

Vice President for Resource Development

This year, a new record has been set for MIT in terms of cash gifts and pledges. This achievement reflects the general strength of the development organization and the investment being made to improve its reach and performance.

The Campaign for Students was formally launched this year with a planning phase in the fall, and was accelerated by volunteer meetings in the winter and receptions in key cities in the spring. To date, we have raised close to \$100 million for the campaign. The MIT Energy Initiative is gaining interest from corporations and many individuals. Planning for MIT's new cancer research facility, which has grown in scope to include engineers as well as life scientists, is also garnering support.

Resource Development does not work in a vacuum. It is only through the collaboration of the Resource Development staff with colleagues in the schools, departments, laboratories and centers, as well as with the MIT Alumni Association, that we have been able to achieve the results documented in this report. As we enter fiscal year 2008, I look forward to strengthening our connections with the schools as we welcome new deans and prepare to extend our development efforts to the academic units.

A decision was reached toward the end of the fiscal year that has some historical importance for Resource Development. With the help of the Alumni Association and the support of the executive vice president and treasurer, it was decided to co-locate Resource Development and the Alumni Association staff in a single building at 600 Memorial Drive, at the western gateway of the campus.

This strategic decision will allow for a close, more efficient, and effective interaction between the two offices, and I wish to express my appreciation to Elizabeth Garvin, the executive vice president of the Alumni Association, for her help to me in my first three months at MIT in negotiating the complexities of this decision.

I have enjoyed my introduction to MIT, and look forward to leading the office of Resource Development to greater achievements in the coming years.

Summary of FY2007 Fundraising Results

In FY2007, private support totaled \$332 million in gifts, grants, and bequests. Private support for FY2007 compares with:

- \$250.6 million in 2006
- \$216.5 million in 2005
- \$298.2 million in 2004
- \$191.0 million in 2003

Gifts-in-kind for the past year (principally gifts of equipment) were valued at \$500,000.

By source, gifts totaled:

- \$100.2 million from alumni
- \$33.5 million from non-alumni friends
- \$45.3 million from corporations, corporate foundations, and trade associations
- \$151.5 million from foundations, charitable trusts, and other charitable organizations
- \$1.5 million from other sources

Expendable and endowed funds were designated as follows:

- \$16.5 million in unrestricted support
- \$203.5 million for research and education programs
- \$9.4 million for faculty salaries
- \$28.1 million for graduate student aid
- \$12.6 million for undergraduate student aid
- \$5.7 million for undergraduate education and student life
- \$53.4 million for building construction funds
- \$2.8 million pending designation

Jeffrey L. Newton
Vice President for Resource Development

Highlights

For the year, individual giving was up 17%, corporate giving up 13%, and foundation giving up 75%. Representing all the efforts of our development staff, friends and colleagues around the Institute, we highlight some of the extraordinary gifts and pledges recorded this year:

- The Eli and Edythe Broad Foundation continued its support of the Broad Institute, with gifts totaling \$20 million in FY2007.
- David H. Koch '62, pledged \$50 million in support of the cancer research facility, the new and expanded home of the MIT Center for Cancer Research. The facility is scheduled to break ground in early 2008 and will be ready for occupancy late in 2010.

