University Advancement

Robert W. Groves
Vice President
University Advancement
University Advancement’s Mission

The mission of University Advancement is to secure support for Michigan State University in terms of money, talent, service and advocacy by delivering an integrated program of communications, marketing and engagement. Our objective is to build deep and long-term relationships with alumni and other stakeholders and potential partners that will ensure increased support in the future.
Quick Facts about MSU and University Advancement

- Living Addressable Alumni: 463,791
- Database of more than 1,000,000 alumni, friends, corporations, foundations and other organizations – tracking more than 100 data elements per person/org.
- Average $170 million in new gifts and commitments per year over the last three years.
- Number of Employees: 300+
- Staff Supported: 400+ (UA provides database access, training and coordination to school, college and unit employees who do not report to UA)
- Total University Advancement Budget: $27.2 million (including $5.9 from the colleges and other programs outside of UA and more than $4.5 million from non-GF sources)

*Addressable, Degree holders as of 3/31/2014*
The New Reality
A Changing Funding Mix

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<tr>
<th>Year</th>
<th>Appropriation Support</th>
<th>Tuition</th>
<th>Other Revenues</th>
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<tr>
<td>1950</td>
<td>77%</td>
<td>18%</td>
<td>5%</td>
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<td>1960</td>
<td>63%</td>
<td>32%</td>
<td>5%</td>
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<td>1970</td>
<td>64%</td>
<td>30%</td>
<td>6%</td>
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<td>1980</td>
<td>56%</td>
<td>37%</td>
<td>7%</td>
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<td>1990</td>
<td>52%</td>
<td>42%</td>
<td>6%</td>
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<tr>
<td>2000</td>
<td>50%</td>
<td>42%</td>
<td>8%</td>
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<td>2010</td>
<td>62%</td>
<td>29%</td>
<td>9%</td>
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General Fund Sources, Michigan State University
How Important is philanthropy?

FOR IMMEDIATE RELEASE
Wednesday, February 12, 2014

COLLEGES AND UNIVERSITIES RAISE $33.80 BILLION IN 2013
Giving at Highest Recorded Level
Three Institutions Receive 9-Figure Gifts

Contributions to the Nation’s Colleges and Universities at $33.80 Billion
Charitable contributions to colleges and universities in the United States increased 9 percent in 2013, according to the Voluntary Support of Education (VSE) survey, conducted by the Council for Aid to Education (CAE). At $33.80 billion, the total is the highest recorded in the history of the survey. In 2009, giving fell from $31.60 billion, which was then the historical high point, to $27.85 billion. Giving levels gradually recovered from that loss until reaching this year’s high.
Campus-wide Advancement Services

- Advancement Communications
- Donor Cultivation & Stewardship Events
- Record and Receipt Gifts
- Advancement Personnel Recruitment
- Maintain Alumni Records
- Orientation & Professional Development
Alumni Relations

Scott Westerman
Associate Vice President for Alumni Relations &
Executive Director of the Alumni Association
MSU Has One of the Largest Alumni Constituencies

—Alumni of Record: Top 20 Research—

Source: Voluntary Support of Education FY 2012
Where the Spartans Are

Welcome to SPARTAN COUNTRY!
2015 Alumni Distribution by State

Number of Alumni
- 0 - 100
- 101 - 1,000
- 1,001 - 10,000
- 10,001 - 100,000
- 100,001 +
2015 Alumni Distribution by Country

Number of Alumni
- 0 - 100
e - 101 - 1,000
- 1,001 - 10,000
- 10,001 - 100,000
- 100,001 +
The Circle of Spartan Life

Service

Enrichment

Experience

Engagement
The Power of the Spartan Nation

• Advocacy
• Expertise
• Engagement
• Investment
Michigan State Alumni Overview

• 465,000 potential advocates, ambassadors, advisors and supporters is a tremendous resource

• MSU Alumni Association
  – 164 regional alumni clubs (including 33 clubs within Michigan and 81 clubs throughout the rest of the United States and 50 international)
    – 200 international Spartan Ambassadors in 77 countries
    – 29 college/school/discipline-based alumni interest groups

