

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARMOOUTH•LOWELL•WORCESTER

**MINUTES OF THE MEETING OF THE
ADVANCEMENT COMMITTEE**

**Wednesday, May 28 2008; 11:30 a.m.
Amherst Room
225 Franklin Street – 33rd Floor
Boston, Massachusetts**

Committee Members Present: Chair Lawton; Trustees Beatrice, Endich, Kulenovic, MacAfee and Nath; Chairman Manning

Committee Members Absent: Trustees DiBiaggio and Tocco, Vice Chair King-Shaw

University Administration: President Wilson; Vice President Smith; Chancellors Cole, Motley, MacCormack, Meehan and Collins; Associate Chancellor Moloney

Advancement Staff: Ms. Thompson, Executive Director of Advancement, UMass Amherst; Mr. Byers, Vice Chancellor for Institutional Advancement, UMass Boston; Mr. Wolfman, Vice Chancellor for Institutional Advancement, UMass Dartmouth Foundation; Mr. Davis, Executive Director of University Advancement & Chief Development Officer, UMass Lowell; Mr. Pagnam, Vice Chancellor for Development, UMass Memorial Foundation

Faculty Representatives: Professors May, UMass Amherst

Chair Lawton convened the meeting at 11:36 a.m. and indicated that there is progress to report on some of the major initiatives which the campuses have been collaborating on. He then asked for the **Approval of the Minutes of the November 20, 2007 Meeting of the Committee.** It was then moved, seconded and

VOTED: To approve the minutes of the November 20, 2007 meeting of the Committee.

Under the **Chair's Report**, Chair Lawton reported that the UMass Night at the Pops event with UMass Amherst alumna Natalie Cole was a great success, and congratulated President Wilson and everyone who made the event possible.

In the last 12 months a number of initiatives were undertaken to implement best practices and policies to emulate the great institutions that have been successful at fundraising. Earlier today, Trustee Bharath Nath chaired the Student Alumni Task Force which studies student alumni association participation. Because of their dissimilarities, the Task Force is looking to create a student task force on each of the campuses that will look at the intangible student experience and how to best address engaging the students to become lifetime contributors at the University.

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Members of the Advancement teams from all five campuses worked to advance the launches of their new online alumni communities over the last two quarters. The Amherst campus is live to its members. The Boston, Dartmouth, Lowell, and Worcester campuses have moved past their test version and opened to their full alumni communities in March. To date, the four-campus collaborative has registered more than 7500 members. Over the next two weeks there will be a new Facebook tool that will link alumni Facebook profiles to the online community. A new comment section is also being added allowing alumni to leave each other public notes. Jobs will also be posted online. These features are sure to drive more alumni into the community and help with fundraising.

As reported at the last meeting, UITS staff is now in the process of working with staff at each of the five campuses to plan for their upgrade or conversions. In April, the five campuses sent representatives to training in order for project representatives to understand the CRM. This tool is a tremendous asset to the University. With it we can better identify donors, provide data analysis, see soft spots in fundraising and where we can best improve fundraising overall. The goal in fundraising is to increase the list of prospects. The CRM will help with this process. Chair Lawton thanked everyone from all of the campuses for their collegiality and teamwork over the last 12 months. Policy and initiatives will be developed that continue to improve fundraising.

The Committee will hear Vice President Smith and the Vice Chancellors talk about alumni participation and opportunities to increase participation.

The next item was the **President's Report**. President Wilson reported that UMass Night at the Pops event with Natalie Cole was a spectacular event. Charlie Hoff who has created the largest endowed scholarship in the history of the University was honored. President Wilson was delighted to award him the President's Medal and congratulated all of the staff members who worked hard on this, as well as the Chancellors and their advancement teams for their excellent stewardship of the Hoff Scholarship Program.

Fundraising stands at \$66,231,151 against an annual goal of \$85 million; performance is up about 18% over last year; and there is a 17% increase in foundation giving and almost a 50% increase in individual giving. President Wilson congratulated the Chancellors and their teams for their commitment to improving fundraising. All of the campuses are making great progress. Special recognition was given to UMass Amherst and UMass Lowell. UMass Lowell registered an increase in alumni giving of almost 225% and surpassed its total annual goal by 11% in Q3. To date, UMass Amherst showed an increase of almost 50% in alumni giving for this year.

