University Advancement

Robert W. Groves
Vice President
University Advancement
The New Reality
A Changing Funding Mix

General Fund Sources, Michigan State University
How Important is philanthropy?

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FOR IMMEDIATE RELEASE
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COLLEGES AND UNIVERSITIES RAISE $37.45 BILLION IN 2014

Harvard Raises $1.16 Billion
Gifts of Art Contribute to Strong Growth

Contributions to the Nation’s Colleges and Universities Reach Historic High of $37.45 Billion
Charitable contributions to colleges and universities in the United States increased 10.8 percent in 2014, according to the Voluntary Support of Education (VSE) survey, conducted by the Council for Aid to Education (CAE). This is the strongest gain in voluntary support since 2000, when giving to colleges increased 13.7 percent. At $37.45 billion, the total is the highest recorded since the inception of the survey in 1957.
University Advancement

Mission
To advance MSU’s excellence and enrich it’s future

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

Values and Beliefs

Respectful: We develop relationships and partnerships that are built on trust, cooperation, honesty

Accountable: We honor our agreements, and deliver on our promises

Collaborative: We work with each other toward common goals and to fully leverage the collective genius of the UA Team.

Open-Minded: We refuse to be limited by our current beliefs and established practices.

Passionate: We believe in the work we do at MSU and are champions for the cause.

Committed: We delight donors, customers and colleagues by regularly meeting and exceeding their expectations.
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.
- More than $238 million in new gifts and commitments per year in the last two years – a high water mark for MSU!
- 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*
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
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 $6 M 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
- 600 participants in classroom oriented programming, 2,400 participants in 24 LENS webinars, 35,488 viewers in 50+ LENS Livestream events with over 278,000 minutes of content viewed.
- Authenticated 50,000 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
# Fundraising and Support Programs at MSU

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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
FY 2015 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.

(Campaign Counting)

$239 M

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

Cash Receipts

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

(CAE - VSE Survey)

$133 M

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

Outright Gifts

Outright Gifts

$239 M

$133 M
The Donor Pyramid

**Principal Gifts**
$5 Mil +
Presidential Focus

**Major Gifts**
Assigned Relationship Mgr.
Personal Contact,
Specific Strategy

$100,000 < $5 Mil / 5 years

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

**Annual Gifts**
$<1,000 / yr

- **Interactions**
- **Time**
- **Assets**
- **Results**
- **Source of Gifts**
- **Income**
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:
- 2011: 18 Gifts, $41 Mil
- 2012: 32 Gifts, $64 Mil
- 2013: 28 Gifts, $101 Mil
- 2014: 42 Gifts, $119 Mil
- 2015: 48 Gifts, $90 Mil

Millions

- 2011: 96 Gifts, $24 Mil
- 2012: 141 Gifts, $38 Mil
- 2013: 201 Gifts, $53 Mil
- 2014: 229 Gifts, $50 Mil
- 2015: 245 Gifts, $74 Mil
2015 Total Giving Activity: by Objective

Expendable
$101.90M
43%

Endowed
$109.70M
46%

Facilities
$27.00 M
11%
FY2015 Total Giving Activity: Source of Private Support

- **Alumni**: $102,196,081 (42.8%)
- **Other Individuals**: $51,145,407 (21.4%)
- **Corporations**: $16,725,294 (7%)
- **Foundations**: $54,277,318 (22.8%)
- **Other Organizations**: $14,244,922 (6%)
The Donor Continuum

- Discovery
- Cultivation
- Solicitation
- Stewardship
Stewardship

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

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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
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.
**STUDENT SUPPORT**

- 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.

**FACULTY SUPPORT**

- 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.

**COMMUNITY SUPPORT**

- A Vibrant Community
  - $400 Million
- A Global Problem Solver
  - $450 Million

**RESEARCH SUPPORT**

- A Force for Creativity, Discovery, and Learning
  - $350 Million
- $300 Million
Status by Area of Priority

66% of time elapsed

- **Engine of Opportunity**: $309.6M (77% toward goal of $400M)
- **Creativity, Discovery & Learning**: $226.2M (65% toward goal of $350M)
- **Global Problem Solver**: $204.2M (68% toward goal of $300M)
- **Vibrant Community**: $341.8M (76% toward goal of $450M)

Updated: 2/15/2016
Progress Toward Goal
74% of goal – 67% of time elapsed.

March 2016
$1.1 Billion

Goal $1.5 Billion

Updated: 2/15/2016
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The campaign spanned from 2010 to 2018, with specific milestones and phases highlighted.
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.