

Vice President for Resource Development

Resource Development continued to make significant progress in building an enhanced development team and fundraising effort, reporting the following results in FY2013:

- Cash gifts and the fair market value of non-cash gifts totaled \$437.1 million (the second-highest year on record).
- New gifts and pledges totaled \$345.1 million.

New gifts comprise cash and the fair market value of non-cash gifts received in full during the year, while pledges may be paid over the course of more than one year.

These achievements have been realized through the active partnership of faculty, administrators, and volunteers in the critically important work of institutional development. Resource Development was also engaged in planning for MIT's next comprehensive fundraising campaign, with FY2013 focusing on the private phase of that effort.

To make appropriate comparisons—and in keeping with the reporting practices of other units at the Institute—support designated to the Broad Institute in prior years is omitted. The total of \$437.1 million also does not include the \$10.8 million in unrestricted support from Industrial Liaison Program members. Cash gifts and the fair market value of non-cash gifts for FY2013 compare with:

- \$383.9 million in 2012
- \$546.5 million in 2011
- \$311.2 million in 2010

Jeffrey L. Newton
Vice President for Resource Development

Office of Philanthropic Partnerships

The Office of Philanthropic Partnerships (OPP) was created in FY2008 as the centerpiece of MIT's principal gifts program. The office, which includes the Office of Global Initiatives, identifies, tracks, and engages the Institute's most generous individual donors—cultivating and soliciting prospects from around the globe that have the capacity to contribute \$5 million or more to the Institute.

In FY2013, OPP focused on the introduction of president L. Rafael Reif and his "listening tour" to visit with top prospects and the largest philanthropic stakeholders. In addition, OPP successfully hired four new senior colleagues, filling the department structure required for the ambitious MIT campaign. The Office of Philanthropic Partnerships comprises the Executive Director's Office, the Philanthropic Advising Office (managing domestic prospects), and the Office of Global Initiatives (managing international prospects). At the core of its responsibilities, OPP ensures that the

Institute's relationships with top-rated donors and prospects are managed with the highest quality, creativity, and coordination. Now with a full staff, OPP is better able to develop meaningful relationships and financial support not only from affiliated alumni and friends, but also from non-affiliated philanthropists. OPP develops and manages the president's resource development travel and calendar, the strategy for targeted donor meetings, and all correspondence associated with presidential prospects. OPP coordinates with the Office of the Secretary of the Corporation and with the Alumni Association on visiting committee nominations and drives fundraising plans and identification of volunteer leaders for the Institute's major initiatives—such as the MIT Energy Initiative and the Koch Institute for Integrative Cancer Research—and for the major global markets, including Europe, the Middle East, greater China, South Asia, Southeast Asia, and Latin America. OPP manages the MIT Corporation Partners Program, and works closely with the Office of the Vice President for Resource Development to identify new potential Corporation members and Institute volunteers. OPP is deeply engaged in the plans and discussions about the campaign, and the recruitment and management of campaign leaders.

During the past year under President Reif's new leadership, OPP collaborated on the Charter Society gala and daylong symposium, recognizing all families who have given \$1 million or more to MIT in lifetime giving. OPP planned and executed MIT's participation in the 2013 World Economic Forum annual meeting in Davos, Switzerland. The Institute celebrated the \$60 million gift from Ratan Tata, one of the largest international donations from an individual to MIT.

In collaboration with colleagues, faculty, and Institute leaders, OPP achieved the following results in FY2013:

- Nine gifts of \$5 million or more, totaling \$151,833,679
- Five presidential consultative dinners for development of campaign themes
- Six presidential trips for Resource Development (three domestic, three international)
- 150 individual presidential prospect/donor meetings
- 46 presidential strategic Resource Development events
- Three presidential appearances at Alumni Association events

Beth B. Raffeld
Executive Director of Philanthropic Partnerships

Office of Individual Giving

Leadership Giving

In FY2013, the Office of Individual Giving included the offices of Leadership Giving (OLG), Gift Planning, and Special Constituencies. OLG cultivates and stewards individual alumni and friends capable of making gifts of \$100,000 or more. OLG works with other offices in Resource Development, the Office of the President, and the Office

of the Chairman of the Corporation, as well as with deans, department heads, and volunteers from across the country. OLG staffs a large number of one-on-one visits between senior Institute leaders and important alumni prospects and donors.

