

Vice President for Resource Development

Building on last year's success, MIT set a record for cash gifts and pledges again in FY2008. This achievement reflects active involvement of many faculty, administrators, and volunteers in the critically important work of institutional development. It is also a result of investments made to strengthen MIT's development program.

Three major fundraising initiatives continued in FY2008. The Campaign for Students sponsored meetings of volunteers and prospects in Cambridge and across the country, setting the stage for the campaign's public launch on October 3, 2008. As of June 30, more than \$269 million had been raised in support of the campaign, or 54% of the goal. The MIT Energy Initiative (MITEI) has attracted multimillion-dollar support from individuals, foundations, and several corporate partners. Its External Advisory Board met in January 2008. The Center for Cancer Research was renamed the Koch Institute for Integrative Cancer Research in honor of David H. Koch's commitment of \$100 million to fund the institute. Ground was broken for an institute headquarters in March.

The consolidation of Resource Development staff under one roof was completed with the late spring move to Building W98 on Memorial Drive. With the arrival of the Alumni Association in July, this facility began to fulfill the role of further strengthening the ties between the association and Resource Development.

Summary of FY2008 Fundraising Results

In FY2008, new commitments of cash gifts and new pledges totaled \$435.6 million, up 11% over last year. (Cash gifts are those received in full during the year, while pledges may be paid over the course of more than one year.) This was the strongest fundraising year ever at MIT—and the total does not include the \$9.6 million in unrestricted support from Industrial Liaison Program (ILP) members.

In FY2008, cash receipts totaled \$331.4 million, down 3% from FY2007. They included:

- \$321.8 million in gifts, grants, and bequests
- \$9.6 million from ILP members

The cash receipts for FY2008 compare with:

- \$341.4 million in 2007
- \$250.6 million in 2006
- \$216.5 million in 2005

Gifts-in-kind, principally of equipment, totaled \$1.4 million.

By source, cash receipts were:

- \$121.4 million from alumni
- \$27.5 million from non-alumni friends
- \$42.6 million from corporations, corporate foundations, and trade associations

- \$128.5 million from foundations, charitable trusts, and other charitable organizations
- \$1.8 million from other sources

Expendable and endowed funds were designated as follows:

- \$16.7 million in unrestricted support
- \$189.5 million for research and education programs
- \$18.2 million for endowed professorships
- \$36.5 million for graduate student aid
- \$27.0 million for undergraduate student aid
- \$7.5 million for undergraduate education and student life
- \$25.2 million for building construction funds
- \$1.2 million pending designation

Highlights

A number of extraordinary gifts gave strong impetus to MIT's fundraising success:

- David H. Koch '62 pledged an additional \$50 million in support of cancer research, bringing his commitment to \$100 million.
- Edward H. Linde '62 and the Linde Family Foundation pledged \$25 million for undergraduate scholarships.
- The National Research Foundation of Singapore committed \$25 million to professorships.
- Patricia and James '63 Poitras made a \$20 million commitment to establish the James W. and Patricia T. Poitras Center for Affective Disorders Research in MIT's McGovern Institute for Brain Research.
- Anonymous gifts from two donors provided substantial support for the Campaign for Students and the Koch Institute; \$20 million was given to fund the renovation of the facilities in W1 and \$15 million was given to support Koch Institute research.
- The Eli and Edythe Broad Foundation continued its support of the Broad Institute, with gifts totaling \$17.5 million.
- Arunas '84 and Pamela Chesonis and the Chesonis Family Foundation committed \$10 million to launch the Solar Revolution Project.
- In addition, a \$50 million structured gift from Legatum Global Development to create a center on entrepreneurship in the developing world is partially reflected in this year's fundraising receipts. A \$20 million commitment from the Gordon Foundation, created by Bernard M. Gordon '48, SM '49, to fund a leadership program in engineering is also partially counted in the overall total.

