

Vice President for Resource Development

Resource Development cultivates philanthropic gifts to sustain MIT's excellence in education and research, and supports the programmatic and capital infrastructure of a thriving, learning community. We focus on four constituencies: corporations, foundations, alumni, and nonalumni individual donors. We specialize in cultivating long-term institutional relationships to realize gifts primarily at the six, seven, and eight figure levels.

Our success relies on strong working partnerships across the Institute and robust communications, donor relations, and research operations within Resource Development. We staff the president, Corporation chairman, provost, chancellor, deans, and faculty in their activities with Resource Development constituencies, and closely collaborate with the MIT Alumni Association, the Treasurer's Office, and the school development efforts to attract financial support for key academic and research priorities.

Highlights

Three key accomplishments stand out for FY2005:

- Successfully concluding the Campaign for MIT
- Exceeding the \$200 million benchmark for annual cash receipts
- Facilitating important donor-volunteer contact during a presidential transition

Campaign for MIT

In FY2005 Resource Development and MIT concluded the seven-and-a-half-year Campaign for MIT at the end of the second quarter with a final total of \$2.05 billion, exceeding both the original \$1.5 billion goal and the revised \$2 billion goal.

When reviewed by campaign priority, the Campaign for MIT exceeded revised goals for faculty chairs, research and education programs, and unrestricted support. We came near or exceeded the original goals in all other areas.

This was MIT's fifth capital campaign, as well as its largest. It was also one of the most challenging campaigns in higher education. While nine other universities conducted \$2 billion campaigns during the course of this effort, on a dollars-per-alumnus basis, giving from MIT alumni outpaced alumni giving at our peer institutions.

Consequently, the Campaign for MIT reshaped the landscape of giving to the Institute to favor increased support from individuals.

- 53% of all campaign dollars came from alumni
- 54% of living alumni made gifts to the campaign
- Gifts from all individuals totaled \$1.36 billion
- 208 individual donors made gifts of \$1 million or more, totaling over \$1 billion
- Corporation members gave \$425 million, or 21% of the campaign total
- Corporate and foundation donors added \$650 million to the campaign

Less tangible, but equally important, the Campaign for MIT has given MIT a new confidence in its ability to attract high-level gifts and appeal to a broad constituency of supporters around the country and the world.

Summary of FY2005 Fundraising Results

One key objective of the campaign was to raise the threshold of annual cash giving to the \$200 million level. Before MIT embarked on this campaign, average annual cash giving stood at \$100 million. At the end of this effort, average annual cash giving stands at \$200 million. For the second year running, cash receipts have exceeded the \$200 million threshold and are \$208.4 million for FY2005.

Overall, private support in FY2005 totaled \$216.5 million. This included:

- \$208.4 million in gifts, grants, and bequests
- \$8.1 million in support through membership in the Industrial Liaison Program

This compares with:

Fiscal year	Private support (millions)
2004	\$298.2
2003	\$191
2002	\$222.9
2001	\$200.8

Gifts-in-kind for the past year (principally equipment) were valued at \$2.4 million.

By source, gifts totaled:

- \$67 million from alumni
- \$19 million from non-alumni friends
- \$35 million from corporations, corporate foundations, and trade associations
- \$85.1 million from foundations, charitable trusts, and other charitable organizations
- \$23 million from other sources

Expendable and endowed funds were designated as follows:

- \$31.7 million in unrestricted support
- \$100.9 million for research and education programs
- \$12 million for faculty salaries
- \$23 million for graduate student aid
- \$12.7 million for undergraduate student aid
- \$8 million for undergraduate education and student life
- \$18.5 million for building construction funds
- \$1.6 million pending designation

Supporting the Presidential Transition

As MIT prepared to welcome its 16th president, Resource Development played a special role in facilitating this important transition with key donors and supporters of MIT. This included offering resources and support to significant institutional events to recognize Dr. Vest and welcome Dr. Hockfield, coordinating fundraising for the Vest Presidential Fellowships and introducing Dr. Hockfield to close friends of MIT.

Human Resources

These achievements would be extraordinary in any year. This year they occurred in tandem with significant budget cuts and staff reductions. Combined with staff transitions typical at the end of any capital campaign, Resource Development carefully targeted priority positions to refill. We recruited for and filled 13 open staff positions. Six positions were filled by women. Resource Development continued its effort to recruit qualified women and minority candidates by working closely with Human Resources and others to identify new resources from which to draw its applicant pool.

Key appointments this year included Katherine Eastment, director of leadership gifts and Todd Glickman, associate director for corporate relations. Three new leadership giving officers joined the staff: Michael McNally and Kirsten Swan were both internal MIT promotions and Peter Lewenberg was an external candidate. Christina Yoon, senior liaison officer, transferred from Corporate Relations to the Center for Cancer Research. O'Neil Outar was named director of institutional initiatives.

This final year of the Campaign for MIT was one filled with excitement, change, challenges, and rewards. The staff of Resource Development turned in an extraordinary performance in all ways. They have earned my deep respect and immense gratitude, and I am enormously proud of what we have accomplished together.

