Objectives

1. Learn how University Advancement can help you do your job of leading an academic college or program.

2. Learn how you leverage relationships with alumni and friends of MSU to help move your program forward.

3. Understand the importance of private financial support in advancing MSU’s mission.

4. Determine your role in securing private support.
FOR IMMEDIATE RELEASE
Tuesday, February 7, 2017
12:00 a.m., Eastern Standard Time

Colleges and Universities Raise $41 Billion in 2016
Personal Giving Declines as Support from Organizations Rises
Majority of Gifts Go to Current Operations, Not Endowments
Trends in Giving for Financial Aid Show Little Change

Contributions to the Nation’s Colleges and Universities Reach $41 Billion
Charitable contributions to colleges and universities in the United States increased only 1.7 percent in 2016, according to the Voluntary Support of Education (VSE) survey, conducted annually by the Council for Aid to Education (CAE). At $41 billion, the total is higher than the $40.30 billion raised in 2015, but the gain is nearly eliminated when adjusting for inflation.

Top 20 Fundraising Institutions — Less than 1 Percent of the Nation’s Colleges — Raise 27.1 Percent of All 2016 Gifts. Gifts to These 20 Institutions Fell 2.1 Percent in 2016.
The Top 20 fundraising institutions together raised $11.12 billion, 27.1 percent of the 2016 total. In 2015, the same 20 institutions raised $11.36 billion.
# 2016 Top Fundraising Institutions

<table>
<thead>
<tr>
<th>Rank</th>
<th>Institution</th>
<th>Amount (in millions)</th>
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<tbody>
<tr>
<td>1.</td>
<td>Harvard University</td>
<td>$1.19 billion</td>
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<tr>
<td>2.</td>
<td>Stanford University</td>
<td>$951.15 million</td>
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<td>3.</td>
<td>University of Southern California</td>
<td>$666.64 million</td>
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<td>4.</td>
<td>Johns Hopkins University</td>
<td>$657.29 million</td>
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<td>5.</td>
<td>University of California, San Francisco</td>
<td>$595.94 million</td>
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<tr>
<td>6.</td>
<td>Cornell University</td>
<td>$588.26 million</td>
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<td>7.</td>
<td>Columbia University</td>
<td>$584.81 million</td>
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<tr>
<td>8.</td>
<td>University of Pennsylvania</td>
<td>$542.85 million</td>
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<tr>
<td>9.</td>
<td>University of Washington</td>
<td>$541.44 million</td>
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<tr>
<td>10.</td>
<td>Yale University</td>
<td>$519.15 million</td>
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<tr>
<td>11.</td>
<td>Duke University</td>
<td>$506.44 million</td>
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<tr>
<td>12.</td>
<td>University of California, Los Angeles</td>
<td>$498.80 million</td>
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<tr>
<td>13.</td>
<td>New York University</td>
<td>$461.15 million</td>
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<td>14.</td>
<td>University of Chicago</td>
<td>$443.30 million</td>
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<td>15.</td>
<td>University of Michigan</td>
<td>$433.78 million</td>
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<td>16.</td>
<td>Massachusetts Institute of Technology</td>
<td>$419.75 million</td>
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<td>17.</td>
<td>Northwestern University</td>
<td>$401.68 million</td>
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<tr>
<td>18.</td>
<td>Ohio State University</td>
<td>$386.11 million</td>
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<td>19.</td>
<td>University of Notre Dame</td>
<td>$371.76 million</td>
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<tr>
<td>20.</td>
<td>Indiana University</td>
<td>$360.94 million</td>
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Source: The Council for Aid to Education 2016 Voluntary Support for Education survey
2016 Voluntary Support of Higher Education by Source

- **Alumni**: $9.93 billion, 24%
- **Non-Alumni**: $7.52 billion, 18%
- **Foundations**: $12.45 billion, 31%
- **Corporations**: $6.60 billion, 16%
- **Other Orgs**: $4.45 billion, 11%

**Total Support**: $41.00 billion

Source: The Council for Aid to Education 2016 Voluntary Support for Education survey
University Advancement at MSU

Mission
To advance MSU’s excellence and enrich its future

Vision
To build the best culture of engagement and philanthropy of any major public university in the country
Quick Facts about MSU and University Advancement