- The John S. and James L. Knight Foundation awarded a \$5 million grant to the MIT Media Lab and the MIT Comparative Media Studies Program to create the Center for Future Civic Media, which will develop, test, and study new forms of high-tech community news. The center's codirectors will be Professor Christopher Csikszentmihalyi, director of the MIT Media Lab's Computing Culture Research Group, and Professor Henry Jenkins, codirector of the MIT Comparative Media Studies Program. This award was the top winner chosen from among 1,600 applications in a worldwide competition.
- The Lemelson Foundation renewed its support of the Lemelson-MIT Program with a \$14.48 million grant. The program is headed by Professor Merton Flemings and Executive Director Joshua Schuler.
- Twenty million dollars was given by the Virginia and D. K. Ludwig Fund to establish the Ludwig Center for Molecular Oncology at MIT, to be administered through the MIT Center for Cancer Research. Professor Robert Weinberg, a noted cancer biologist who led the research team that isolated the first cancer-causing gene and the first-known tumor suppressor gene, will direct the Ludwig Center.
- The Stanley Medical Research Institute committed \$100 million over 10 years to create The Stanley Center for Psychiatric Research within the Broad Institute. The new center, which will be headed by Professor Edward Scolnick, will conduct collaborative research on the biological basis of and potential new treatment modalities for schizophrenia and bipolar disorder.
- The Office of Corporate Relations staff worked with Professor J. Kim Vandiver, along with the Office of the Dean for Graduate Students and the Office of the Dean for Undergraduate Education, to secure a \$2 million pledge over four years to support an Amgen Scholars Program at MIT.

Stephen A. Dare

Director of Resource Development and Campaign for Students

Human Resource Administration

Human resource administration efforts focus on recruitment and retention, compensation, performance management, diversity, training and development, communication and citizenship, and rewards and recognition.

In March we welcomed the new vice president for resource development, Jeffrey Newton. Recruitment efforts increased substantially in FY2007, with 40 positions filled and 19 vacated. Of the 40 positions filled, there were 31 women and three minorities. Additionally, seven were internal departmental candidates or from other areas of MIT. Competition for qualified applicants continues to be strong in the local market from both higher education and other nonprofits, i.e., hospitals, arts, and cultural organizations. This year, we expanded recruitment efforts through executive search firms and outreach through professional organizations. As we experience transitions in positions, we will explore development of junior staff from within Resource Development, as retention continues to be a top priority.

Participation in training for skills development and attendance in professional development conferences will continue to be encouraged and supported within budget parameters. In FY2007, the director of leadership gifts participated in MIT's Leader to Leader Program, which was developed and customized for leadership development by the Human Resources Department. The associate director of finance and administration completed The Partnership, Inc. Boston Fellows Program, a leadership development program for professionals from diverse backgrounds. This was sponsored and funded by MIT.

We continued to increase diversity activities in FY2007. The associate director of finance and administration designed and implemented a comprehensive program for the Clarence J. Jupiter fellow through diversity fellowship program. Additionally, the associate director now serves on the CASE District I Diversity Initiatives Committee and is working with other members from McGill, Suffolk, and Brown Universities to establish a Summer Scholars program for college students. This program also provides outreach about the advancement profession.

We continue to promote Resource Development's Infinite Mile Rewards and Recognition program, and in FY2007, we awarded 17 Infinite Mile Awards and 24 Appreciation Awards.

Elizabeth M. Ogar

Director of Finance and Administration

Office of Institutional Initiatives

The mission of the Office of Institutional Initiatives (OII) is to develop the fundraising architecture for large-scale institutional initiatives and to manage a portfolio of prospective donors capable of making transformational gifts to the Institute. Many of the initiatives are at the intersection of the life sciences and engineering. The OII manages a portfolio of smaller initiatives that have a direct connection to donors to MIT of \$5 million and above.

The OII works collaboratively with faculty, senior administrators, colleagues within Resource Development, school, program and project fundraisers, and the Alumni Association to define fundraising priorities, identify and solicit potential donors, and coordinate activities across organizational boundaries.

In FY2007, the primary activities of the OII centered on engaging and soliciting presidential-level individual donors while collaborating with faculty leaders on developing strategies for lead gifts in support of the Institute's priorities. FY2008 goals include:

- Develop, submit and follow up on proposal for new systems biology institute
- Develop proposal for the naming of the MIT Center for Cancer Research (CCR)
- Manage solicitation of lead gifts for the Campaign for Students

- Launch MIT-India initiative, including India trust
- Launch MIT Energy Initiative (MITEI) External Advisory Board
- Launch corporate fundraising program for CCR, in collaboration with the Office of Corporate Relations
- Develop and organize high-level dinners in New York City for MITEI and CCR

O'Neil A. Outar
Director of Institutional Initiatives

Office of Leadership Giving

The Office of Leadership Giving (OLG) is responsible for developing philanthropic relationships with MIT alumni and friends in support of MIT's core needs and key priorities. To that end, the office worked closely in the past year with the offices of the president and the chairman of the Corporation, with deans and department heads, and with volunteers across the country who serve on MIT's Corporation Development Committee.

