

Fundraising for Public and Private Universities

**„Fundraising for Universities“
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(I.C.H.E.)**

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„Fundraising
is the gentle art
of teaching
the joy of giving.“

Henry A. Rosso, Founder
Fund Raising School

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„You can raise a lot more money through organized fundraising than you can raise through disorganized fundraising.“

Henry A. Rosso, Founder
Fund Raising School

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Content

- The Professionalisation of Fundraising
- Five Criteria for Success
- Fundraising Methods
- Major Donor Fundraising and Capital Campaigns
- Alumni and Fundraising
- Fundraising for Public and Private Universities:
Similarities and Differences

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Fundraising for Higher Education in the USA

- Philanthropy – a public virtue
- Growing professionalizing of FR since the Sixties: huge fundraising departments
- Parallel growth of private giving by 8 to 10 percent annually (2003: total 240,7 Billion USD; 13,1 % = 31,6 to Education)
- Fundraising costs seen as investment
- Crucial role of leadership, including volunteer leadership
- Intense alumni work and alumni fundraising

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Fundraising for Higher Education in the Rest of the World

- Philanthropy and fundraising as a profession on the rise
- A few very successful pioneering institutions
- Not yet a developed culture of giving to universities – but quite a few donations by „chance“
- Challenge: Initial Investments for developing a fundraising infrastructure
- Seldom an active role of the leadership of institutions
- From the phase of curiosity to the phase of doing

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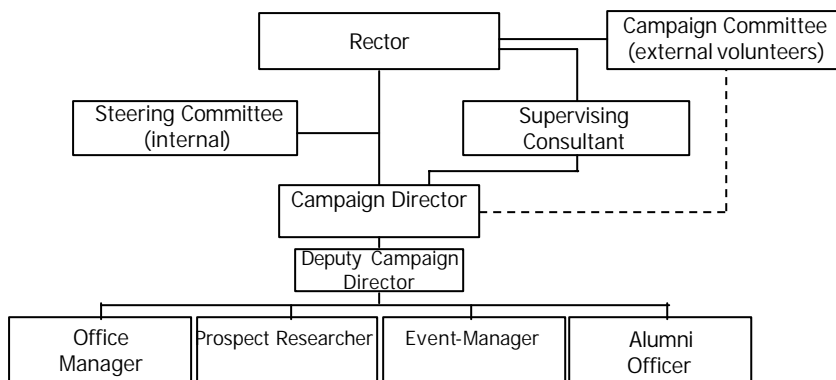
The fundraising start-up

- Investment / needs to spend money before funds come in
- Organization development and role changes, in particular at the level of the institution's leadership
- Adequate legal form
- Competent staff
- Support by consultants

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Capital Campaign Management Structure Example of a 30 Mio. Euro Campaign



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Typical costs of a Capital Campaign

Between 7 % and 15 % of the total raised – all costs included:

Staff costs of the institution, fundraising software,
brochures, events, consulting costs

Cash-flow: necessity of financing the start-up phase
(at least a year)

Example: campaign goal 30 Mio. Euro in 3 years
Fundraising cost 10 % = 3 Mio. Euro,
1 Mio. Euro per year

The higher the financial goal, the more staff is required; at the
same time the cost-income-ratio will be improved.

Funding the fundraising: Where to find the money for the start-up costs

- The university's own resources (e.g. legacy or donations)
- Foundation grant
- Donor
- Loan (government, bank)

Five Criteria for Success

- A Strong and Exciting Case for Support
- Urgent and Compelling Needs
- Realistic Potential Donors
- Strong Internal and External Leadership
- Readiness for Fundraising

„People give to make the world better.“

VISION and the CASE for SUPPORT

We articulate the Vision in the Case for Support:

Show where we will make the difference, add value,
transform the university

We use the Case for Support to present our Vision:

In speeches, brochures, PowerPoint presentations,
conversations

Urgent and compelling needs

Crucial factors:

- Transform the potential and make a difference
- Exclusive
- Innovative

**„The more involved the donor,
the larger the gift.“**

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The Role of Volunteer Leadership in a Major Fundraising Campaign

- Credibility and Stature
- Leadership philanthropy
- Prospect Identification
- Access
- Advocacy
- Relationship building
- Solicitation
- Energy, partnership, leadership

Major gifts rarely happen without good volunteer involvement!

