

U. T. System Development Assessment FY 2011

Dr. Randa Safady
Vice Chancellor for External Relations



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Board of Regents'
Meeting
February 2012



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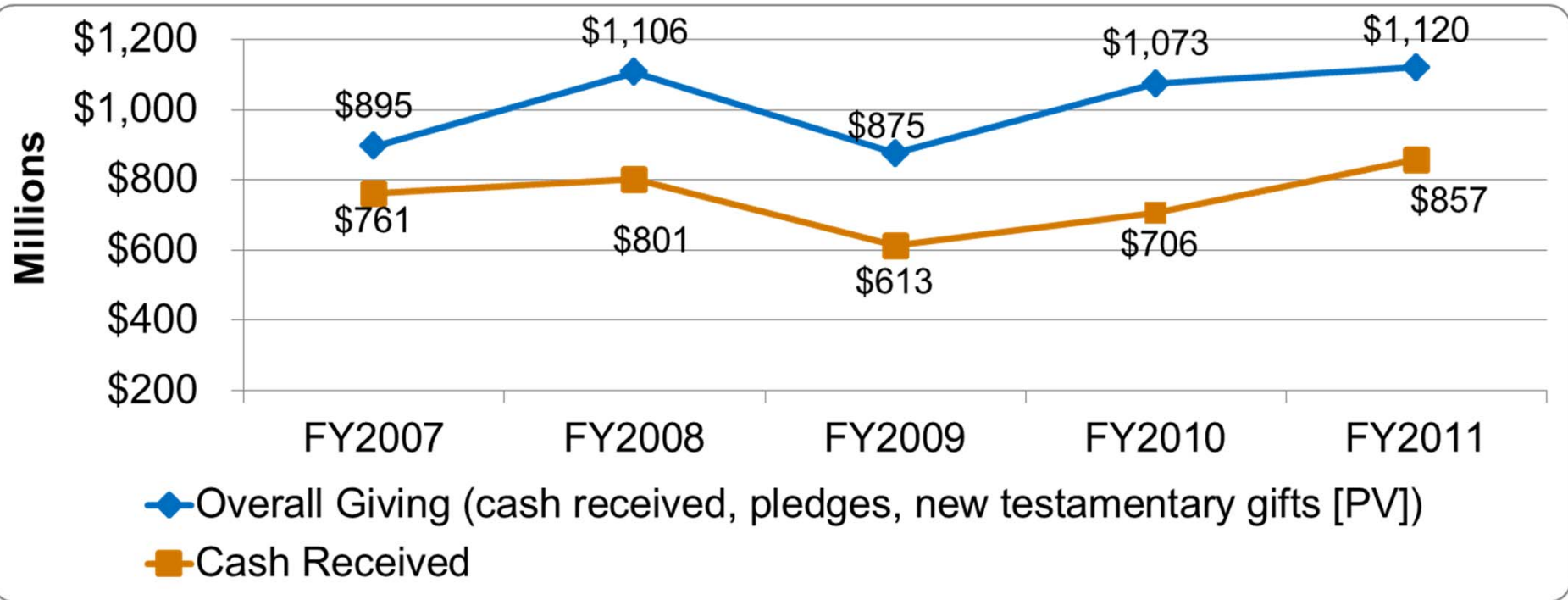
FY 2011 – Wax and Wane

- Slower than expected economic recovery
- Continued high unemployment
- Volatile stock market
- Projected modest gains for giving
- Institutions worked much harder to simply maintain previous levels of support



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Fundraising Summary and Five Year Trend



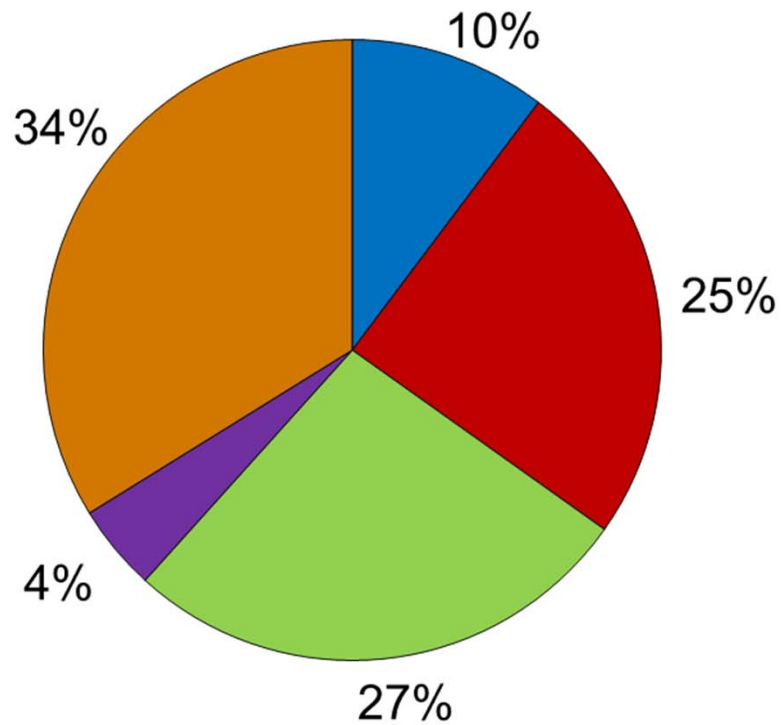
- FY 2011 was the highest year for overall giving and cash received, representing a 21.3% increase from FY 2010
- Cumulative Overall Giving for the past two years reached \$2.19B
- During that same period, actual cash received was \$1.56B



