

THE BRITISH —and Everyone Else— ARE COMING

Fundraising has gone global

By JOHN PULLEY

With time to kill before heading to the airport, veteran fundraiser Young Dawkins waits in the lobby of a Washington, DC, hotel and ruminates on the travel schedule of an American road warrior in the service of a Scottish university.

In the past year, Dawkins has met with prospective donors in Beijing, Singapore, Hong Kong, Istanbul, Athens, Jordan, London, and various major U.S. cities, some multiple times. His latest swing on behalf of the University of Edinburgh has taken him and the institution's principal, Timothy O'Shea, to Boston, New York, and DC. Those cities and San Francisco constitute one-third of the dozen international urban centers that Young and his advancement colleagues regularly visit in their determination to connect with "alumni all over the world," including 8,000 Edinburgh graduates who live in the United States.

So far, so good.

"Over the past four years, the size of gifts has increased dramatically in North America," says Dawkins, former president of the University of New Hampshire Foundation. Edinburgh recruited him to

enlarge and refine its development infrastructure. Under Dawkins' direction, Edinburgh's fundraising office has expanded from 15 to 35 people, procured new advancement software, bulked up its research arm, and opened a new stewardship office.

The institution is also in the midst of its first major fundraising initiative, a comprehensive campaign to raise £350 million (equivalent to US\$700 million). In addition to the typical campaign goals—scholarships and bursary, people and programs—the university is seeking to expand its revenue sources. Its annual \$1 billion budget derives income in approximately three equal parts from the government, competitive grants, and commercial ventures.

"We want to grow the development arm to be a fourth source," says Dawkins, the first higher education fundraiser in Europe to hold the title of vice principal, a designation usually reserved for senior academics. "This is becoming big business for universities throughout Europe and the world."

But as any import-export firm knows, crossing borders and cultures in the pursuit of riches can be a challenging business.



GIVING USA

The globalization of American-style educational philanthropy continues apace. From the United Kingdom, France, and Germany to Singapore, Nigeria, Hong Kong, and Lebanon, colleges and universities abroad increasingly are looking to benefit from what they had considered—until recently—the Yank’s unique penchant for charitable giving.

a global context. Ambitions swell, competition quickens, standards rise. Naturally, costs increase.

Globalization is also broadening the outlook of donors. From 1998 to 2001, international giving by U.S. private and community foundations to overseas recipients and international programs based in the United States more than doubled to \$3.3 billion, according to the Foundation Center, which aims to

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“People around the world are looking closely at what Americans do that make your leading institutions so powerful and so good at retaining alumni loyalty ... and that make people understand education as a worthwhile and effective channel for their philanthropic giving,” says Joanna Motion, CASE’s London-based vice president of international operations.

Among the trends driving the Americanization of educational fundraising are shifting patterns of financial support, advances in communications and information technology, an increasingly interconnected world, the challenge of raising charitable funds at home, and the staggering success of American philanthropy. Charitable giving by Americans in 2006 totaled almost \$300 billion, slightly less than the gross domestic product of Saudi Arabia, as estimated by the World Bank. American donors gave \$28 billion to education, the second largest group of philanthropic beneficiaries after religious institutions.

Throughout the world, as government support of education is dwindling or failing to keep pace with rising costs, private donations are filling the void. “All over the world you have profound changes in the funding patterns of education,” says Motion. “As the balance of public and private funding for universities shifts towards private sources—a pattern that is pretty widespread—people pay more attention to what they need to do to become more professional in their ability to engage their communities.”

And as the world gets smaller and flatter, colleges and universities that had functioned as regional or national institutions have begun to see themselves in

connect nonprofits and grant makers. The largest 189 U.S. corporate donors contributed \$1.45 billion internationally in 2004, according to the Conference Board, a nonprofit research organization.

THEY’RE HERE

In the race to adopt and benefit from American-style educational philanthropy, the hands-down leaders are institutions in the United Kingdom, foremost among them the universities of Cambridge and Oxford. The former is in the midst of a 10-year, \$2 billion campaign; the latter is in the quiet phase of a major initiative to be unveiled this spring.

In 1987, as Oxford neared its 900th birthday, the venerable university embarked on the first comprehensive campaign by an institution of higher education in the UK or continental Europe. A year in, the university established a satellite fundraising office in New York and never looked back. Last year, Oxford raised about \$250 million, a quarter of that from American sources.

Will a surge in fundraising excursions by institutions abroad have an impact on domestic development? Foreign fundraisers, loathe to be viewed as interlopers, seek to dispel the notion of their competing with domestic institutions. Different constituencies, they say.

The Instituto de Empresa Business School in Madrid opened a fundraising office at New York’s World Financial Center a few years ago to solicit donations from foundations and alumni. Boris Nowalski, executive director of the IE Fund, said at the time that its endeavors in the United States “didn’t pose any threat to other, American universities.”

