a problem for us all. Strong financial management and innovative thinking, therefore, are needed

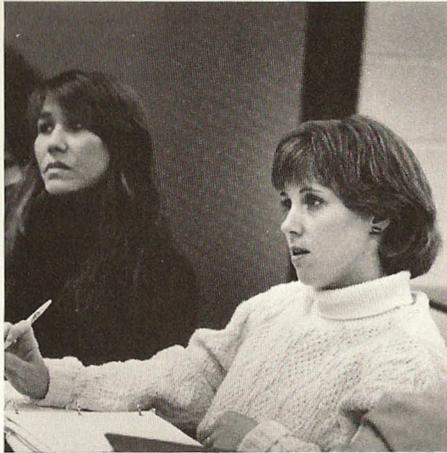


Statement of Financial Position

All funds; June 30, 1987 and 1986

(in millions of dollars)

	Unrestricted	1987 Restricted	Total	1986 Total
Assets				
Cash:	\$ 2.2	\$ 0.3	\$ 2.6	\$ 2.3
Investments, at market:				
Short-term investments [cost \$28.3 (1987) and \$60.9 (1986)]	10.3	18.1	28.5	62.7
Other marketable securities [cost \$220.1 (1987) and \$164.3 (1986)]	168.8	76.2	245.0	200.0
Receivables:				
Hospital, less allowance for doubtful accounts of \$7.9 (1987) and \$7.0 (1986)	32.9	—	32.9	27.2
Notes, less allowance for doubtful accounts of \$1.0 (1987) and \$1.1 (1986)	2.3	19.4	21.7	19.2
Governmental and other	8.1	1.3	9.4	5.7
Other Assets:				
Inventories	4.8	—	4.8	3.9
Prepaid expenses	4.6	—	4.6	4.5
Risk Retention Fund	29.9	—	29.9	20.3
Land, Buildings and Equipment	306.4	—	306.4	274.9
Total Assets	\$570.2	\$115.4	\$685.6	\$620.6
Liabilities and Fund Balances				
Accounts Payable and Accrued Expenses	\$ 31.1	\$ 5.1	\$ 36.1	\$ 33.5
Deferred Income	5.3	—	5.3	5.0
Indebtedness	133.8	22.9	156.7	158.6
Reserve for Risk Retention	31.9	—	31.9	19.7
Agency Accounts	—	0.4	0.4	0.4
Interfund Transfers	26.8	(26.8)	—	—
Fund Balances:				
Current Funds	1.2	24.0	25.2	20.1
Plant Funds	178.8	1.0	179.9	149.8
Endowment and Reserve Funds	158.9	72.9	231.7	218.5
Loan Funds	2.4	15.9	18.3	15.0
Total Liabilities and Fund Balances	\$570.2	\$115.4	\$685.6	\$620.6



Statement of Revenues, Expenditures, and Other Changes in Fund Balances

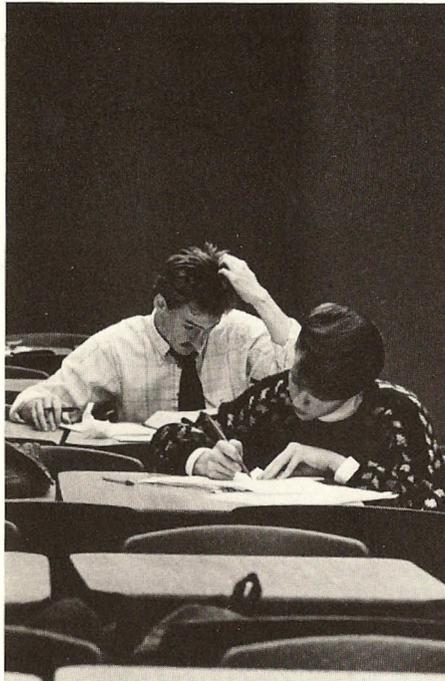
All funds; fiscal years ended June 30, 1987 and 1986

(in millions of dollars)

	Unrestricted	1987 Restricted	Total	1986 Total
Revenues				
Educational and General:				
Tuition and fees	\$ 69.7	\$ 0.5	\$ 70.2	\$ 67.2
Grants and contracts	2.2	13.3	15.5	14.0
Private voluntary support				
Activities related to educational departments	2.8	19.1	21.8	18.3
Gifts and bequests	7.2	7.1	14.3	16.7
Contribution of the Loyola Jesuit community	0.3	—	0.3	0.4
Investment income and net realized gains on sales of investments	26.7	16.2	42.9	33.3
(Decrease) increase in unrealized gain on investments	(8.7)	(3.8)	(12.4)	17.7
Other educational and general revenues	3.0	0.7	3.7	3.1
Auxiliary Enterprises	7.5	—	7.5	7.6
Foster G. McGaw Hospital and Mulcahy Outpatient Center	207.6	—	207.6	183.3
Total Revenues	\$318.2	\$ 53.2	\$371.4	\$361.5

Expenditures

Educational and General:				
Instruction	26.6	20.1	46.7	42.4
Scholarships	3.6	0.6	4.2	3.6
General and administrative	25.6	11.7	37.3	33.8
Student services	4.4	0.8	5.2	4.7
Libraries	4.8	0.1	4.9	4.2
Operation and maintenance of physical plant	11.2	—	11.2	11.4
Sponsored research and training	—	9.1	9.1	9.0
Activities related to educational departments	2.1	—	2.1	2.0
Cancellation and reversion of loan funds	—	0.2	0.2	0.7
Payments to annuity and life income participants	—	0.2	0.2	0.2
Auxiliary Enterprises	7.6	—	7.6	7.1
Foster G. McGaw Hospital and Mulcahy Outpatient Center	199.1	0.3	199.3	169.9
Total Expenditures	\$285.0	\$ 43.1	\$328.0	\$288.8



Statement of Sources and Uses of Funds

Fiscal year ended June 30, 1987 and 1986

(in millions of dollars)

	Unrestricted	1987 Restricted	Total	1986 Total
Sources of Funds				
Operations:				
Excess of revenue over expenditures	\$ 41.8	\$ 10.1	\$ 51.9	\$ 78.0
Add non-operating charges:				
Library books and art capitalized—net	1.7	—	1.7	1.5
Funds provided from operations	43.5	10.1	53.6	79.5
Issuance of debt	—	—	—	62.0
Appreciation of capital notes	—	0.7	0.7	0.6
Increases:				
Accounts payable and accrued expenses	2.0	0.6	2.6	3.6
Reserve for risk retention	12.2	—	12.2	5.0
Agency accounts and deferred income	0.3	—	0.3	1.1
Decreases:				
Receivables	—	—	—	3.8
Total Sources of Funds	\$58.0	\$ 11.4	\$69.4	\$155.6
Uses of Funds				
Purchases of buildings and equipment	33.3	—	33.3	40.0
Reduction of debt	2.2	0.4	2.6	62.3
Increases:				
Receivables	10.8	1.1	11.9	2.1
Other assets	1.0	—	1.0	0.9
Risk retention fund	9.6	—	9.6	5.6
Total Uses of Funds	\$56.9	\$ 1.5	\$58.4	\$110.9
Increase (Decrease) in Cash and Investments			\$ 11.1	\$ 44.7

Note: Totals may not add due to rounding.