In FY2013, OLG officers raised \$63 million in new gifts and pledges (against a fiscal year goal of \$33 million, an increase of 186% over FY2012), following 2,112 personal fundraising visits with alumni (an increase of 26% over FY2012). There were 879 visits that were categorized as “qualification” visits, which are first-time conversations with newly identified alumni/parents and friends of the Institute.

Building on the restructuring that was begun last year, further emphasis was placed on enhancing and building stronger business processes and systems to ensure that staff fundraising efforts continue to focus on collaborating with ultra-high-net-worth individuals in philanthropic engagements with MIT. As part of this plan, 11 new staff members were added to the team during the fiscal year.

OLG met and exceeded its goals by retaining its focus on quality and purposeful visits, events, and solicitations; deepening its collaborations with Resource Development, the Alumni Association, and School units (including further refining ongoing processes); executing comprehensive performance reviews; and continuing strategic hiring and orientation. OLG also began undertaking a more nuanced examination of the prospect pool/pipeline and patterns of recent activity. OLG achievements are listed below.

- OLG fundraising totals represent 18.3% of the MIT FY2013 total, with \$2.3 million raised per fundraising officer in OLG. The sum of \$63 million is more than double the \$24.5 million average of the last four fiscal years.
- 127 proposals were closed in the fourth quarter, for a total of 376 in FY2013. In FY2012, 240 proposals were closed.
- There are 1,728 managed prospects in portfolio after a net increase of 14, with 1,348 currently being qualified (the quarter net increase is 39), for a total of 3,076 prospects under OLG management.

Gift Planning

The Office of Gift Planning (OGP) engages donors in estate planning and conversations that result in life income gifts and bequests. OGP supports the work of OLG, OPP, the Schools, the Alumni Association, and departments, labs, and centers throughout the Institute. In FY2013, OGP accepted \$32 million in gifts to life income funds and another \$13 million in bequests.

OGP leads a variety of activities, including individual donor visits, proposals to donors, strategy sessions, and solicitations. Life income gifts provide funding for scholarships, fellowships, cancer research, the MIT Energy Initiative, professorships, the MIT Libraries, and general needs. OGP also seeks to increase awareness of gift planning 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. OGP works closely with donors and their advisors to solicit bequests for the Institute. In some cases, these bequests are realized within a short time frame and result in unrestricted gifts or endowed scholarships.

Mike McNally

Executive Director of Individual Giving

Campaign Office

A new Campaign Office was formed in FY2013 to meet MIT's needs for coordination and strategic planning. Robert Scott was appointed its inaugural director. The campaign requires a highly integrated approach to fundraising and development, with staff and volunteers throughout Resource Development, the Alumni Association, and the various Schools collaborating at the highest levels. The Campaign Office, which will be fully staffed by FY2014, is the steward of that change, providing vision, coordination, and accountability to senior management, academic leadership, foremost benefactors, lead volunteers, and other constituencies.

Elements of several existing teams have come together in the new office, reflecting priorities appropriate to this phase of the campaign. A new analytics function—closely partnered with the Resource Development information technology group—has been staffed with two new campaign analysts this year. The research group was reorganized into units focused on briefings and prospect intelligence, new prospect identification and business development, and relationship management. The office serving the Corporation Development Committee (CDC) was incorporated into the Campaign Office, reflecting the need for coordination of MIT's foremost fundraising volunteers and anticipating consideration of how that programming might be applicable to other volunteer cohorts.

Research staff continued to focus on providing business intelligence and analysis about known donors and finding new prospective supporters for MIT. Significant effort was made to brief senior officers in advance of meetings with philanthropists, with 1,005 detailed reports prepared in FY2013. The team leveraged technology to produce briefings more efficiently and continued to assist other units within Resource Development on digitizing information resources. The team also reorganized itself to provide an improved relationship management capacity, delivering consultative and management services to field staff to ensure optimal engagement with the pool of potential donors.

Prospect identification efforts, critical at this phase of the campaign, ramped up. A total of 1,417 prospective donors were evaluated this year (a 30% increase in activity over FY2012), yielding 903 new major gift prospects (also a 30% increase over FY2012). In addition to ongoing data modeling projects, analytics, and screenings, the research team evaluated special constituencies, developed new statistical models to quantify attachment, and provided relationship management services to line staff throughout the Institute.