• College Alumni Officers
MSUAA Keeps Alumni Connected

- Awards $5.2M in scholarships through MSUAA regional and interest-based clubs
- 5,400 Student Alumni Foundation members manage more than 500 Sparty appearances and host the annual 1,200 strong IZZONE Alumni Reunion Game
- Hosts more than 30,000 alumni and friends at signature events annually
- 500,000 visitors to alumni.msu.edu each year, 6,300 Twitter followers, 31,500 Facebook likes and 53,000 in the official LinkedIn group
- 800 participants in classroom oriented programming, 2,400 participants in 24 LENS webinars, 19,000 viewers in 30 LENS Livestream events, and undetermined in aggregate promotions.
- Authenticated 49,000 MSU Alumni in iModules
MSUAA Priorities

• Major Market Focus – the 80/20 rule
• Create strong Spartan Connections
  – Spartans helping Spartans
• Developing “Verticals”
• Imbed a culture of giving from day-one
• Exceptional service to internal and external customers
  – “Where does it hurt & how can we help?”
University Development
Building Fundraising Momentum

Campaign for MSU

Empower Extraordinary Campaign

- Gifts in Kind $1 M+
- Cash/Planned Gifts $1 M+
- Cash/Planned Gift < $1 M

Fiscal Year

Millions

Impact of Large Gifts

Fiscal Year 2011: 18 Gifts - $41 Mil, 96 Gifts - $24 Mil
Fiscal Year 2012: 32 Gifts - $64 Mil, 141 Gifts - $38 Mil
Fiscal Year 2013: 28 Gifts - $101 Mil, 201 Gifts - $53 Mil
Fiscal Year 2014: 42 Gifts - $119 Mil, 229 Gifts - $50 Mil
By Purpose of Gift

- **Facilities**
  - $119.9
  - 14%

- **Endowment**
  - $333.2
  - 39%

- **Expendable**
  - $393.4
  - 47%
Source of Gifts

- **Alumni**: $283.1, 33%
- **Friends**: $184.7, 22%
- **Corporations**: $139.4, 16%
- **Foundations**: $192.1, 23%
- **Other Orgs**: $47.2, 6%
- **Alumni**: $283.1, 33%
FY 2014 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 development productivity.

(Campaign Counting)

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

(CAE- VSE Survey)

<table>
<thead>
<tr>
<th>Total Gift Production</th>
<th>$238 M</th>
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<tbody>
<tr>
<td>Bequest Intentions</td>
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<tr>
<td>New Pledges</td>
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<td>Life Income Gifts</td>
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<td>Gifts In-Kind</td>
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<td>Outright Gifts</td>
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<thead>
<tr>
<th>Cash Receipts</th>
<th>$118 M</th>
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<tr>
<td>Received Bequests</td>
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<td>Pledge Payments</td>
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<td>Life Income Gifts</td>
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<td>Gifts In-Kind</td>
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<td>Outright Gifts</td>
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# Fundraising and Support Programs at MSU

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<tr>
<th>Colleges</th>
<th>Non-Degree</th>
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<tbody>
<tr>
<td>Agr. &amp; Natural Res.</td>
<td>Osteopathic Med.</td>
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<tr>
<td>Arts and Letters</td>
<td>Graduate School</td>
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<tr>
<td>Broad College of Bus.</td>
<td>Honors College</td>
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<tr>
<td>Com. Arts and Sci.</td>
<td>International Studies</td>
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<td>Education</td>
<td>James Madison</td>
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<td>Engineering</td>
<td>Lyman Briggs</td>
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<td>Human Medicine</td>
<td>Law</td>
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<td>Music</td>
<td>Res. Col. in Arts and Humanities</td>
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<tr>
<td>Natural Sciences</td>
<td>Social Science</td>
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<tr>
<td>Nursing</td>
<td>Veterinary Med.</td>
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**Central Programs and Services**

- Principal Gifts
- Corporate and Foundation Relations
- Regional Major Gifts
- Gift Planning
- Annual Giving (mail/phone/on-line)
- Communications and Marketing (including events)
- Information Systems (Advance)
- Recruiting and Training Staff
Philanthropy in the U.S.