Jeffrey L. Newton
Vice President for Resource Development

Office of Philanthropic Partnerships

The Office of Philanthropic Partnerships was created in FY2008 as the centerpiece of MIT's principal gifts program. The office engages the Institute's most generous lifetime donors and strives to identify and cultivate prospects with the capacity to contribute five million dollars or more. These are known as "presidential prospects" and the office coordinates outreach to them to encourage their continued support by furthering their relationships with the president, faculty, students, and senior staff, and by acknowledging the importance of their generosity to the Institute.

The Office of Philanthropic Partnerships currently has a staff of seven, including the senior director of philanthropic partnerships, director of donor relations, director of the corporation development committee and presidential events, philanthropic advisor, two philanthropic partnership associates, and a senior administrative assistant.

The office works collaboratively with all other front-line fundraisers at MIT who have responsibility for top-rated prospects (of which there are more than 400), ensuring a coordinated strategy and overall quality control.

Collectively the offices achieved the following results in FY2008:

- Fifteen donors with commitments of \$5 million or more and a collective total of \$223 million
- Eighteen cultivation or stewardship dinners at Gray House
- Fifteen presidential trips for Resource Development (12 domestic, three international)
- Appointments with 145 individual prospects/donors
- Eight presidential Resource Development events
- Nine presidential appearances coordinated with Alumni Association events

The office also:

- Managed the monthly senior office prospect review meetings
- Set up monthly meetings for staff-level prospect reviews of presidential prospects
- Coordinated requests for presidential time, events, and travel
- Managed the Gray House dinner series for Resource Development
- Hired staff and created new positions for both front-line fundraising and program management positions in anticipation of continued growth

Beth Raffeld

Senior Director of Philanthropic Partnerships

Office of Institutional Initiatives

The Office of Institutional Initiatives (OII) develops marketing and fund-raising strategies for the Institute's highest priorities including MITEI, the David H. Koch Institute for Integrative Cancer Research, the Campaign for Students, and Global Initiatives. The Office of Communications within OII partners with OII staff and other Resource Development and Institute offices to develop a consistent communications strategy. The office manages a portfolio of the most generous donors to the Institute.

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.

OII accomplishments in FY2008 include:

- Direct management of individual donors giving more than \$125 million
- Planning and support of approximately 180 visits by senior officers or heads of initiatives with top prospects
- Organization of and inaugural meeting with the MITEI External Advisory Board
- Launch of the MIT-India Initiative including the inaugural presidential trip to India
- Launch of the MIT China Strategy Working Group
- Five cultivation dinners highlighting Institutional Initiatives
- Largest faculty participation in more than two decades at the World Economic Forum annual meeting

O'Neil A. Outar
Senior Director of Institutional Initiatives

Campaign for Students

The Campaign for Students (C4S) aims to increase undergraduate and graduate aid and enhance student life and learning opportunities. The campaign's silent phase began in July 2006, with a "soft launch" in the form of a press release.

The final eight weeks of the campaign's inaugural year concluded with five cultivational events, augmenting the 14 held previously in FY2008. Joining Chancellor Phillip Clay, four other leading administrators were named C4S champions:

- Dean for Student Life Lawrence Benedict
- Dean for Undergraduate Education Daniel Hastings

- Associate Provost Philip S. Khoury
- Vice Chancellor and Dean for Graduate Education Steven Lerman

In FY2008 five volunteer campaign cochairs were selected:

- Lawrence Fish
- Thomas Gerrity '63, SM '64, PhD '70
- Mark Gorenberg '76
- Martin Tang SM '72
- Barrie Zesiger HM

The internal champions and the cochairs will host, and in some cases serve as featured guests, for additional cultivational events. The Campaign for Students' public launch on October 3, 2008, is slated to include symposia and an evening gala.

Philip Murphy

Director, Campaign for Students

Office of Communications

The Office of Communications (OC) provides writing, print design, and new media materials to help MIT pursue its philanthropic goals. The OC partners with fundraisers, contributes strategic approaches, and works with the Office of the President, the News Office, the Alumni Association, and schools, departments, and centers on communications strategies.

The communications team was expanded and reorganized in FY2008 to focus staff on core specialty areas: writing and research, web development, and design. Project teams typically include staff from each area. Projects in FY2008 ranged from white papers, principal gift proposals, video projects, and web development to event collateral and major gift proposal templates.