The systems and reporting groups served more than 400 clients within Resource Development and throughout the Institute, resolving more than 10,000 requests to RDCompHelp—Resource Development’s computer support telephone and email hotline—and fulfilling more than 1,350 data requests. During FY2013, the systems team continued work on a database upgrade and conversion project that will increase the security of information systems and improve access to information by a mobile workforce engaged in development and fundraising.

As of June 30, the campaign nucleus fund had reached nearly \$1.4 billion, and a robust pipeline of planned solicitations had been delineated. Over the course of FY2013, material describing the campaign vision have been developed, feasibility reports created, and four consultative events held. The Campaign Steering Committee, a group charged by the MIT Executive Committee and supported by the Campaign Office, met monthly to provide substantial counsel over the course of the year. The committee achieved its major milestones. Its work will come to a close in September 2013. Over the summer and fall of FY2014, a third major area of the Campaign Office focusing on campaign priorities and strategic organization will be developed, reflecting a plan approved in FY2013. Four professional staff members will address the current and emerging needs and align the vision, case, and development pipeline to the campaign themes.

Robert D. Scott
Campaign Director

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. In FY2013, ILP achieved revenues of \$10.8 million, returning a net of \$2.1 million to the Institute after operating expenses and distribution of revenue sharing to the faculty.

OCR staff provided support to senior administrators in corporate relations activities as well as in major MIT international and corporate partnerships. OCR staff continued to work with faculty leadership at the MIT Energy Initiative (MITEI) to secure commitments from companies to renew their MITEI Industry Consortium memberships, including Saudi Aramco (changed from sustaining level to founding level), BP and Eni (founding level), and Bosch, Chevron, and Total (sustaining level). Staff members maintained excellent relations with all MITEI sustaining and founding members as part of the MITEI/ILP partnership structure. In FY2013, ILP continued in its role as a key facilitator of interactions between MIT faculty and industry counterparts, encouraging deeper research engagements with MIT’s top corporate supporters such as Eni, BP, Raytheon, Shell, Siemens, and Boeing.

OCR staff focused on supporting Institute-wide efforts to secure corporate funding streams by identifying and catalyzing opportunities for faculty to acquire research and other gift support from ILP member companies and by assisting faculty efforts with

member firms. ILP member organizations provide tens of millions of dollars in revenue to the Institute in research sponsorship, grants, and gifts.

OCR organized 10 major conferences in FY2013, several in conjunction with other MIT organizations or ILP members. These included two European conferences on manufacturing, one in Brussels and the other in Vienna (showcasing open innovation and disruptive technologies in manufacturing, and sponsored by Agoria of Belgium and the Austrian Federal Economic Chamber); the 2013 Brazil Challenge of Innovation conference, hosted by the Brazilian research, development, and specialized technological service organizations CERTI and SENAI (one of the five largest professional education complexes in the world and the largest in Latin America); and the Emerging Technologies conferences in India and China (with *MIT Technology Review*).

Karl F. Koster

Executive Director of Corporate Relations

Office of Foundation Relations

The Office of Foundation Relations (OFR) engages independent (including some family and corporate) foundations to maximize their support for MIT. To do this effectively, OFR staff proactively identify faculty projects and institutional initiatives that might align with foundation interests. They work with senior leadership, faculty, and administrators to develop and implement customized strategies for securing foundation support, facilitate interactions with and develop top-quality proposals for foundations, develop and manage relationships with a broad range of foundations, communicate with foundation officials regularly to explore possible areas of collaboration, and keep current on trends in the field. During FY2013, the office increased to 11 staff members, with six positions (in addition to the executive director) focused primarily on frontline fundraising.

In FY2013, new gifts and pledges to the Institute from independent foundations and charitable trusts totaled approximately \$122.3 million, with about \$169 million in pledge balances in the pipeline.

OFR staff members were directly involved in securing 57 foundation gifts/pledges, comprising \$42.7 million of the \$122.3 million total foundation support, or approximately 35%. Of this total, eight gifts/pledges were over \$1 million, for a total of \$27.9 million. New commitments, pipeline activities, meetings, and visits were all up during FY2013.

