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: 415,430*
- Database of more than 1,000,000 alumni, friends, corporations, foundations and other organizations – tracking more than 100 data elements per person/org.
- Average $160 million in new gifts and commitments per year since FY00/01
- Number of Employees: 180+ (130+ UA, 50+ split funded with colleges)
- Staff Supported: 220+ (UA provides database access, training and coordination for approximately 40+ additional school, college and unit employees who do not report to UA)
- Total University Advancement Budget: $21.6 million (including $5.4 million from the colleges other programs outside of UA and more than $4.5 million from non-GF sources)

* As reported to CAE in 2011
The New Reality
A Changing Funding Mix

Reflects 2012-13 Budget
How Important is philanthropy?

FOR IMMEDIATE RELEASE
Wednesday, February 15, 2012
12:00 a.m., Eastern Standard Time

COLLEGES AND UNIVERSITIES
RAISE $30.30 BILLION IN 2011
8.2 PERCENT INCREASE FUELED BY GIFTS FOR CAPITAL PURPOSES

Contributions to the Nation’s Colleges and Universities at $30.30 Billion
Charitable contributions to colleges and universities in the United States increased 8.2 percent in 2011, reaching $30.30 billion, according to results of the annual Voluntary Support of Education (VSE) survey. The findings were released today by the Council for Aid to Education (CAE). Adjusted for inflation, giving increased 4.8 percent.

Giving for capital purposes, such as endowments and buildings, increased 13.6 percent (10.1 percent, adjusted for inflation). Giving for current operations increased 4.7 percent (1.4 percent, adjusted for inflation).

The growth in contributions is a particularly welcome development as it follows declining or stagnant levels of giving in recent years. Still, giving accounted for only 6.5 percent of college expenditures in 2011, and giving for current operations, the dollars that can be used immediately to offset current-year expenses, accounted for 3.8 percent of expenditures.
Campus-wide Advancement Services

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

University and College Alumni and Development Programs
Fundraising Programs & Services

University and College Alumni and Development Programs

- Direct Mail, Telemarketing, Online Giving
- Campaign Planning
- Corporate & Foundation
- Prospect Research
- Regional Major Gifts
- Volunteer Management
- Principal Gifts
- Trusts, Estates and Complex Assets
- Gift & Endowment Agreements
- University and College Alumni and Development Programs
Alumni Relations

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

Source: Voluntary Support of Education FY 2012
2013 Alumni Distribution by State

Number of Alumni

- 0 - 100
- 101 - 1,000
- 1,001 - 10,000
- 10,001 - 100,000
- 100,001 +

Total Alumni in U.S.: 458,261 as of 8/30/12
2013 Alumni Distribution by Country

Number of Alumni
- 0 - 100
- 101 - 1,000
- 1,001 - 10,000
- 10,001 - 100,000
- 100,001 +

Total Alumni Worldwide: 528,815
as of 8/30/12
The Circle of Spartan Life

Service

Enrichment

Tradition

Network
Michigan State Alumni Overview

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

• MSU Alumni Association
  - 65,500 members
  - 164 regional alumni clubs (including 33 clubs within Michigan and 81 clubs throughout the rest of the United States and 50 international)
  - 150 international Spartan Ambassadors
  - 25 college/school/discipline-based alumni interest groups

• College Alumni Officers
MSUAA Keeps Alumni Connected

• Awarded $250K in scholarships through MSUAA regional and interest-based clubs
• Represented MSU through involvement in 30 programs in nine countries
• 4,500 Student Alumni Foundation members who managed 516 Sparty appearances in 12 states and brought 1,200 IZZONE alumni back to campus for an event
• Coordinated 33 Sparty literacy visits attended by 12,500 people
• 587,000 unique visitors to alumni.msu.edu last year, 4,700 Twitter followers, 5,800 Facebook likes and 39,000 in the official LinkedIn group
MSUAA Priorities

• Major Market Focus – the 80/20 rule
• Create strong Spartan Connections
  – Spartans helping Spartans
• Celebrate Spartan Sagas
• 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

Pete Lasher
Associate Vice President
University Development
Philanthropy in the U.S.

- **Individuals**
  - $229.29
  - 75%

- **Foundations**
  - $41.21
  - 13%

- **Corporations**
  - $14.50
  - 5%

- **Bequests**
  - $22.66
  - 7%

CY 2008 Contributions—$307.65 Billion by Source
Source: Giving USA Foundation
April 18, 2013
Percentage by Source

MSU:
- Alumni: 35%
- Corporations: 17%
- Foundations: 12%
- Other Individuals: 4%
- Other Orgs: 1%
- Parents: 1%

Penn State:
- Alumni: 47%
- Other Individuals: 20%
- Corporations: 14%
- Foundations: 11%
- Other Orgs: 8%

U of M:
- Alumni: 52%
- Other Orgs: 17%
- Corporations: 16%
- Foundations: 7%
- Other Individuals: 7%
- Parents: 1%
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**
  - Assigned Relationship Mgr.
  - Personal Contact, Specific Strategy
  - $100,000 < $5 Mil / 5 years

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

- **Annual Gifts & MSUAA**
  - $<1,000 / yr

- **Targeted Events**
- **Mail, Phone**
MSU’s Fundraising Model

- 9 non-degree programs
- 17 colleges
- 4 central programs

University Development
Building Momentum: A Regional Focus
Top Major Metro Markets

San Francisco
San Jose
Los Angeles
San Diego
San Diego

Seattle
Denver
Phoenix

Chicago
New York
Washington DC

Boston
Bridgeport

Miami
West Palm
Naples
Houston
Dallas
Atlanta

Map of the United States highlighting major metro markets.
Re-Evaluating Top Metros & Fundraising Regions

Top Major Metro Markets: Michigan
The Continuum

- Discovery
- Cultivation
- Solicitation
- Stewardship
Stewardship

- Gift Integrity
- Honor donors’ intent
- Demonstrate ROI
- Additional Giving
FY 2011/12 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)

![Chart showing Total Gift Production]

**Cash Receipts**

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

(CAE- VSE Survey)

![Chart showing Cash Receipts]
MSU’s Next Capital Campaign...

Total Gift Production

Millions

$0 $50 $100 $150 $200 $250


$46.8 $73.9 $73.9 $72.0 $202.4 $203.5 $131.9 $160.4 $141.5 $129.7 $193.2 $201.1 $138.8 $139.6 $125.0 $174.5

Campaign for MSU

Future Campaign
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
General Planning Guidelines

Pre-planning: assessing institutional direction

- Giving patterns, prospects, budgets, staffing, organizational structure
- Academic planning and shaping

Quiet phase: traditionally 2 years – but stretching up to 4 years

- Set preliminary goals for testing with lead gift prospects and volunteer leaders
- Quietly begin counting to raise a nucleus of 30 – 50% of preliminary goal
- Secure lead gifts
- Fine tune goals and case for support before going public

Public Phase: typically 4 to 5 years – But keeping total to 8 years or less

- Triggers – success with nucleus, momentum, economic environment
- Starts with a public announcement of goal (and substantial progress toward it)
- Extensive publicity and discussion of progress toward goal
- Events showcasing campaign priorities
## Summary: Possible Campaign Timing

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<th>Year</th>
<th>Internal Consultation/Preparation</th>
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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