- Living Addressable Alumni*: 450,000
- Database of more than 1,000,000 alumni, friends, corporations, foundations and other organizations
- Number of Employees: 240+
- Staff Supported: 300+ (UA provides database access, training and coordination to school, college and unit employees who do not report to UA)
Development
College and Unit Development
Regional Major Gifts
Corps and Foundations
Planned Giving

MSU Alumni Association
Regional Alumni Engagement
Lifelong Enrichment for Spartans
Alumni Career Services
Association of Future Alumni

Adv. Information Systems
Alumni Biographical Records
Gift Processing
Prospect Development and Donor Strategy
Business Intelligence and Analytics

Adv. Marketing & Communications
alumni.msu.edu / givingto.msu.edu
Alumni Magazine / Developments
Direct Mail / Greenline Telemarketing
Event Production
Donor Stewardship
Campus-wide Advancement Services

- University and College Alumni and Development Programs
  - Maintain Alumni Records & Record and Receipt Gifts
  - Guide and Facilitate Fund Raising
  - Advance Communications
  - Alumni, Donor Cultivation & Stewardship Events
  - Advancement Personnel Recruitment
  - Orientation & Professional Development
Sample College/School Partnership

Diagram:

- Dean
- Senior Director of Development
  - Administrative Support (50/50)
    - Major Gift Officer (100/0)
    - Director of Communication (100/0)
    - Director of Alumni Relations (100/0)
- Senior Director of Constituency Programs, University Development

Division of Responsibilities:
- Dean: 100/0
- Administrative Support: 50/50
- Major Gift Officer: 75/25
- Director of Communication: 100/0
- Director of Alumni Relations: 100/0
The Donor Pyramid

- **Principal Gifts**: $5 Mil + Presidential Focus
  - Assigned Relationship Mgr.
  - Personal Contact,
  - Specific Strategy

- **Major Gifts**: $100,000 < $5 Mil / 5 years
  - Targeted Events

- **Special Gifts**: $1,000 < $10,000 / yr
  - Mail, Phone, eGifts

- **Annual Gifts**: $<1,000 / yr
  - 90% Results
  - 10% Income
  - Time
  - Interactions
  - Source of Gifts
  - Assets
The Donor Continuum

Discovery  Cultivation  Solicitation  Stewardship
FY 2017 Total Gift Production vs. Cash Receipts

**Total Gift Production**

- All new gifts acquired in the current fiscal year including new pledges and bequest intentions, a measure of new development productivity.

  - Outright Gifts
  - Gifts In-Kind
  - Life Income Gifts
  - New Pledges
  - Bequest Intentions

  **$254.7 M** (Campaign Counting)

**Cash Receipts**

- The most conservative accounting of giving, accounting for only actual gifts in-hand.

  - Received Bequests
  - Pledge Payments
  - Gifts In-Kind
  - Life Income Gifts
  - Outright Gifts

  **$200.8 M** (CAE- VSE Survey)
Impact of Large Gifts

- **Gifts in Kind $1 M+**
- **Cash/Planned Gifts $1 M+**
- **Cash/Planned Gifts $100K < $1 M**
- **Cash/Planned Gifts < $100K**

**Fiscal Year**

- **2012**
  - 32 Gifts
  - $62 Mil
  - $174

- **2013**
  - 28 Gifts
  - $101 Mil
  - $207

- **2014**
  - 42 Gifts
  - $119 Mil
  - $238

- **2015**
  - 48 Gifts
  - $90 Mil
  - $238

- **2016**
  - 55 Gifts
  - $112 Mil
  - $272

- **2017**
  - 47 Gifts
  - $106 Mil
  - $255
Why do we do Capital Campaigns?

• Campaigns provide a discipline for setting fundraising priorities
• Campaigns create excitement, intensity and a series of deadlines that motivate donors to give, and give at higher levels
• Campaigns create pride and a positive environment in the university that help to re-energize alumni, faculty and staff to seek and give private support
• Campaigns generally bring 25-40% new money to a university that would not have been raised otherwise
• Campaigns help fund high-priority needs such as scholarships, fellowships, professorships, research, new programs, and buildings
• Campaigns bring discipline and accountability to fundraising personnel and programs
## Campaign Time Table

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<td>Phase</td>
<td>Internal Consultation/Preparation</td>
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<td>Quiet Phase</td>
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<td></td>
<td>Campaign Wrap-up</td>
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We are inclusive.
We are providing exceptional experiences.
We are rigorous and can draw top students from around the world.

