

Institutional Development Plans: Performance Measures and a Framework for Continuous Improvement

Executive Summary



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Meeting of the UT
System Board of
Regents

November 16, 2006

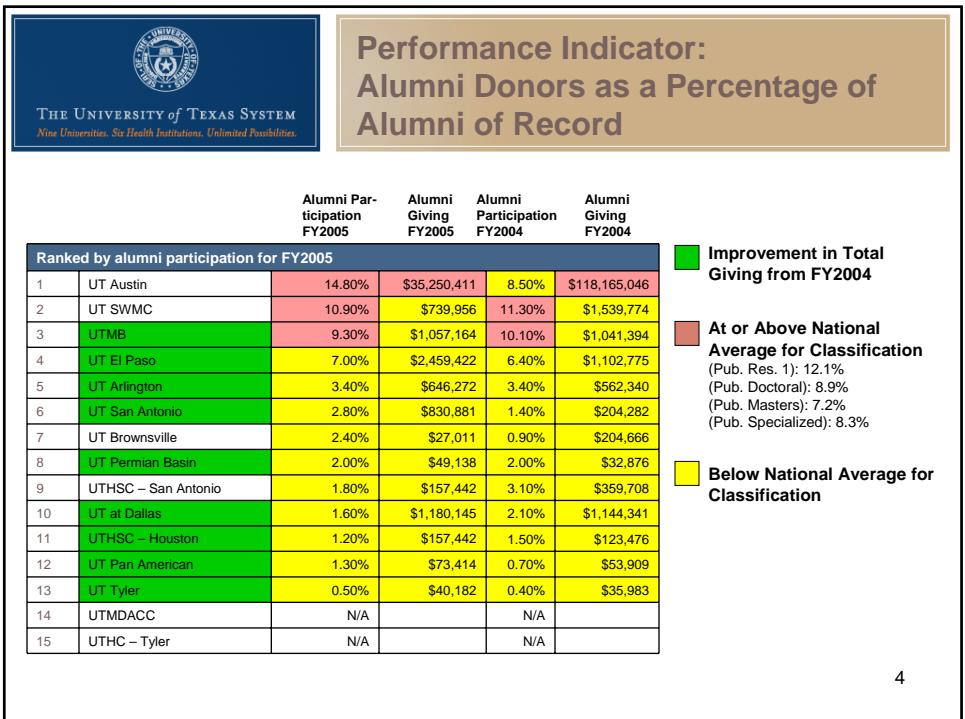
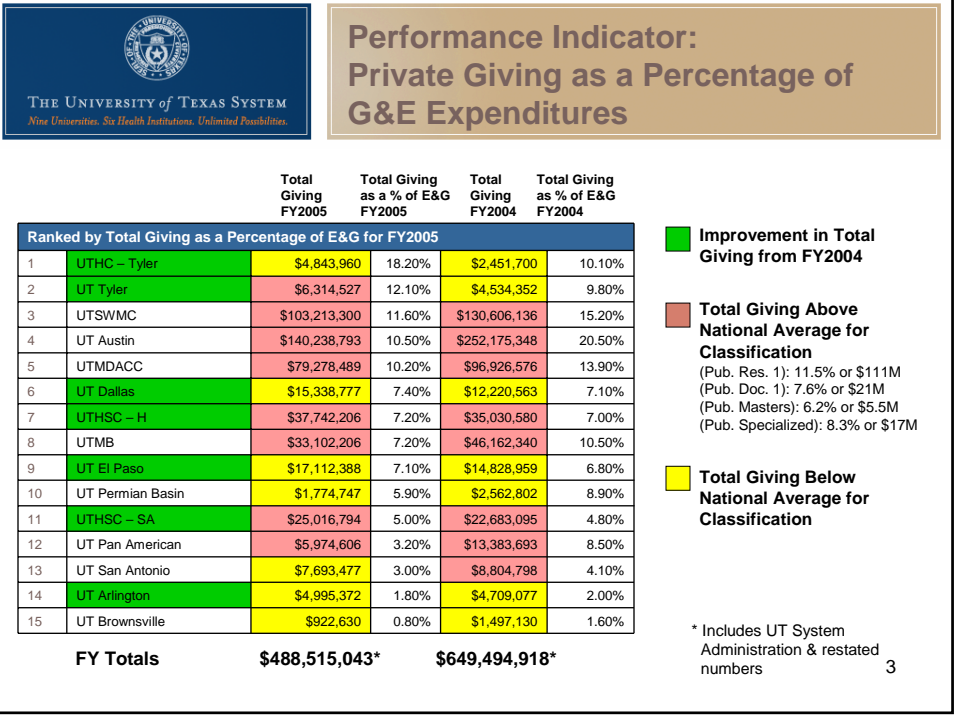



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Total Giving (FY 2005)

FY 2001	\$479,779,000
FY 2002	\$485,200,000
FY 2003	\$585,624,000
FY 2004	\$649,493,000
FY 2005	\$488,515,043
FY 2006 est.	\$566,265,105

- FY 2005 saw a 24.8% decrease in total giving from previous year
- FY 2004 was the best fundraising year in UT System history
- Three institutions (UT Austin-14th, UTSWMC-24th, UTMDACC-36th) ranked in top 50 institutions nationally for FY 2005 total giving, and these three institutions received 66% of total giving to the UT System
- New FY 2006 estimates point to an increase of 16% over FY 2005, with eight institutions and UT System Adm. showing increases over their FY 2005 totals






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Alumni Giving

- Alumni participation on a national level experienced a slight decline
- Alumni giving is often considered the most important barometer of institutional maturity
- UT institutions' alumni participation rates continue to be lower than those of their select peer and aspirant institutions

Note:
While not indicated on the slide, each UT institution has its own customized report showing comparisons with select peers in alumni giving, planned giving, endowment market value, endowment per FTE student and total giving – among other variables.