Priorities for FY2008 included research pieces as well as technical projects to build our capabilities with new media. Key accomplishments included development of:

- The C4S communications strategy and brand, including the creation of proposal templates, print materials, event collateral, and video and web products
- White papers for MITEI on Institute work in energy-related transportation and climate change; batteries, biofuels, building technologies and energy education; and solar and nuclear energy
- Websites including the Resource Development external site, a redesigned SPECTRVM Online, the C4S campaign site, and a secure InsideRD intranet portal to connect MIT fundraising staff

The office also produced three SPECTRVM newsletters read by more than 45,000 alumni and friends. The publication won an international 2008 Circle of Excellence silver medal and a Council for Advancement and Support of Education (CASE) District 1 Publication award gold medal. The OC also won a Circle of Excellence silver medal for fundraising packages for print, video, and web materials produced for The Human Factor, a CASE District 1 gold medal for digital media, a silver medal for campaigns, and a silver medal for web-specialty sites.

Nicole Malec Kenyon
Director of Communications

Office of Individual Giving

The Office of Individual Giving oversees leadership giving and planned giving. The Office of Leadership Giving (OLG) cultivates individual alumni and friends capable of making gifts between \$100,000 and \$5 million. OLG works with other offices in Resource Development along with the Office of the President, the Office of the Chairman of the Corporation, deans, department heads, and volunteers from across the country.

Stuart Krantz was named the new director of individual giving in FY2008.

In addition, OLG:

- Developed an internal field staff training program
- Created the position of development associate in support of regional field staff needs
- Collaborated with the Office of Philanthropic Partnerships to develop the Regional Corporation Development Committee model
- Expanded collaborations with the Alumni Association through joint planning and prospect strategy discussions

In FY2008, OLG staff completed 1,410 fundraising visits with alumni across the United States. OLG also raised \$65.8 million in new gifts and pledges, a 33% increase over the \$49.3 million raised in FY2007. The Office's efforts in FY2008 focused on supporting the Institute's core needs—scholarships, fellowships, and unrestricted resources—as well as MIT initiatives in cancer and energy.

Stuart Krantz
Director of Individual Giving

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 can result in life income gifts and bequests. Life income gifts provide funding for scholarships, fellowships, professorships, MIT's libraries, and general needs. OGP also seeks to increase awareness of planned giving among internal and external constituencies and to cultivate relationships with current donors while supporting the work of other Resource Development staff, the schools, and the Alumni Association.

During FY2008, OGP received \$20 million in gifts from 113 donors, including four gifts of more than \$1 million and another four in the \$500,000 to \$999,999 range.

OGP also took advantage of an IRS private letter ruling that allows MIT to invest charitable remainder trusts with its endowment to increase unitrust gifts from 33 in FY2007 to 90 this past year. Unitrusts accounted for about 71% of the \$14.2 million in gifts received. Of the 58 trust donors this year, 81% were new, and of those, two-thirds responded to direct mail or web marketing.

OGP further helped alumni and friends of MIT establish 51 gift annuities, including 10 deferred annuities. In addition, OGP produced six mailings promoting life income gifts, including two electronic mailings. OGP also revised its brochure, *Ways of Giving to MIT: Solutions Through Philanthropy*. In addition, OGP worked with the Alumni Association on planned giving mailings and placed donor profiles in three issues of *Technology Review* magazine.

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 sustains relationships between MIT and corporations. During FY2008, ILP achieved record revenues of \$9.6 million. ILP membership rose to 195 companies, an increase of 10 from the previous year.

During FY2008 OCR staff supported senior administrators in their corporate relations activities as well as in connection with MIT's major international and corporate partnerships. OCR staff also worked with the leadership of MITEI to encourage companies to join MITEI's Industry Consortium. Eight of 10 founding or sustaining MITEI members that joined during FY2008 are ILP members. OCR staff further provided staffing and support for the president's participation in the World Economic Forum in Switzerland.