The endowment portfolio registered an overall increase of \$6 million this quarter despite the capital markets strongly negative environment. Overall the portfolio is down -2.15% for the quarter vs. -3.11% for the policy index and -9.44% for the S&P 500. The asset allocation remains on target with domestic equities at 19%, international equities at 15%, fixed income at 31%, cash equivalents at 6%, and alternative investments at 29%.

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The next item was the Vice President's Report. Vice President Smith provided a presentation on Alumni Participation. Highlights included:

Alumni participation is trending downward nationally. The percentage of alumni participation declined to 11.7%, according to the 2007 VSE Report. As enrollments of younger students increase, the average age of alumni declines and younger individuals tend to give less frequently, and they make smaller contributions. For medical schools (and some others) alumni participation is not the most relevant metric—catchment area is more relevant.

Alumni participation is expensive to achieve high participation. Participation matters because it is a predictor of the robustness of the pipeline for future gifts, can contribute to the perception of fundraising efforts, and donors who give more frequently over time are likely to give larger gifts in the end, and it contributes to some rankings. We should pay attention to participation, but looking at increased numbers rather than percentages might be a better measure.

Fundraising today is different. The traditional approaches (mail and phone) are less appealing to today's saturated donors. The online experience is more convenient, but probably less penetrating and mail screening is higher than ever. Today, alumni have more options to give—local cultural groups and non-profits have become more sophisticated in targeting our audience.

We engage alumni through services and insure our future success by communicating with alumni through the channels that they prefer; providing an online fundraising capability and ask network; providing alumni services (online and other opportunities) to increase participation; and understanding the effort as a long term investment.

Benchmarks indicate that all peers have an Opportunity Gap, meaning that there is a common challenge to inspire more frequent giving. Frequency is very important to donor value. Both frequency and gift size are issues that can be addressed programmatically.

Chair Lawton indicated that it is important to get the students and alumni involved with fundraising as they are the future of the University of Massachusetts. Trustee Nath commented that the Alumni Task Force had a fairly good conversation and there is high enthusiasm for a student alumni association. Chair Lawton indicated that the Task Force will take a look at a number of issues and provide an update at the next meeting of the Committee.

Chair Lawton asked what role does athletics play in donor participation on the campuses. Chancellor Meehan indicated that at the Lowell campus there is increased revenue from athletics and any fundraising is based around athletics. At some point we might consider an advertising campaign around why giving is important.

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The Advancement Officers then reported on the **Campus Fundraising Reports**. Highlights from their third quarter fundraising results included:

UMass Amherst (Ms. Thompson, Executive Director of Advancement)

- This was a great year and fundraising remains strong. The campus met 89% of goal which is about 26% ahead of last year;
- There is an increase in \$10,000 gifts, a 14% increase;
- We are seeing some downward trend in 5-year participation;
- There has been dramatic growth in the past 5 years in finding alumni. Projects are underway to identify alumni;
- Online giving is expanding this year;
- In comparison to other institutions across the country we are doing better than some of our peers with alumni giving. There is still progress to be made;
- There was a progression of donors in the last 5 years;
- Sources of support is in the mean (28%) with a number of large colleges;
- Information on alumni association/student philanthropy is included in the packets distributed earlier.

UMass Boston (Mr. Byers)

- This was a good year for the Boston campus;
- At the end of the third quarter fundraising stands at \$11.3M, approximately a 73% increase over last year;
- Reasons that attribute to the increase include improvement in appealing to alumni, an increase in the number of appeals, better planning and presentation, increased giving online (a \$25,000 gift was received online); and there are more visits by major gifts officers across the country;
- There are new giving levels at the Boston campus. This is a first for the campus. The Chancellor's Council was established for donors giving over \$1,000;
- Last year 129 donors gave \$1,000 or more, currently we are at 200 donors and expect that to be 250 by fiscal year end;
- The campus is working with its legacy school Boston State College to create endowed scholarships;
- Last year the Boston campus finished with 4,100 alumni donors, approximately a 7.75% alumni presentation rate. The goal this year is 9%;
- Next year the campus expects to add 6,000 new names to the donor list to reach its goal.