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Realized Bequests

		Number of Bequests FY2005	Amount from Bequests FY2005	Number of Bequests FY2004	Amount from Bequests FY2004
Ranked by Number of Bequests in FY2005					
1	UT Austin	65	\$2,935,841	103	\$106,892,724
2	UTMDACC	65	\$10,062,800	64	\$32,218,932
3	UTSWMC	10	\$6,081,991	11	\$5,038,154
4	UT El Paso	9	\$444,376	10	\$215,829
5	UTMB	4	\$488,179	6	\$5,455,184
6	UTHSC – Houston	3	\$309,613	4	\$50,327
7	UTHSC – San Antonio	2	\$271,621	6	\$415,740
8	UT Arlington	2	\$206,597	1	\$71,285
9	UT San Antonio	1	\$61,240	3	\$659,156
10	UT – Pan American	0	\$0	2	\$10,925,919
11	UT Tyler	0	\$0	1	\$95,000
12	UT – Tyler	0	\$0	1	\$1,500,000
13	UT Permian Basin	0	\$0	1	\$1,350,000
14	UT Brownsville	0	\$0	0	\$0
15	UT Dallas	0	\$0	0	\$0
FY Totals		161	\$20,862,258	231	\$164,888,250

■ **Increase in Realized Bequests from FY2004**

■ **At or Above National Average for Classification**
(Pub. Res 1): 55 bequests; \$7.8M
(Pub. Doc 1): 14 bequests; \$2.1M
(Pub. Mas 1): 4 bequests; \$406K
(Pub. Spec): 6 bequests; \$1.2M

■ **Below National Average**

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Planned Giving

- Institutions that historically receive a higher percentage of gift totals from alumni are also steady beneficiaries of planned gifts
- Planned gifts are critical in building an institutional endowment; nearly all unrestricted endowments come to institutions through bequests
- For the past 20 years, realized bequests have represented between 20-25 percent of all individual giving to U.S. higher education
- UT institutions must make investments in planned giving expertise

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UT Academic Institutions' Gift Totals as a Percentage of Their Respective Peer and Aspirant Institutions' Totals

Institution	Peer	Aspirant
UT Arlington	16%	14%
UT Austin	90% of peer level	
UT Brownsville	25%	17%
UT Dallas	40%	23%
UT El Paso	64%	29%
UT Pan Am	41%	30%
UT Permian Basin	55%	36%
UT San Antonio	95%	55%
UT Tyler	98%	62%

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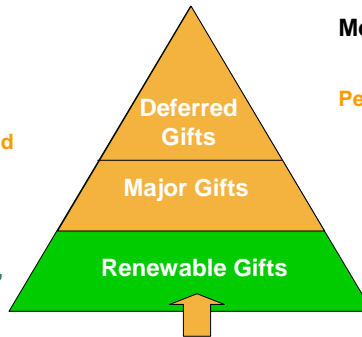
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The Balanced Fund-Raising Model

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

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

Only five UT institutions (two academic and three health institutions) have a balanced fundraising model, with predictable, recurring support in the three major areas

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Why Measure?

- Private support must be a predictable part of an institution's revenue stream – it continues to play an increasingly critical role in an institution's ability to meet its teaching, research and service missions
- The BOR, Chancellor and UT Presidents have a strong stake in determining the effectiveness of development / advancement programs on an institution's ability to fully fund endowments, building projects, research programs, and other strategic initiatives
- This data, along with other feasibility study information, is used to determine if a campus is ready to launch a BOR authorized capital campaign
- This is a "value-added" service offered by the UT System in an effort to support continuous improvement on campuses

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Why Measure?

- The customized development assessment reports allow presidents and chief development officers (CDOs) to objectively evaluate their development programs, to align philanthropic resources to institutional compacts and the UT System's ten year strategic plan, and to support other special campaign initiatives
- Analysis of data enables development VPs to determine if human and financial resources might be reallocated to improve results
- This project is a sub-report of the UT System's comprehensive accountability and performance program

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Progress

- Collected and analyzed two years of development performance data. Met with presidents and CDOs to review assessment findings and discuss recommendations
- High receptivity to UT System recommendations and immediate action already taken by presidents to make changes. (Nine of fifteen institutions have made, or are in the process of making significant changes in development leadership, staffing, structure, and/or operations)
- Development of metrics system and performance measures customized for campuses

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Progress

- Second year planned giving counsel services offered by UT System
- Discussions with CDOs and some presidents on conceptualization of UT System Development Training Institute
- Institutionalized an annual performance assessment of each campus development operation
- Integration of development into institutional strategic plans has occurred on eleven of fifteen campuses, although some are more aligned, more mature than others

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Conclusions

- Total giving declined from FY 04 to FY 05, but a significant rebuilding of development operations and the recruitment of new leadership should allow us to see increases in FY 06 and FY 07
- Development programs are highly differentiated by size, structure, maturity and performance
- Half of the development operations still lack measurable performance standards but are developing them as they recruit new leadership and staff and continue to make structural changes

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Conclusions

- Alumni giving and planned giving must improve on all campuses
- Of the eight campuses that received recommendations to make changes, all have either done so or are in process of making changes now
- Sound infrastructural components, like prospect research, planned giving, corporate and foundation relations, alumni relations, and annual and major gifts, are still under development and in their infancy stages at most institutions involved in reorganizations

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Thank you.
Questions?

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