OLG's mission includes cultivating, soliciting, and stewarding individual alumni and friends capable of making gifts at the level of \$100,000 and above. In the past year, OLG staff completed a total of 1,446 fundraising visits with alumni across all regions of the United States. This is a 22% increase over visit activity in FY2006. The visit results are due in part to the addition of six new leadership giving officers, all hired in FY2007. In FY2007, OLG raised \$49.3 million in new gifts and new pledges. This is a 95% increase over the \$25.2 million raised by the office in FY2006. Our efforts in FY2007 were focused on increasing support for the Institute's core needs—scholarships, fellowships, and unrestricted resources—as well as the Institute's initiatives in energy and cancer research.

Katherine E. Eastment
Director of Leadership Giving

Recording Secretary's Office

The Recording Secretary's Office (RSO), directed by recording secretary Bonny Kellermann, enjoyed its first year as part of the Resource Development staff in FY2007, having previously been part of the Office of the Treasurer. The primary functions of the office continue to be the recording and receipting of gifts to the Institute, and establishing and maintaining records of the invested funds, as well as the permanent funds, of the Institute.

With the departure of the director of principal gifts, Lucy V. Miller, and the principal gifts officer, John Christel, the recording secretary took on an increased role in training staff throughout Resource Development, the schools, and the Alumni Association in

preparation of documentation to establish new funds and to record pledges. This effort was also supported by the funds information manager, Linda Mar, a staff member in the Office of Development Research and Systems.

Over the course of the year, the RSO staff recorded more than 16,000 individual gifts and established approximately 300 new funds.

At the request of the executive vice president and treasurer, a new policy was formulated and adapted. If gifts are made with no documented purpose, after two years they become available for general use. A team from various sections of Resource Development (Principal Gifts, Office of Development Research and Systems, Memorial Gifts, and Leadership Giving) participated in drafting the new policy. This led to many donors who had previously made gifts for purposes to be determined at a later time to document an intended purpose for their gifts, thus enabling these funds to be well-utilized by MIT.

In FY2008, the RSO looks forward to new leadership, as Beth Ogar will succeed Bonny Kellermann as recording secretary.

Bonny Kellermann
Recording Secretary

Office of Gift Planning

The Office of Gift Planning (OGP) supports MIT's development efforts by engaging donors in estate planning and philanthropic conversations that result in life income gifts and bequests. Life income gifts, which include charitable remainder trusts, gift annuities, and pooled income funds, provide donors with income and substantial tax benefits. OGP engages donors who are more willing to make planned gifts than outright ones, thereby securing funds that the Institute would not otherwise receive. These gifts provide critical funding for scholarships, fellowships, professorships, the MIT Libraries, and general Institute purposes. OGP seeks to increase awareness of planned giving among the internal and external constituency, solicit new gifts, and cultivate relationships with current donors, while supporting the efforts of development staff in Resource Development, the schools, and the Alumni Association.

During FY2007, OGP secured \$7.6 million in gifts from 66 donors. Two gifts of \$1 million or more and three gifts in the \$500,000 to \$999,999 range accounted for one half of all funds raised.

The recent private letter ruling by the IRS (which allows MIT to commingle the investments of charitable remainder trusts with those of the school endowment) increased unitrust interest and activity. Unitrusts accounted for approximately 42% of total gift dollars received, or \$3.1 million. Of the 20 trust donors this year, 50% were new donors, and of the new trust donors, eight out of 10 responded to direct mail or web

marketing. This year OGP helped alumni and friends of MIT establish 45 gift annuities, including 11 deferred gift annuities. Gift annuities accounted for approximately \$4.4 million, or 57% of total dollars raised.