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Sources of Giving FY 2011

14% Personal/Family Foundations
20% Private Foundations



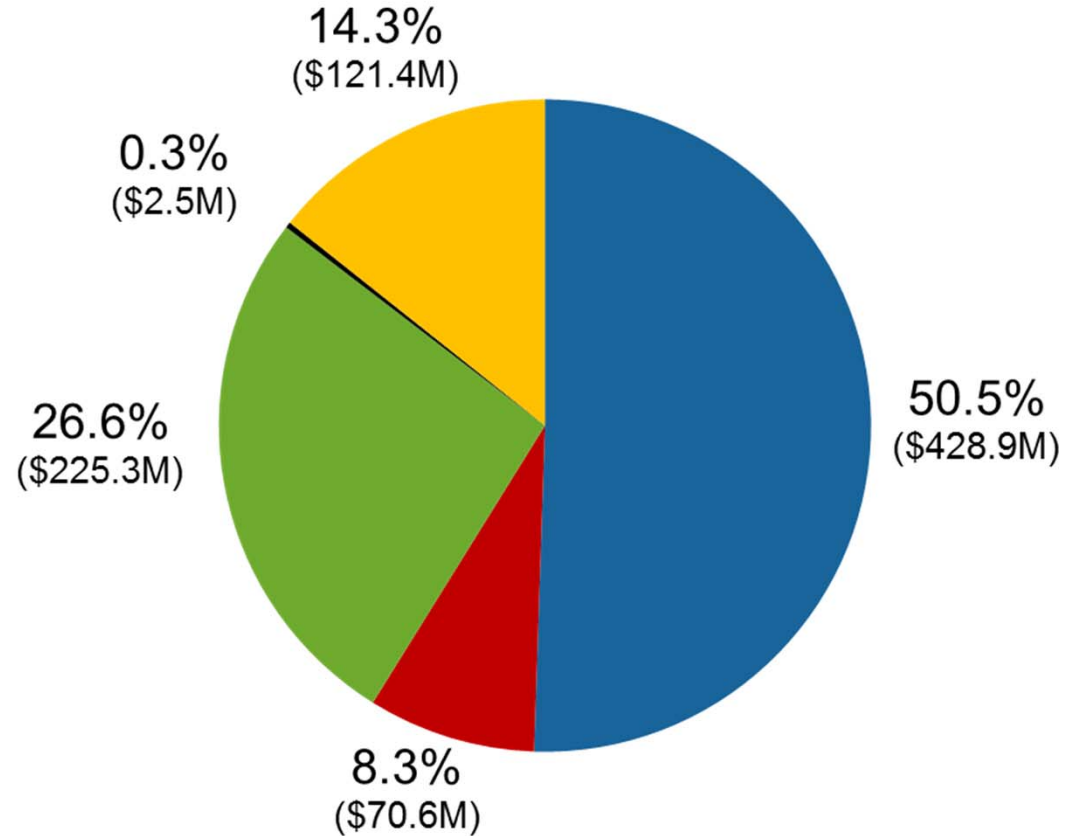
- Alumni
- Other Individuals
- Corporations
- Other Organizations
- Foundations



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Purpose of Gifts

- Current Operations: Restricted
- Current Operations: Unrestricted
- Capital Purposes: Property, Building, & Equipment
- Endowment Unrestricted
- Endowment Restricted



- Current operations represents 58.8% of all giving
- The percentage of gifts to capital increased 18.1% from FY 2010
- Less than 9% of all funds received are unrestricted