In FY2008, corporate cash gifts to MIT totaled \$42.6 million, up 4% from FY2007. Corporate research volume totaled \$100.3 million, up .5%. OCR staff focused on supporting Institute-wide efforts to secure corporate gifts by identifying opportunities for faculty to acquire research and other resources from companies. Approximately half of ILP member organizations provide additional support of gifts or research grants.

OCR organized nine major conferences in FY2008, including a joint conference with the MIT-Portugal Program on Global Strategic Frontiers: Research Imperatives and Organizational Challenge that took place in Portugal, an MIT-Taiwan symposium organized in conjunction with the MIT Sloan School of Management and the MIT Computer Science and Artificial intelligence Laboratory called “How Strategic Innovation and Leadership Achieve Growth and Drive the Future of Business,” and the tenth annual MIT in Japan Symposium.

Karl F. Koster

Executive Director of Corporate Relations

More information about the Office of Corporate Relations and the Industrial Liaison Program can be found at <http://ilp-www.mit.edu/>.

Office of Foundation Relations

Working with Legatum Global Development, MIT launched the Legatum Center for Development and Entrepreneurship at MIT in FY2008. The goal of the venture, made possible by a \$50 million Legatum Foundation commitment, is to promote entrepreneurship in developing countries. The center’s key feature is a program of activities focused on the Legatum Fellows. These individuals from the developing world will earn graduate degrees in a core MIT discipline with added training in entrepreneurship. They are expected to create business plans and ultimately to either found their own companies or serve in leadership positions that promote economic development.

Also in FY2008, the Doris Duke Charitable Foundation committed two grants totaling roughly \$2.4 million for energy research. The first went to the MIT Center for Energy and Environmental Policy Research in support of a study on emissions trading related to climate change. The second was awarded to the MIT Industrial Performance Center for a study of the US’s energy technology innovation system.

The Ford Foundation awarded a two-year, \$1.15 million grant to the Urban Studies and Planning Department’s Community Innovators Lab (CoLAB) for three Deepening Local Democracy initiatives. The first initiative involves MIT faculty and students aiding in the revitalization of New Orleans; the second is called Project BICEP (Black Intensive Civic Engagement) and is an effort to engage black community organizations in conducting civic activities; and a third involves students and faculty working with selected Ford grantees to explore the best way non-profit organizations can work with unions, businesses, and other partners.

The Carnegie Corporation of New York awarded a grant of \$905,600 for Phase Two of iLab-Africa. This partnership among MIT, Obafemi Awolowo University (Nigeria), the University of Dar es Salaam (Tanzania), and Makerere University (Uganda) aims to realize the full educational potential of online laboratories in Africa.

John E. Oldham
Director of Foundation Relations

Recording Secretary's Office

During FY2008 the Office of the Recording Secretary (RSO) had a year of transition that included new leadership—with Elizabeth Ogar assuming the role of director—and new staffing. The office also created a Gift Policy Committee (GPC), which is chaired by the recording secretary and includes representation from MIT's financial and legal offices as well as the Provost's Office. GPC decided to change the capitalization policy for unrestricted bequests. Bequests of more than \$100,000 will no longer be considered for quasi-endowed funds but will instead be allocated to unrestricted needs.

The RSO undertook a number of process improvements during FY2008 including the scanning of all documentation relating to donor gifts. So far, 2,902 of the Institute's 3,966 endowed funds, have been scanned. The scanning of these documents provides backup for documents that, in some cases, are aging and fragile.

Also, the office plans to scan all checks directly to MIT's bank account on the day of receipt, allowing deposits to be credited one business day earlier than before. The RSO further created its own Bank of America account to manage gifts. In addition, the office established a new account at Fidelity Investments to accept gifts of mutual funds.

The RSO experienced a record-breaking year, recording more than 16,300 gifts. Combined with the Alumni Association, which recorded about 39,000 gifts, the total came to more than 55,000 entries.

This year, almost 20,000 gifts were made by credit card, half of these on MIT's online giving site. Overall, the office saw an increase of 20% in the volume of online donors. Gifts of securities and mutual funds increased by 20%, while gifts by wire totaled roughly 26% of all giving.