New and continued major foundation support was achieved with OFR involvement for a wide range of initiatives, School priorities, and faculty projects, including MITx, the Abdul Latif Jameel Poverty Action Lab, the MIT Kavli Institute for Astrophysics and Space Research, postdoctoral fellowships in the humanities and humanistic social sciences, the Dalai Lama Center for Ethics and Transformative Values, the Legatum Center for Development and Entrepreneurship, the Office of Engineering Outreach Programs, and more. All of this was accomplished through more than 165 meetings with

foundation representatives (32 involving senior officers or deans) and nearly 600 internal discussions between OFR staff and faculty and members of senior leadership across campus.

In addition, OFR developed a process for setting individual goals for frontline staff.

Lindley Huey

Executive Director of Foundation Relations

Communications, Events, Stewardship

Communications

The Office of Communications is an in-house “creative agency” serving fundraising programs in Resource Development and with a consulting relationship to colleagues in the Alumni Association and the Annual Fund. Writers, editors, and graphic artists offer strategic communications counsel and produce a wide range of materials to help engage, cultivate, solicit, and steward Resource Development’s many constituents—MIT’s alumni, parents, grandparents, and friends, as well as foundations and corporations. Work in the Office of Communications intersects with the President’s Office, the News Office, and the Schools, departments, and centers. The Office of Communications aims to express the vision of MIT’s academic leadership candidly, credibly, and steeped in the Institute’s culture, while also paying close attention to the needs of an astute and accomplished audience. It measures its effectiveness by how well it is helping its Resource Development and Alumni Association colleagues achieve their bottom-line goals.

In FY2013, the office made significant progress in framing the marketing and communications initiatives needed to support a multi-billion-dollar, multi-year fundraising campaign. While a formal marketing and communications plan will not be complete until the second quarter of FY2014—because the academic priorities are still being defined—the office nevertheless produced hundreds of collateral materials to help raise philanthropic dollars during the campaign’s private phase.

As in previous years, projects took a variety of forms, from paper to web, film, and social media. The communications team created proposals, direct marketing pieces, videos, event collateral materials, remarks, periodicals, publications, and brochures. More than 80% of resources served top- and second-tier donors through collaborations with the Office of Philanthropic Partnerships and the Office of Leadership Giving. This was an appropriate focus, since donors at these levels provide the majority of philanthropic support to the Institute. At the same time, the office continued to engage the broader MIT constituency, particularly through social media. A new blog for Resource Development’s *SPECTRVM* magazine helped increase Facebook followers by 125% and Twitter followers by 75%.

Notable FY2013 accomplishments for the Office of Communications include:

- Significant progress toward creating a unified campaign narrative to explain why the MIT community (and the world at large) should engage with the Institute through the campaign
- Hiring a major market research firm to inform case making, so MIT can determine how best to segment audiences and appeal to them
- Initial planning of public launch events in Cambridge, scheduled for May 2014
- Major web development (technically and graphically) to support campaign communications
- Making the case for campaign priorities such as scholarships, fellowships, professorships, and significant capital projects
- Individualized proposal writing and editing for major solicitations

Events

In FY2013, the Office of Events produced events in support of the Office of the President, the Corporation, the Office of Philanthropic Partnerships, and the Office of Leadership Giving. Through these events, donors were recognized for their continued support of MIT and stewarded in an effort to create stronger connections with the Institute. More than 87 Resource Development events were held throughout the country, attracting approximately 4,300 prospects.

In July 2012, MIT hosted *Game Changers*, a three-day energy initiative conference. Faculty members from MIT and Stanford University, along with members of MITEI's External Advisory Board, participated in the general sessions and evening receptions.

In September 2012, the Corporation Development Committee held its annual meeting, which included a luncheon hosted by Corporation chairman John Reed, breakout meetings with regional CDC members, and a series of informational sessions.

Three Partners Program events were produced in FY2013. These events, hosted by Cynthia Reed, attract spouses of MIT Corporation members for informative discussions with MIT faculty members. The events were hosted at the Isabella Stewart Gardner Museum and at the home of John and Cynthia Reed. MIT faculty speakers included Fotini Christia, Philip Khoury, Sanjay Sarma, and Sherry Turkle.