CY 2008 Contributions—$307.65 Billion by Source
Source: Giving USA Foundation
Percent Total by Source

— Big Ten —

- Religious Orgs.
- Fund-Raising Consortia
- Other Orgs
- Foundations
- Corporations
- Parents
- Other Individuals
- Alumni

Slide 26
In The Campaign for MSU, less than 1% of donors gave 83% of dollars.
The Engagement Pyramid

Principal Gifts
$5 Mil + Presidential Focus

Major Gifts
$100,000 < $5 Mil / 5 years

Assigned Relationship Mgr.
Personal Contact,
Specific Strategy

Special Gifts
$1,000 < $10,000 / yr

Targeted Events

Annual Gifts & MSUAA
$<1,000 / yr

Mail, Phone
The Donor Continuum

Discovery  
Cultivation  
Solicitation  
Stewardship
Stewardship

- Gift Integrity
- Honor donors’ intent
- Demonstrate ROI
- Additional Giving
EMPOWER EXTRAORDINARY
THE CAMPAIGN for MICHIGAN STATE UNIVERSITY
# Campaign Time Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Internal Consultation /Preparation</th>
<th>Quiet Phase</th>
<th>Public Kick-Off</th>
<th>Public Phase</th>
<th>Campaign Wrap-up</th>
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<td>2010</td>
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<td>2018</td>
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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
- Campaigns enhance and diversify the revenue stream of a college, university or campus
Why Do They Work?

• They require and precipitate institutional focus
• They provide a framework for success
• They galvanize donor interest and commitment
• They raise sights internally and externally
• They accelerate the cultivation/solicitation cycle
Highlights of Campaign Preparation to Date

- Implement phased staffing plan to grow capacity
- Fall 2010 – Spartan Summit to begin testing campaign themes and priorities
- Major rework of Alumni Magazine and Developments Magazine for donors
- July 1, 2011 – Began quietly counting toward the next Campaign
- Major improvements in systems underway
- Developed preliminary case and goals
- Fall 2012 Conducted Feasibility Study - Validated $1.5 billion working goal
- Refined college priorities and goals
- Increased pace of leadership gift solicitations
- Expanded the Regional Alumni Engagement Staff
- Spring 2013 - Volunteer recruitment intensified
- Summer / Fall 2013 – Final drafts of University and college case statements prepared
- October 18 – Campaign Volunteer Summit
Michigan State University has a remarkable history of advancing the common good with uncommon will. But a rich past is worth nothing without an investment in the future. Today, the world requires more from us. The pace is accelerated. The problems are more complex.

We will respond by anticipating change and taking action together. Because Spartans are, by definition, difference makers. We believe in the limitless potential of each member of our community in which ordinary people are empowered to accomplish the extraordinary. Where students, scholars, faculty, and researchers – through immeasurable passion and determination – will make seemingly impossible ideas possible and turn dreams into realities.

After all, this is what Spartans do. With your support, we will charge boldly toward the discoveries of tomorrow and build a greater university for generations to come.
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.
Progress Toward Goal

Goal $1,500

Mar. 31, 2015 $902 Million

Updated: 1/2014
## Campaign Time Table

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<td>Public Kick-Off</td>
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**Key Dates:**
- **Oct. 24, 2014**
Philanthropy is Increasingly Important to Higher Education

• There are practical limits to tuition increases if we are to remain accessible to students of limited means

• For publics, the states’ investment in higher education is declining in both nominal and real terms

• Endowments are critical to ensuring long-term financial stability and flexibility for innovation.

• Private gifts are an important, low-cost source of capital for facilities, especially as states reduce capital appropriations for publics.

• Private support can help to ensure an institution’s ability to fulfill its mission and control its destiny