

## Lab Renovation Campaign (Capitalized Cost)



Several years ago, the Department of Civil Engineering started a campaign to raise money to renovate the Soils And Materials Laboratory. We estimated costs of \$150,000 to renovate the room and \$100,000 to update the equipment. We also wanted to establish an endowment that would provide \$5,000 per year for lab supplies and maintenance plus money to purchase a new piece of equipment every 4 years at an estimated cost of \$25,000. If the University's endowed funds earn 5% per year, how much do we need to raise?