This year, OGP produced and distributed four new mailings promoting life income gifts, including its first electronic mailing. This email, which promoted the new endowment option for charitable remainder trusts, generated a record-setting response from 159 prospects and 75 proposals. We anticipate the coming year will be strong.

OGP also worked closely with colleagues to produce a two-page information sheet for donors on the IRS ruling opportunity, produced new donor birthday cards, and revised a real estate brochure in response to increased interest in giving property. In addition, OGP continued to collaborate with the Alumni Association on planned giving mailings and placed donor profiles in three issues of *Technology Review*, two in the School of Architecture and Planning newsletter, and one in the MIT Libraries newsletter.

Judith V. Sager
Director of Gift Planning

Office of Corporate Relations

The Office of Corporate Relations (OCR), which includes the Industrial Liaison Program (ILP), creates and strengthens mutually beneficial relationships between MIT and corporations worldwide. ILP membership increased to 185 companies, representing a net increase of four new members from the previous year and 10 new members since 2003.

In FY2007, total corporate cash gifts to the Institute rose 13% from FY2006, to \$45.3 million. Approximately one half of ILP member organizations provide financial support to MIT through research and gift funding.

During FY2007, OCR staff provided support to the senior administration in their corporate relations activities, as well as for the major international and corporate partnerships. With President Hockfield's announcement of the MIT Energy Initiative (MITEI), OCR staff worked with the cochairs of the Energy Council to develop a proposal for an industry consortium to support MITEI. This plan is currently being initiated with major prospects, based in part on the results of OCR cultivation of potential sponsors.

OCR staff also worked closely with faculty and the Resource Development team to develop the strategy and to implement approaches to secure corporate support for the Center for Cancer Research building and its continuing evolution, another Institute priority. As stated earlier, OCR staff worked with faculty leaders to secure a \$2 million pledge over four years to support an Amgen Scholars Program at MIT. MIT is pleased to take the lead role as the program's National Program Office for the 10 Amgen Scholars academic institutions.

OCR organized nine major conferences in FY2007, including a well-attended conference on Strategic Innovation in Brussels, Belgium, and the ninth annual MIT in Japan symposium in Tokyo.

Karl F. Koster

Director of Corporate Relations

Office of Foundation Relations

The Office of Foundation Relations 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 total \$151.5 million, an increase of 75% over last year, and represent the fourth consecutive MIT record for receipts from private foundations.

This year featured new and continued major foundation support for:

- The Broad Institute, including a new research center for psychiatric disease
- The new Ludwig Center for Molecular Oncology in MIT's Center for Cancer Research
- The Lemelson-MIT Program
- Autism research
- The Kuwait-MIT Center for Natural Resources and the Environment
- The Project Darwin model of ocean microbial processes
- The Kavli Institute for Astrophysics and Space Research
- A new center for extreme quantum information theory
- The new Center for Future Civic Media
- HIV/AIDS education through the Jameel Poverty Action Lab
- The Science, Technology, and Global Security Working Group
- Energy policy research
- OpenCourseWare
- The Minority Introduction to Engineering and Science (MITES), Saturday Engineering Enrichment and Discovery Academy (SEED), and Science, Technology, Engineering, and Math (STEM) precollege outreach programs
- Fellowship support in environmental sciences, brain and cognitive sciences, mathematics, economics, and electrical engineering and computer sciences

John E. Oldham

Director of Foundation Relations

Office of Communications and Donor Relations

The Office of Communications and Donor Relations (ComDor) supports MIT's fundraising with publications, web content, stewardship of donors, and events.