In October 2012, the MITEI External Advisory Board meeting was held on campus. The two-day meeting included a welcome dinner hosted by provost Chris Kaiser, a full day of meetings featuring the advancement of energy initiative projects, and a dinner with keynote speaker John Deutch. Guests were also invited on a VIP tour of the LEED-certified (Leadership in Energy and Environmental Design) Sloan School of Management Building.

In January 2013, the office produced three successful events at the World Economic Forum Annual Meeting in Davos, Switzerland. President Reif hosted a dinner on the revolution in online learning, featuring MIT professor and president of edX Anant Agarwal, *New York Times* columnist Thomas Friedman, and Harvard University president Drew Gilpin Faust. At a second event, MIT partnered with the Skolkovo Foundation and Skoltech in a discussion on accelerating innovation.

In the spring, MIT welcomed Charter Society members back to campus for a full day of activities, including the first Charter Society luncheon, held in Barker Library, and an afternoon program featuring discussions about the importance of basic research and MITx. The daylong program was followed by a black-tie gala at the Boston Public Library. The Charter Society weekend concluded with the annual scholarship brunch, where scholarship donors were provided the opportunity to meet with their students.

In addition, five consultation events took place in Boston and New York in the spring to solicit essential feedback for the upcoming campaign. President Reif met with some of MIT's most influential and generous donors to discuss potential campaign themes and priorities.

During FY2013, numerous private dinners and receptions were held throughout the country at the homes of highly rated donors. The Office of Events worked directly with the hosts and staffed these donor-centered events, enabling frontline event staff to maximize their interactions with prospects in attendance.

Donor Relations and Stewardship

Donor Relations and Stewardship is staffed by a seven-person team responsible for ensuring the quality and timeliness of major donor gift acknowledgements, recognition of major donors' generosity, financial and usage reporting on funds established through charitable gifts, and overall engagement of donors in the life of the Institute.

In each of these areas, the past year was one of further advancement, including the following accomplishments:

- The time frame for gift acknowledgements was shortened from 30 days to fewer than 12.
- The Charter Society, MIT's top donor recognition society, was further developed by publishing the first membership listing and convening the second gathering of this group of more than 300 donors of a million dollars or more to MIT.
- More than 1,500 annual endowment reports and more than 750 scholarship reports were provided to donors.
- The first-ever comprehensive documentation of all stewardship practices and procedures was undertaken to provide an easy go-to resource for all staff.
- The portfolio of responsibilities was increased to include stewardship of funds established to support the Department of Athletics, Physical Education, and Recreation, as well as the Office of the Dean for Student Life and the Office of the Dean for Undergraduate Education.

- The documents and processes for gift agreements was redesigned to ensure their quality and to make them more engaging for donors.
- In collaboration with communications colleagues, designed and presented a number of recognition pieces (personalized books, videos, and more) for MIT's most generous donors.

In the year ahead, the office will continue to ensure that MIT is well positioned to steward the significant increase in gifts and donors that will be the outcome of the current comprehensive campaign.

David Gibson

Executive Director of Communications, Events, Stewardship

Office of the Recording Secretary

The Office of the Recording Secretary (ORS) receives gifts on behalf of the Institute and provides expertise and consultation on gift policies and procedures. ORS prepares tax receipts, deposits gifts, and provides the official recordkeeping of pledges and gifts of cash, securities, mutual funds, and gifts-in-kind. In addition, the office ensures the maintenance, safekeeping, and accessibility of permanent records of gifts, including original documentation of gift memoranda, gift agreements, pledges, trust instruments, and other legal documents associated with gifts. The office has oversight of the approval, creation, and maintenance of all endowed funds and works with senior representatives of the Institute to formulate policy and implement established guidelines.

This year, ORS and the gift records office of the Alumni Association recorded 66,733 gift transactions, an increase in volume of 6% over the prior year. The dollar volume of transactions processed in FY2013 increased 13% over the dollar volume processed in FY2012. ORS was responsible for transactions representing 97% of the revenue and approximately one-quarter of the transactional volume for the Institute. There was a 48% increase in domestic and international gifts made by wire. The volume of gifts of securities increased by 26%, while the number of gifts by check remained steady. Credit card transactions processed by the Alumni Association increased by 12%, with a financial increase of 15%.