We are enriching.
We are evolving.
We are inspiring.

We are creative and innovative.
We are leaders with a network.
We are mentors.

We are finding new paths.
We are experts in areas of critical importance to the world.
We are driven to put the best ideas to work for others.
Total Giving Activity

New gift commitments: cash, pledges, in-kind, planned

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<td>$</td>
<td>$137</td>
<td>$125</td>
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<td>$207</td>
<td>$238</td>
<td>$238</td>
<td>$272</td>
<td>$255</td>
</tr>
</tbody>
</table>

Millions
PROGRESS TOWARD CAMPAIGN GOAL

Goal: $1,500
Actual: $1.48 Billion

Updated: 6/30/2017
FY2017 Total Giving Activity: Source of Private Support

- Alumni, $95.7, 38%
- Friends, $67.6, 26%
- Corporations, $23.7, 9%
- Foundations, $49.8, 20%
- Other Orgs, $17.8, 7%

Total Individuals: 64%
Total Orgs: 36%
**CAMPAIGN PRIORITIES PROGRESS**

- **$400 Million**
  - Engine of Opportunity: $418.5, 105%
  - Creativity, Discovery & Learning: $323.4, 92%
  - Global Problem Solver: $266.6, 89%
  - Vibrant Community: $473.5, 105%

*Updated: 6/30/17*
Nine “Musts” for a Program Leader

1. Provide a **vision and direction** for the program which is clear and ambitious

2. Provide development staff with a focused set of the **fundraising priorities** for the program and communicate the same information to faculty and other key administrators

3. **Invest sufficient budget resources** for the development officer which include secretarial support, travel money, and donor cultivation events

4. Make time to **visit with prospects**. Flexibility in meeting the schedule of key prospective donors is often more important than just scheduling a day for the development officer to fill
Nine “Musts” for a Program Leader (cont.)

5. When seeing donors and prospects, **develop long-term relationships** that will benefit the program, school and University and share with them the positive aspects of the program as well as the commitment to excellence and plans for improvement.

6. Leverage the time and effort of you and your development staff by **utilizing the full array of resources** to help with program prospects and donors—regional major gift staff, planned giving staff, corporate and foundation staff, annual giving staff, donor relations, and development communications.

7. **Create expectations among faculty to be involved** in a coordinated fashion, in the cultivation of prospects and the stewardship of donors (e.g. engaging prospects in a class or seminar, speaking to groups of alumni and donors, meeting with the donor of an endowed chair for stewardship, etc.)
Nine “Musts” for a Program Leader (cont.)

8. **Have high expectations** of the School development officer to identify major gift prospects, to develop and enhance relationships with prospects, to make use of both School events and University events and resources to bring prospects closer to Michigan State University. Development staff, in partnership with volunteers and other development staff, should take the lead in prioritizing the time of academic and program leaders in cultivating and soliciting prospects.

9. Regularly thank volunteers and donors for their help to the program. Provide leadership in making good use of donor funds—**ensure that gifts are making a difference** and **insist on good stewardship by others** in your program.
Additional Resources

- **University Advancement**
  - Includes org charts, searchable staff list
- **University Development**
- **MSU Alumni Association**
- **Gift Planning**
  - Includes examples of charitable gift planning techniques through tax and estate planning
- **Endowments at MSU**
  - Includes most recent annual endowment performance report, endowment FAQ,
- **MSU online giving site**
- Don’t Fear Fund Raising, David Perlmutter, Chronicle of Higher Educ.
  - Part 1 – The ins and outs of asking ‘friends’ for money
  - Part 2 – Matching donor passion to your department’s needs
- **FY2016 Best Fundraising year ever! – Press Release**
- **Empower Extraordinary Launch Recap**
- **College and Unit Campaign Case Statements**
THE WORLD NEEDS MICHIGAN STATE, AND MICHIGAN STATE NEEDS YOU.

EMPOWER.MSU.EDU | #EmpowerMSU