UMass Dartmouth (Mr. Wolfman)

- It has been a challenging year but UMass Dartmouth is progressing;
- New staff has been added;
- At the end of a \$6.7M goal, we are at \$4.3M;
- As a result of the Library campaign, a \$1M contribution was received;

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- The next major fundraising campaign is for the Business School;
- UMass Dartmouth is bridging between two fundraisers and is optimistic about reaching the \$6M projected goal which is contingent upon some previous commitments;
- Donor participation is up;
- The Parent campaign has begun to appeal to those aware of the appeal to engage alumni;
- The program at UMass Dartmouth is relatively young and the engagement of alumni is now beginning;
- We aggressively reach out to SMU alumni and are working through the branding process.

UMass Lowell (Mr. Davis)

- This morning the Lowell campus announced the Board of Trustees approval of the James Dandeneau Endowed Professorship, and the Mark and Elisia Saab Endowed Professorship;
- The Lowell campus selected to divide its allocation of \$2,400,000, and two other assets will be closed in the Fall;
- Chancellor Meehan's inauguration was very successful. The total fundraising from the extensive inauguration was almost \$850,000. After expenses, \$770,000 was placed into various scholarship funds on campus. \$400,000 was also placed into new scholarships in the name of the inauguration through the Foundation;
- In building community, the campus sponsored an event for its long time Financial Aid Director who passed away. This was a fundraising event to raise \$30,000-\$35,000 for endowed scholarships;
- This year's commencement dinner on Friday, May 30 is another fundraising opportunity for raising scholarship funds. Senator Kerry is speaking at the dinner and three honorary degree recipients will be honored;
- The Management School is celebrating its 50th anniversary this Fall. A fundraising event will take place on September 20, and the fundraising goal is \$1M;
- There is growth in UMass Lowell's endowment. The goal is to double the size of the endowment with the PHEEIP program;
- This year an estimated \$37M will be received in the endowment, and 29 individual endowment funds were created;
- Alumni participation is steady at a 12% rate;
- The Advancement Office will take steps to reestablish and re-staff the office in order to develop the Annual Fund;
- Alumni Giving has increased yearly. Giving increased over \$300 per gift.

UMass Worcester (Mr. Pagnam)

- Fundraising results have been mixed;
- We have been working with the Chancellor to put best practice procedures in place, and to meet and cultivate people;
- To date the fundraising total is over \$16M. In commitments, the Medical School is running ahead of previous years and is coming off of two campaigns;

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- One of the difficulties with fundraising is the impact of large gifts—each year 5 gifts have accounted for over 40% of the total achieved. Chancellor Collins has been working on cultivating donors;
- Activity levels are significantly higher; the Foundation numbers are very strong, and there is renewed efforts towards research and reaching out and engaging doctors;
- A report was issued on Annual Fund Giving. The report suggest that the median giving for private and public institutions is 22.31%, the Medical School's is 16.76%;
- Worcester has not had a very strong focus in the Annual Fund, and lacks a clear message promoting the institution. We must change how we approach the Annual Fund;
- Starting July/August a Line Giving Director will be in place;
- We need to promote the Medical School culture and develop a patient program in order to increase the donor pool.

Chancellor Collins then indicated that the Medical School must develop a broader donor base. Fundraising for the most part has been done west of Route 495 and east of Route 84. The Medical School is one of the top medical schools in the nation and we should reach out and engage people who want to support it. While Dr. Mello's Nobel Prize winning presented great fundraising opportunity we did not have the donor base to take total advantage of it. We are now in the process of trying to develop that base, reaching out to the doctors and engaging them in the development process.

Chancellor Collins also reported that the Medical School does not have high alumni participation and he and the Dean are working to change that. Another thing the Medical School must do is talk to Foundations who are interested in what is going on at the Medical School. We have a great story to tell about the sciences that is being conducted on the campus. Television could play a partial role in increasing the profile of the Medical School. There has been some discussion with President Wilson around getting the people of the Commonwealth to think this is their medical school, and generating support from the non-profit community in eastern Massachusetts is critical.

Chair Lawton indicated that given the Vice Chancellors reports the University is going to meet its goal of \$84M this year or exceed it. He thanked the Vice Chancellors for their reports and the UMass Foundation investment team for its advice.

The meeting adjourned at 12:40 p.m.

Zunilka Barrett
Assistant Secretary to the Board