The Gift Policy Committee, chaired by the recording secretary and composed of senior members of Resource Development, the Office of the Executive Vice President and Treasurer, the Office of the General Counsel, the Office of the Vice President of Finance, the Office of the Provost, and the Office of Major Agreements, convened five times in FY2013. Topics considered by the committee included the approval of space designations for planned gifts, the policy to raise the minimum level for endowed funds to \$100,000, naming opportunities for centers and institutes, and the process and policies for the naming of buildings and spaces. ORS implemented a new memorial gifts policy, focused upon consolidating gifts for the current general needs of the Institute and scholarship support.

The recording secretary is a member of the International Coordination Committee, formed this year to strengthen the support provided by MIT's administrative offices for MIT international activities.

ORS, in collaboration with the communications and stewardship units of Resource Development, rolled out a suite of newly designed collateral materials for gift and treasurer's memoranda and pledge agreements for major donors to the Institute.

ORS continued an outreach and training program designed for fundraisers in Resource Development, the Alumni Association, and School development offices.

Elizabeth M. Ogar

Executive Director of Gift Administration and Recording Secretary

Shared Services Administration

Composed of the Finance and Operations unit and the Human Resources and Staff Development unit, the Shared Services Administration (SSA) team supports all program areas within Resource Development and the Alumni Association on financial budgeting, reporting and analysis, human resources and staff development, administrative operations, and facilities. During FY2013, the SSA team continued to provide highly responsive and effective service to both departments, emphasizing collaborative planning and teamwork. FY2013 was the second of a three-year phased plan in which the SSA team helped build the resources and infrastructure for the campaign. To recognize the significant growth of the Resource Development staff, and the increasing need for dedicated human resource management, the decision was made to end the human resources and staff development component of shared services later in the fiscal year. Both departments have undertaken searches for executive-level managers for their respective human resources and strategic talent management needs.

Finance and Operations

The Finance and Operations unit oversaw the strategic allocation and management of the financial resources and facilities for both the Alumni Association and Resource Development. Signature projects included coordinating successful requests for FY2014 funding for continued campaign preparedness, budget planning for a campaign launch and related events in FY2014, initiating the transition of the Office of Corporate Relations (OCR) to a new reporting relationship under the Office of the Provost, identifying external rental space for OCR and coordinating the planning and design of the new space, implementing the results of a comprehensive W98 space utilization study and creating 12 new workspaces in the building, and renovating the main W98 conference room with acoustic and window-darkening enhancements. The Finance and Operations team also developed a new "unit information session" format for the Resource Development operating team, and launched a W98 operations working group for senior support staff to discuss issues and implement new and improved processes for building-wide operations. In the spirit of supporting all constituents of W98 regardless of home department, the team welcomed the Resource Development Systems Group as one of its reporting groups.

Human Resources and Staff Development

FY2013 was another robust year for the Human Resources and Staff Development team as it moved through the second year of a three-year staffing growth plan for the campaign. The team filled a total of 59 positions for Resource Development and 30 positions for the Alumni Association. Over the course of the year, the team also focused on process improvement and program development for orientation and onboarding programs.

Important aspects of staff investment include creating a welcoming and inclusive environment as well as providing training and learning opportunities. In FY2013, Human Resources and Staff Development continued to provide tools and knowledge to assist staff and managers with their roles. These included all-staff meetings for Resource Development, the Alumni Association, and School development offices; the Institutional Intelligence Forum, which featured conversations with senior administrators, faculty, and donors for the purpose of bringing Institute knowledge to the fundraising and alumni relations staff; and in-house learning sessions on topics such as performance review preparation, behavioral interviewing, emotional intelligence, cultural cocktail simulation, financial wellness, and getting fit.

Human Resources and Staff Development recognized eight Resource Development and eight Alumni Association staff members who had been nominated by their colleagues at the annual Infinite Mile Rewards and Recognition ceremony. In addition, 34 colleagues in Resource Development and the Alumni Association were recognized during the year with Spot Appreciation awards.

As Resource Development prepares for the public launch of the campaign in FY2014, the Human Resources and Staff Development team will continue to provide high quality and consistent service to colleagues.

David A. Woodruff
Associate Vice President and Chief Operating Officer