Fundraising for Public and Private Universities

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

Henry A. Rosso, Founder
Fund Raising School
„You can raise a lot more money through organized fundraising than you can raise through disorganized fundraising.“

Henry A. Rosso, Founder
Fund Raising School

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
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

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
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

Capital Campaign Management Structure
Example of a 30 Mio. Euro Campaign
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-ration 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."

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!
The Fundraising Pyramid

Principal Gifts

Major Gifts & Sponsorships

Corp Fdn Ind

Premium Annual Giving

Annual Giving

Fundraising Methods

- Major Donor Fundraising / Capital Campaigns
  (top – down / inside – out)
- Direct Mail
- Fundraising Events
- Legacy Marketing
- Media campaigns
- Telemarketing
- Internet
- Sponsoring
- Merchandising products
The seven steps of major donor fundraising

1. IDENTIFY – which companies/individuals/foundations are relevant
2. RESEARCH – relationship, networks, interests
3. STRATEGIZE – how, whom and when
4. CULTIVATE – build relationship
   Visits, boards, meetings, events, information, etc..
5. ASK!
   Right time & level
6. NEGOTIATE
7. ACKNOWLEDGE AND CONTINUE TO INVOLVE

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)
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 & MANAGEMENT CONSULTANTS
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!

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
**Major Donors:**  
**Universities in Germany** *(Examples)*

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