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Individual Donors

	Average FY 2006–2010	FY 2011	Percent Change
Alumni donors	79,526	83,616	5.1%
Non-alumni donors	136,218	143,352	5.2%
All individual donors	215,743	226,968	5.2%

- FY 2011 represents a record number of alumni and individual donors
- Maintaining the donor base during these economic times is a significant accomplishment
- Non-alumni donors account for 63.1% of all individual donors



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Alumni Giving

	Average FY 2006–2010	FY 2011	Percent Change
Alumni Participation*	8.2%	7.2%	-12.2%
Alumni Giving Amount	\$71.9M	\$88.2M	22.7%

*Alumni Participation = alumni donors divided by alumni of record

- 1,160,044 alumni of record
- 295,000 new alumni since FY 2007 (34% growth)
- Rapidly growing alumni base is a factor in participation
- Amount received from alumni is trending upward



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Planned Giving

	Average FY 2006–2010	FY 2011	Percent Change
New Testamentary Gifts (present value)	\$34.1M	\$56.2M	64.8%
New Testamentary Gifts #	126	228	80.9%
Realized Bequests	\$33.0M	\$75.7M	129.4%
Realized Bequests #	161	205	27.3%

- Planned giving results continue to improve
- Individuals are using planned giving to increase gift size
- Emphasis on planned giving in the past few years is showing positive results
- Realized bequests represent 23.9% of gifts from individuals in FY 2011



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Impact of Larger Gifts

	Average FY 2006–2010	FY 2011	Percent Change
Top 12* gifts as a percentage of cash received	19.8%	30.9%	56.5%

* Top 12 gifts = 3 largest gifts from individuals, foundations, corporations, and bequests)

- Of the 226,000 gifts in FY 2011, the Top 12 make up nearly a third of all giving
- 53 gifts of \$1M or more; down slightly from 57 gifts in FY 2010



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Academic Institutions FY 2011

Institutions	Overall Giving* (in millions)	Cash Received (in millions)	Cash Received as a % change from 5-year avg. FY 2006-2010	Cash Received as a % of Educational & General (E&G) Expenditures
U. T. Arlington	⬆️\$19.1	⬆️\$9.7	60.8%	2.2%
U. T. Austin	⬆️\$407.6	⬆️\$354.3	52.5%	18.1%
U. T. Brownsville	⬆️\$2.3	⬆️\$2.0	59.8%	1.1%
U. T. Dallas	⬆️\$43.3	\$23.4	6.3%	6.3%
U. T. El Paso	\$27.2	⬆️\$25.9	35.8%	7.2%
U. T. Pan American	⬆️\$9.1	⬆️\$4.7	13.9%	2.1%
U. T. Permian Basin	\$6.0	⬆️\$6.0	26.3%	10.9%
U. T. San Antonio	\$32.8	⬆️\$30.9	148.1%	7.4%
U. T. Tyler	\$4.5	\$2.6	-29.7%	3.2%

*Overall Giving = testamentary commitments, pledges, and cash received ⬆️ = increase from FY2010 10



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Health Institutions FY 2011

Institutions	Overall Giving* (in millions)	Cash Received (in millions)	Cash Received as a % change from 5-year avg. FY 2006-2010	Cash Received as a % of Educational & General (E&G) Expenditures
UTMDACC	\$246.3	↑\$153.7	37.2%	11.6%
UTHSC - Tyler	\$1.9	↑\$1.1	-15.7%	3.0%
UTHSC - Houston	↑\$52.0	↑\$41.8	13.5%	5.2%
UTHSC - San Antonio	\$32.9	\$30.9	-41.1%	4.4%
UTMB	↑\$53.4	↑\$26.7	-22.5%	4.6%
UTSWMC	↑\$160.4	\$139.8	-2.0%	10.9%

*Overall Giving = testamentary commitments, pledges, and cash received ↑ = increase from FY2010



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Fundraising Campaigns

- Seven fundraising campaigns underway and all at various stages
 - Combined campaign goals \$5.05B
 - Amount raised toward campaign goals as of October 2011 \$3.40B
- UTMDACC completed its \$1B campaign ahead of schedule raising in excess of \$1.2B



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Observations

- U. T. System institutions collectively had very positive results in the midst of a flat economy
- Maintaining staff and development budgets paid dividends for those who stayed the course
- Planned giving played a more significant role and still more improvement is desired



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Observations

- Annual giving showing sustainability
- Increased alumni participation/giving is desirable
- Donors continue to designate their giving
- Not all institutions advancing at the same pace



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Going Forward – Strategy

- Philanthropy part of Chancellor's *A Framework for Advancing Excellence*
- Importance of recruiting and retaining exceptional development leadership and staff members
- Balanced fundraising programs and increased capacity



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Going Forward – Strategy (cont.)