Barbara G. Stowe

Vice President for Resource Development

Individual and Institutional Giving

Traditionally, giving from institutions has been the strongest sector of philanthropy to MIT. However, during the Campaign for the Future from 1987 to 1992, Resource Development laid the organizational foundation to better cultivate giving from individuals. During the recently completed Campaign for MIT, Resource Development leveraged the work of the previous campaign to realize a dramatic increase in giving from individuals.

Four units in Resource Development target unique parts of the individual prospect pool.

The Office of Donor Partnerships and Special Projects, directed by Christine M. Rinaldi, identifies and engages non-alumni capable of eight-figure gifts, working closely with

key volunteers, faculty, and MIT's senior officers in this effort. Gifts at this level require high-level personal attention and may take years to realize.

The Office of Gift Planning, directed by Judith V. Sager, engages donors in estate planning and philanthropic conversations that result in bequests and life-income gifts. In FY2005 this office secured \$9.21 million in gifts from nearly 70 donors.

The Office of Leadership Giving, directed by Katherine E. Eastment, cultivates, solicits, and stewards MIT alumni capable of making gifts of \$100,000 or more.

The Office of Principal Gifts, directed by Lucy V. Miller, works to deepen MIT's relationships with the Institute's most generous individual donors and encourage their sustained, significant philanthropic support of MIT. This office took the lead in facilitating presidential development activities during the presidential transition from Dr. Vest to Dr. Hockfield.

The field staff from each of these offices serves as partners and volunteer managers to members of the Corporation Development Committee, and each office works closely with the Office of Strategic Program Development, directed by Athelia A. Tilson, to sustain a vibrant volunteer program.

Sixty-six percent of the \$2.05 billion campaign total came from individual giving, with significant growth in the number of gifts at the very top of the giving pyramid. As a result, in FY2005 the Office of Principal Gifts raised its focus from alumni with at least \$1 million in lifetime giving to alumni with at least \$5 million in lifetime giving to MIT. The Office of Campaign Giving became the Office of Leadership Giving and lifted their prospect focus from potential donors capable of giving at the \$50,000 level to giving at the \$100,000 level, and responsibility for the alumni at the \$1 million level of giving.

Thirty-four percent of the Campaign for MIT came from institutional giving, primarily from corporations and foundations. At this juncture in MIT's history, giving from this sector has matured to a steady state.

Directed by Karl F. Koster, the Office of Corporate Relations, including the Industrial Liaison Program (ILP), creates and strengthens mutually beneficial relationships between MIT and corporations worldwide.

In FY2005, total corporate cash gifts to the Institute totaled \$35 million while corporate research volume totaled \$93 million. ILP fee income increased to \$8.12 million, the second highest revenues collected since 1995. In addition, ILP membership rose again this year to 175 companies, representing a net increase of five new members from the previous year, and twelve new members from FY2003. Approximately half of ILP member organizations provide financial support to MIT through research and gift funding.

Directed by John E. Oldham, the Office of Foundation Relations and Academic Development Support manages MIT's relationships with the foundation community and supports project-driven fundraising on behalf of the deans and faculty. Gifts from

private foundations and charitable trusts for this fiscal year totaled \$85.1 million, an increase of 6 percent over last year's record performance.

This year featured renewed foundation support for OpenCourseWare, the Caltech/MIT Voting Technology Project, and the student fieldwork component of Terrascope. Major new grants will, among other things, endow the Kavli Institute for Astrophysics and Space Research, create postdoctoral positions for women within Electrical Engineering and Computer Science, launch the Kuwait-MIT Center for Natural Resources and the Environment, underwrite pioneering research in marine microbiological systems, and support an innovative new partnership in which MIT will use the internet to share real-time access to experiments with engineering students in three African universities.

The success of Resource Development and the work of many areas of the Institute rely heavily on two of our operational units.

The Office of Communications and Donor Relations, directed by Pamela Dumas Serfes, develops electronic and print products about MIT's priorities, drives donor stewardship, and organizes cultivation and stewardship events. FY2005 saw the launch of a new Giving to MIT website, developed in collaboration with the Alumni Association; the rollout of the first phase of a new stewardship program; and the successful implementation of the Ivy MIT Stanford Conference.

The Office of Development Research and Systems, directed by Robert D. Scott, provides individual prospect research, information management, technology, and training support to Resource Development and its partners in the Institute's fundraising enterprise. Highlights of FY2005 include managing ADONIS (the Institute's prospect control, alumni management, and gift entry database of record), in partnership with the Alumni Association and the Treasurer's Office, with a focus on system policy, data integrity, development and customization, and reporting; building a data mining and modeling group to create and continually update predictive models to identify potential donors; supporting more than 200 users across Resource Development, the MIT schools, the Treasurer's Office, and other Institute units; upgrading ADONIS for new functionality and enhanced security; and providing its users with desktop and ADONIS documentation and training.

Due to the leadership within all these units, the work of the school development efforts, the partnership with volunteers on the Campaign Steering Committee, Corporation Development Committee, and Campaign Network, and the extraordinary collaboration across the Institute with senior officers, faculty and staff, this campaign has permanently established an ethos of philanthropy among MIT alumni and created the opportunity to more fully develop the prospect pool at the five, six, and seven figure ranges.

Stephen A. Dare
Director of Resource Development

More information the Department of Resource Development can be found online at <http://web.mit.edu/development/>.