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The Fundraising Pyramid



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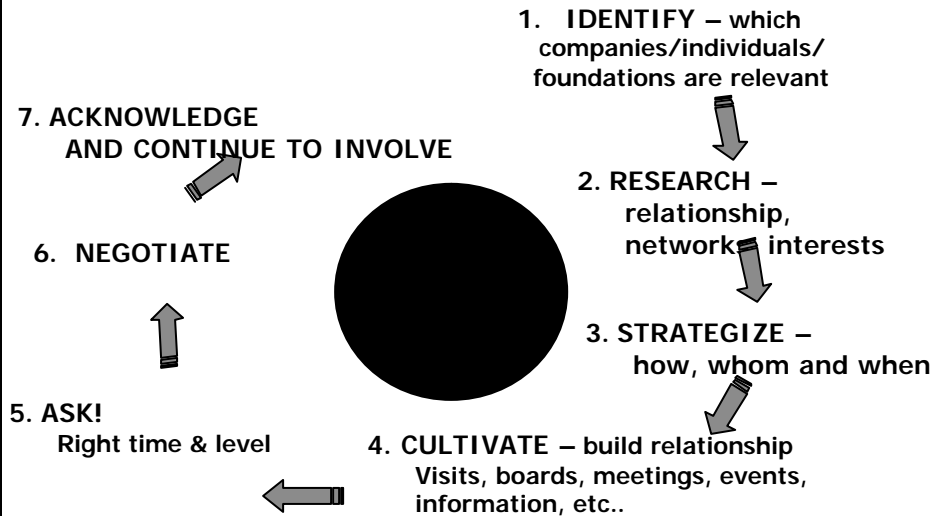
Fundraising Methods

- Major Donor Fundraising / Capital Campaigns
(top – down / inside – out)
- Direct Mail
- Fundraising Events
- Legacy Marketing
- Media campaigns
- Telemarketing
- Internet
- Sponsoring
- Merchandising products

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The seven steps of major donor fundraising



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Capital Campaigns im Hochschulbereich in Europe (Examples)

- Chalmers University of Technology, Göteborg (Sweden)
(33 Millionen Euro)
- TUM – Technische Universität Munich (Germany)
(50+ Millionen Euro)
- Université Catholique de Louvain (Belgium)
(20 Millionen Euro)
- Rijksuniversiteit Groningen (Netherlands)
(15 Millionen Euro)

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Why alumni give donations to their university

- Identification
- Motivation
- Cultivation
- Needs
- Suitable project
- Peers

Role of Alumni in Fundraising

- Ambassador
- Major Donor
- Donor of small gifts
- Door opener
- Volunteer fundraiser
- ...

Fundraising for Private Universities

- „Start-up bonus“
- Private donors see more easily where to make a difference with their money
- Notion of innovation
- „Building an elite and excellence“ – motivation for donors
- Professional fundraising enjoys higher acceptance and is part of the „survival strategy“

But:

- „Post-start-up blues“
- Fundraising does not happen on its own!

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Fundraising for Public Universities

- Fundraising not yet seen as something vital
- Profile and Management of the institution?

But:

- Higher Education – a public theme
- Credible institutions
- Alumni – a not yet tapped asset

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Major Donors: Universities in Germany (Examples)

Donor	University	Amount	Project
Prof. Dr. Helmut & Dr.h.c. Hannelore Greve	Hamburg University	€ 35 Million	„Wing Buildings“
Klaus J. Jacobs	International University Bremen	SFR 10 Million	Jacobs Center of Lifelong Learning
Susanne Klatten	Technical University Munich	€ 2,8 Million	Unternehmer-TUM
Manfred Lautenschläger	Heidelberg University	€ 13,8 Million	Building children's hospital
Hasso Plattner	Potsdam University	€ 50+ Million	Hasso-Plattner-Institute for Software systems technology

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