Nonetheless, the surge of advancement activity and limited pool of high-wealth individuals point to more collisions involving fundraisers—foreign and domestic.

“Some of us are approaching the same major foundations,” Dawkins says. “They have to choose.”

Examples abound of American donors making significant gifts to institutions abroad. Jeff Skoll, co-founder of eBay, has given to Oxford’s Skoll Centre for Social Entrepreneurship. A donor from Palo Alto, California, gave \$8 million to Oxford to endow a chair and a junior faculty position in autism research and financial aid for disabled students.

“That benefactor could easily have given that gift to Stanford,” says Michael G. Cunningham, director of Oxford’s North American office, who minces no words regarding the competition to raise major gifts. “On this side of the Atlantic, we’re not competing with Cambridge and the London School of Economics. We’re competing with Harvard, Stanford, Yale, and other elite American universities.”

Jo Agnew, an international fundraising consultant and a former member of Oxford’s development team, recalls an American donor who gave \$3 million to endow a chair at Oxford, despite intense lobbying by an American university with strong ties to the benefactor. Even the wealthiest university in the

States and Canada have become a hot commodity.

Two years ago, the French business school INSEAD hired J. Frank Brown, an American, to succeed another American as dean. In October, the school announced that it will open an office in Manhattan’s Rockefeller Plaza, in part to “foster relationships with our extensive alumni base in America,” Brown says.

Duncan Rice, a native of Scotland, learned the ropes of fundraising at New York University before returning home to serve as principal and vice chancellor of the University of Aberdeen. As dean of the faculty and later vice chancellor at NYU, Rice played a key role in a \$1 billion campaign that transformed the institution from a city commuter school to an international university, a leap known as the “miracle on Washington Square.”

“We are blessed to have somebody with American experience,” says Lori Manders, Aberdeen’s director of development and external affairs. “We have invested heavily in time and resources in international fundraising. Some of our biggest gifts have come from people in the United States.”

For institutions that seek to develop first-rate advancement operations, someone like Rice is invaluable, CASE’s Motion says. “There is a tremendous hunger all over the world for people with experience,” she says. Even so, not everyone can make the transi-

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world can sometimes lose out to overseas competitors. Agnew notes, “I’ve had donors say, ‘Harvard has enough money. I prefer to give to Oxford.’”

Next spring, Oxford will launch a campaign likely to be the largest by a European university, says Jon Dellandrea, Oxford’s pro-vice-chancellor for development and external affairs. His goal is to create “a permanent sustained advancement program that will continue to grow and not go into a trough.” The university, he says, can no longer afford to finish a campaign “and sleep for five to seven years.”

THE HOT COMMODITY

Among 20 prestigious institutions that constitute the Russell Group, the Ivy League of the UK, eight have chief fundraisers recruited from North American institutions. Experienced fundraisers from the United

States do well in foreign countries, but “others make a mess of it and go home. They can’t read the runes of another culture,” Motion says.

Regardless of who is at the helm, foreign institutions often rely on American donors to stay afloat. At American University of Paris, for example, U.S. students constitute 35 to 40 percent of enrollment, yet American donors, alumni mostly, give 70 percent of the university’s charitable contributions. Similarly, University of Toronto alumni who live in the United States, about 5 percent of graduates, contributed \$135 million—12 percent of the total—to the most recently completed campaign, which raised \$1.1 billion, a record for a Canadian institution. Rivi M. Frankle, who until recently had served as U of T’s chief advancement officer, notes, “I think Americans are used to making bigger gifts.”

HERE OR THERE

Institutions outside the United States frequently must overcome several impediments to fundraising success, at home and in host countries. The culture of educational philanthropy taken for granted in the United States is often wanting elsewhere, more so in some places than others.

"There are probably 10 professional fundraisers in Lebanon, and three of them are on my staff," says Richard Rumsey, who was recruited from New York's Columbia University to become vice president for university advancement at the Lebanese American University, which is in the silent phase of a \$40 million comprehensive campaign, the first in the university's history. "It will be a stretch," he says. "There are challenges because of location, distance, and culture."

Rumsey, who was evacuated from campus and relocated to the university's New York fundraising office when war broke out between Israel and Hezbollah in July 2006, notes, "We're not in Happy Valley. We're not asking alumni to give to Old State U."

Deborah Chay, American University of Beirut's director of development for North and South America, says that raising money for an overseas institution has many unforeseen challenges. In 1982, the university's president was assassinated, and the government was nonfunctional for a time.

"Having worked only with American universities in the past and accustomed to public-records research, you realize that you can't really do that anywhere else in the world," says Chay, who is encouraging graduates to join the university's new worldwide

alumni association. "If you've lost alumni, they're lost unless they want to get back in touch."

AUB has raised more than \$160 million in its current campaign, exceeding its goal by \$20 million and setting "a new standard for the region," says Chay. Most of the donations came from American organizations, such as the Ford Foundation, and individuals, including 5,000 alumni living in the United States.