In FY2007, the stewardship team designed individual plans and launched coordinated strategies for major donors to specific giving areas, including professorships, scholarships, and capital projects. It sent approximately 475 scholarship reports, more than 700 presidential acknowledgement letters, 240 letters from the provost to recognize major unrestricted gifts, 200 letters from the chairman of the Corporation to alumni, and 250 customized stewardship materials to major and principal gift donors. It also staged four scholarship stewardship events, four events of the Emma Rogers Society (MIT's society for widows of MIT alumni), and facilitated six donor-student meetings.

ComDor's events team collaborated with offices across Resource Development to create gatherings for prospects and donors. More than 50 events were staged, including two campus visits, four Technology Breakfasts, the annual Corporation Development Committee meeting, and numerous cultivation receptions and dinners. Other key events included the first-ever Professorship Dinner, and, in cooperation with the Office of Corporate Relations, a dinner and reception hosted by President Susan Hockfield at the World Economic Forum in Davos, Switzerland.

ComDor's communication staff published three issues of SPECTRVM, which this year won the first place gold medal in the Council for the Advancement and Support of Education (CASE) publication awards. The brochure, *The Structure of Invention*, won a silver medal in the CASE national awards. The staff developed a case for the new cancer research facility and a case for the role of universities in the field of energy. In addition, the staff expanded the number of materials available for fundraising support, adding 25 new print pieces. It also designed a communications and marketing plan to support the Campaign for Students, and produced a campaign preview piece, as well as several short films about students for placement on a website that is under development.

Stephen A. Dare

Director of Resource Development and Campaign for Students

Development Research and Systems

The Office of Development Research and Systems (ODRS) provides individual prospect research, information management, business intelligence, technology, and training support to Resource Development and its partners in the Institute's fundraising enterprise. This year, the office continued to focus on three key strategic areas (research, information management, and technology), engaging in projects to enhance the support provided to Institute fundraisers.

Research continued to focus on providing business intelligence and analysis on known prospects and finding new prospective individual donors to the Institute. Significant effort has been expended on briefing senior officers: more than 250 detailed reports were

prepared over the past year, comprising about a fifth of all prospect summaries created. We have leveraged technology to produce briefings more efficiently and have begun the process of imaging all prospect files for sustainability and disaster recovery, as well as improved usability and accessibility.

Prospect identification efforts dramatically increased during the year, reflecting a focus on building out the pool of prospective donors. More than 1,500 evaluations (our business development function) were completed in FY2006. This resulted in the discovery of more than 560 previously unknown major gifts prospects. Data modeling projects and screenings have contributed to the efficiency of this major gifts prospecting effort. These results represent a doubling of FY2006 prospecting efforts; FY2005 represented a doubling of the results of the three prior years.

The systems and reporting groups serve more than 240 clients in Resource Development and the schools. This year the group implemented a program (Request Tracker) on an enterprise basis to cover data and reporting requests, in addition to help-desk management. More than 5,500 client calls were resolved, most within an hour of the call. An additional 1,283 ad hoc data requests and systems enhancements were completed over the course of the year, a 20% increase over FY2006. Improvements include significant enhancements to management reporting and stewardship. Prospect data management was also rolled into the system, enabling the staff to fulfill more than 13,000 requests on a timely basis. Handheld computing units to enhancing connectivity were deployed to all fundraising field staff and managers.

Cooperation between systems and research, and with other Institute clients and stakeholders, is a critical factor in our success. Teamwork between the systems and database groups has enabled research to find and distribute prospects more efficiently. Through systems developed in conjunction with research and field staff, prospects are pushed out to prospect managers automatically. System-generated briefing materials were developed to increase the capacity of the staff to produce research reports without sacrificing the quality of the reports, and systematic ways of tracking prospects and results for the MIT initiatives underway were developed. Qualitative enhancements to the database have been achieved through cooperation with the Alumni Association, as well as with school development officers and administrative officers and other staff throughout the Institute.

Robert D. Scott
Director of Development Research and Systems

More information about resource development at MIT may be found at <http://giving.mit.edu/>.