Elizabeth M. Ogar
Recording Secretary/Executive Director of Administration

Finance and Administration

Finance and Administration provides financial management, human resources administration, and general administrative oversight for Resource Development.

Financial Administration

Resource Development finished FY2008 within budget. With support from MIT's central administration, resources were made available for key initiatives such as representation at the World Economic Forum, and support and staffing for President Hockfield's trip to India. The office also launched the inaugural Institutional Intelligence Forum, which promoted discussions involving senior officers, deans, program leaders, and Resource Development fundraising staff about critical MIT issues.

Human Resources

Competition for qualified applicants continues to be strong and the office helped to fill 40 Resource Development positions in FY2008. Of these new hires, 20 were women and four were members of underrepresented minority groups.

Director Lorraine Ng is cochairing the career development track of CORE's annual conference, and is also part of a new group consisting of local university development recruiting and training professionals created to share ideas and collaborate on best practices. The office continues to promote the Resource Development's Infinite Mile Rewards and Recognition program, and awarded 36 Infinite Mile Awards and 10 Appreciation Awards during FY2008.

Administration

Much of FY2008 was spent preparing for Resource Development's relocation from four buildings across campus into Building W98 at 600 Memorial Drive. The Department shares this facility with colleagues in the Alumni Association.

Lorraine Ng

Director, Finance and Administration

Office of Development Services

The Office of Development Services provides stewardship and reporting to donors, event planning and execution, individual prospect research, information management, business intelligence, technology management, and training support to Resource Development and its partners. In FY2008 the office continued to focus on key strategic areas—research, donor engagement, fund compliance, events management, information administration, and technology—to enhance the support it provided to MIT fundraisers.

Stewardship

The stewardship team designed individual prospect plans and launched coordinated strategies for encouraging major donors to consider specific giving areas, including professorships, scholarships, and capital projects. It sent 519 scholarship reports, more than 500 presidential acknowledgement letters, 250 letters from the provost recognizing major unrestricted gifts, and 286 letters from the Corporation chairman citing alumni career moves. The team also produced customized stewardship materials for major and principal gift donors. In addition, it staged a scholarship, fellowship, and Undergraduate Research Opportunities Program brunch; four Emma Rogers Society events; and facilitated 65 donor-student meetings.

Research

Research continued to focus on providing business intelligence and analysis on known prospects as well as on finding new ones. Significant effort was expended on briefing senior officers, with more than 250 detailed reports having been prepared for these individuals in FY2008. Leveraging technology, the team was able to produce briefings more efficiently. It also completed the imaging of all prospect files, encompassing about 750,000 documents, and now the team's expertise in managing such projects is now being called upon by other units.

Prospect Identification

Prospect identification efforts dramatically increased. More than 2,800 evaluations were completed in FY2008, resulting in the discovery of 985 new major gift prospects, a 61% increase over last year. Data modeling projects and screenings have contributed to the efficiency of this major gifts prospecting effort.

Events

The development services events team collaborated with offices across Resource Development to create gatherings for prospects and donors. More than 75 events were staged throughout the country, with about 3,000 attendees in all. Among the events were campus visits, the annual Corporation Development Committee meeting, and numerous cultivation receptions and dinners in support of C4S, MITEI, and the Koch Institute for Integrative Cancer Research. The team began planning for the October 2008 C4S launch during the latter part of FY2008.

Systems

The systems and reporting groups served over 290 clients in Resource Development and the MIT schools. More than 7,300 calls to RDCompHelp were resolved, an increase of 30% over FY2007. An additional 1,659 data requests and systems enhancements were completed during FY2008, including enhancements to management reporting, gift processing, quality control, and stewardship.

Significant staff time and resources were devoted to executing Resource Development's move to 600 Memorial Drive. Efforts included specifying network needs, connecting and configuring computers, and managing the transition to VoIP telephony.

Cooperation among the functional units of development services, and among other clients and stakeholders, was critical to the team's success. Database enhancements, for example, were achieved through cooperation with the Alumni Association as well as with school development officers, administrative officers, and other staff throughout the Institute.

Robert D. Scott

Executive Director of Development Services

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