- Enhancing Philanthropy among U. T. System Institutions
 - Multi-year development business plans
 - Financial investment by Board of Regents
(*Strength in Numbers*)
 - Collaborative services



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Going Forward – Strategy (cont.)

- Institutions completed multi-year development business plans
 - Cumulative Giving Results by FY 2015
 - Cash received in excess of \$925M
 - Overall giving of \$1.2B
 - Essential elements in business plan feature
 - Cash received and overall giving
 - Individual donor count
 - Alumni participation
 - Budgeting



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Going Forward – Strategy (cont.)

- \$10M approved and distributed to U. T. System institutions through *Strength in Numbers* to build balanced fundraising programs and enhance capacity
- All institutions requested and received funds
- Investment for three years to fund
 - 44 strategic fundraising positions
 - 14 programs



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Going Forward – Strategy (cont.)

- Collaborative Services
 - Lower Rio Grande Valley Initiative
 - Donor Screening and Predictive Analytics
 - Explore annual giving program with multi-layered approach
- Center for Enhancing Philanthropy
 - Training and Workshops
 - System Seminar
 - Best practice – alumni, annual giving, major gifts, etc.
 - Vice Presidents of Research and Development forum
 - Assessments and strategic planning



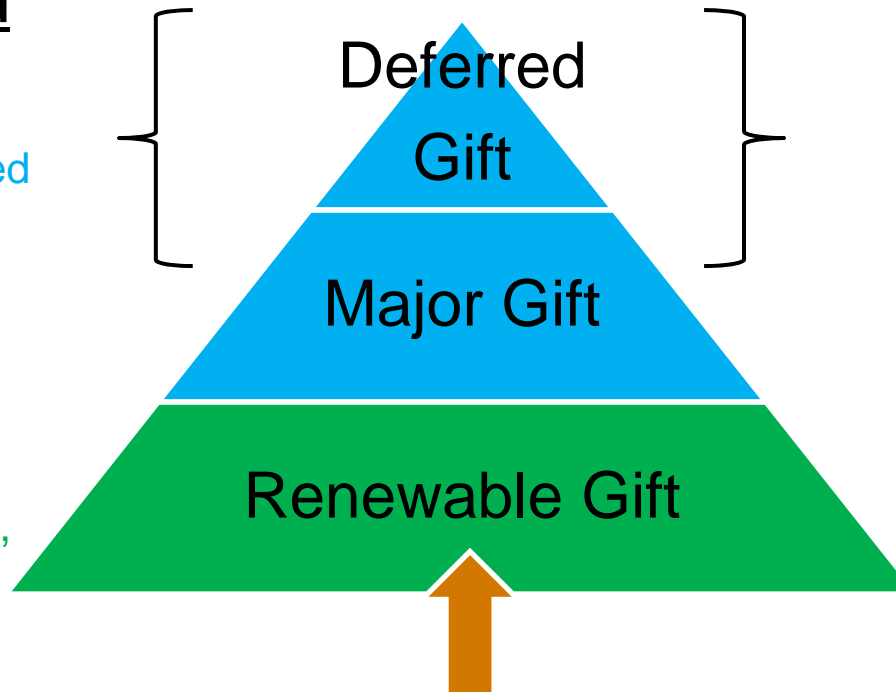
Going Forward – Strategy (cont.)

Balanced Fundraising Model

Amount Raised

70-90% of private funds from deferred and major gifts

10-30% of private funds from annual, recurring support



Methods of Solicitation

Personal visits

- Direct mail
- Phone programs
- Social media
- Special events

The Prospect Pool: individuals with shared values (alumni and non-alumni), parents, board members, other volunteers, faculty, staff, foundations, corporations, grateful patients, and other entities



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Going Forward – Strategy (cont.)

- Renewable Giving (annual support)
 - Entry point for most donors and major gift prospects
 - Lower level annual donors over many years make ideal planned giving prospects
 - Vital for alumni involvement, especially young alumni
 - Requires multi-layered approach to various audiences, including traditional mail and phone programs integrated with events, web, email, and social media



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Forecast for FY 2012

- Do not expect geometric growth in FY 2012
- Annual fund programs will continue to hold their own
- Donor confidence in the economy will rise and fall making major gifts more challenging
- Planned gifts will increasingly be part of large gift commitments
- Implementation of sound, strategic development plans essential for success



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Questions?

Thank You