"There is not a tradition of philanthropy from individuals to institutions in the Middle East," Chay says. "As much as I thought I knew about fundraising, you get into an international environment and it's a different ballgame."

Dawkins says that before coming to Scotland, "people cautioned me there wouldn't be a culture of giving. What didn't exist was a culture of intelligent and persuasive asking."

NEW INCENTIVES

The dearth of professional fundraising alluded to by Dawkins was a key finding of a landmark British report, *Increasing Voluntary Giving to Higher Education*, which sent tremors through the UK development sector when it was released in 2004. *The Thomas Report*, as it is known, urged British universities to professionalize fundraising along the lines practiced in the United States. "We have a lot to learn from our American counterparts," noted the report's author, Eric J. Thomas, vice chancellor of Bristol University.

Leaders throughout the world are using government levers to grow college and university fundraising operations. A \$200 billion government program to match

in short

ACROSS THE BOARD. The amount U.S. corporations contributed internationally to higher education institutions in 2004 cited in the article above is just one piece of the copious data provided by the Conference Board, a nonprofit research organization. Based in Brussels, the Conference Board has been established in Europe for more than 25 years and addresses economic and business issues worldwide. The board's offerings include conferences, publications, numerous research reports, podcasts, experiential learning events, and more. To access reports and find out about member benefits, go to www.conference-board.org.

OVER THERE. For a real-world case study, check out the article "Advancement Away from Home" by Rivi Frankle in the October 1999 CURRENTS. Frankle, alumni and development director at the University of Toronto, describes how her staff established a Hong Kong office. The remote office carries out such tasks as coordinating visits for institutional leaders, planning events for the large Hong Kong alumni base, supervising volunteers, maintaining alumni records, recruiting students, and conducting prospect research. Frankle offers specific recommendations for institutions considering opening overseas offices. Go to www.case.org, click on CURRENTS magazine, and search by article title.



private donations to universities will get under way in the UK next year. In Singapore, contributors to certified institutions of public character, such as the National University of Singapore, receive a double tax reduction. (Donors are exempt from paying tax on funds donated to IPC-designated institutions.)

"The government is encouraging us to seek private support and to build our own endowment," says Edi

American fundraising arm, which shares a United Nations Plaza building with the Consulate of Germany to New York.

"Most European universities are commuter," Sostarich-Barsamian says. "Students don't hang out. There is no sentiment of belonging to or being invested like most students feel about American universities."

Hoping to strengthen its ties to students, the

There are challenges because of location, distance, and culture.

Fung, director of NUS's development office, which came into existence as a separate entity in 2003. "We need more funds to make us a global and leading university. Our budget is growing faster than support from the government," which at present covers 75 percent of NUS's expenses.

The university has also created a nonprofit NUS America Foundation in the United States to accept tax-deductible charitable contributions from alumni and friends. Fung estimates as many as 1,000 alumni are in the United States, concentrated in areas such as Silicon Valley and Philadelphia.

In another part of the world, the 1990 reunification of Germany resulted in curtailed financial support for Freie Universität Berlin and other German institutions. Forced into raising private funds for the first time, German universities discovered that alumni affinity was almost nonexistent. "The big difference is there are no sports that bond students together," says H el ene Sostarich-Barsamian, executive director of the Friends of Freie Universit at Berlin, the university's

university has newly embraced welcoming ceremonies for first-year students and commencement exercises for graduates. Meanwhile, efforts to connect with an estimated 3,000 alumni in the United States, a third of whom reside in the tri-state region surrounding New York City, have been slow but steady. The foundation has located some 800 graduates, although persuading them to attend alumni events or make donations has been an uphill slog. Of the \$2.5 million in donations since 2003, most has come from U.S. corporations and foundations. Sostarich-Barsamian remains optimistic: "Slowly, the cultivation will erode their resistance."

Whether global fundraising will reduce or expand philanthropic sources, it boils down to the same basics: alumni connection, cultivation, asking, and stewardship—and who does them best. ■

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IVY LEAGUE STATUS. The Russell Group, as mentioned in this article, actively recruits and hires North American fundraisers—a growing trend in international advancement. The group, established in 1994 and composed of the vice chancellors and principals of member universities, is an association of 20 major research-intensive universities in the United Kingdom. It accounts for 65 percent (more than £1.8 billion) of UK universities' research grant and contract income and more than 30 percent of all students studying in the United Kingdom from outside the EU. To find out more about this organization, go to www.russellgroup.ac.uk.

THE OLD-SCHOOL WAY. Keep an eye on the new column in CURRENTS' Postcard from . . . Each installment will address what is happening in advancement outside the United States through true stories reported by people working in the field. The debut column in this issue is Postcard from Singapore, about how an international independent school had to rebuild its alumni records after they had been accidentally lost in a building renovation. The newly appointed advancement officers started by going through year books to locate past students and, using other approaches, eventually and successfully reestablished a substantial alumni database.