

Vice President for Resource Development

Resource Development cultivates and secures private philanthropy to sustain MIT's excellence in education and research and to support the programmatic and campus infrastructure of a thriving, learning community. We staff the fundraising efforts of the offices of the President, Provost, Chairman of the Corporation, Deans, and faculty. Our office leads alumni volunteers in their fundraising efforts, and we work closely with the MIT Alumni Association, the Treasurer's Office, and the development efforts in each School to attract financial support for key academic and research priorities.

We focus on four constituencies: corporations, foundations, alumni, and non-alumni individual donors. With targeted communications and donor relations and with effective research and systems support, we work to build institutional relationships to encourage long-term giving.

Highlights

FY2004 brought Resource Development and MIT into the seventh year and final stretch of the Campaign for MIT to raise \$2 billion and build a sustainable base of private support of \$200 million cash per year. At fiscal year end, cash receipts stood at \$290.4 million, and we added \$263.1 million in new gifts and new pledges to the campaign, bringing the campaign total to \$1.92 billion. We anticipate achieving the \$2 billion goal within the first two quarters of FY2005.

As we worked to conclude the Campaign for MIT, we turned our attention to five key areas necessary to MIT's ability to sustain annual support during the post-campaign era.

Corporation and Foundation Giving

Corporate and foundation giving have been MIT's traditional fundraising strengths, and, most likely, these markets are near their full maturity. With close to 100,000 alumni, approximately 60,000 of whom have given to this campaign, MIT's future potential lies in broadening and deepening the individual donor pool. We began to assess how to expand and renew the pool of potential donors and bring more alumni, as well as others, into the MIT orbit.

Principal Gifts

The Campaign for the Future attracted 65 gifts that were more than \$1 million each. Nearly 400 donors have given gifts of \$1 million or more to the Campaign for MIT. This includes more than 200 individuals, one-third of whom had never given to MIT before. We are reviewing our Principal Gifts Program to continue to raise the philanthropic sights of our most generous donors and meet the needs of MIT and its donors in the years to come.

Stewardship

Timely and attentive stewardship of the 60,000 donors to this campaign thus far will be critical for sustaining giving. As we look ahead, we have an important responsibility to keep our donors apprised of the use of their gifts and how MIT is growing and changing. The Stewardship Task Force evaluated MIT's donor recognition efforts in terms of content, process, and resources. They polled 50 individuals involved in stewardship functions across the Institute and developed an initial set of recommendations to implement an integrated Institute-wide stewardship program in the post-campaign era.

Volunteer Partnerships

MIT's volunteers are our most generous supporters. Campaign Network volunteers and volunteers on the Campaign Steering Committee and the Corporation Development Committee have given a minimum of \$270 million to this campaign thus far. To prepare for post-campaign fundraising, the Volunteer Assessment Steering Committee has conducted 95 interviews and surveys with volunteers, staff, and peer institutions to evaluate how we work with volunteers and its recommendations for a comprehensive volunteer management program.

Unrestricted and Core Support

Lastly, we need to create a stronger understanding with potential donors about the importance of unrestricted giving and supporting core needs. The post-campaign era will require us to communicate more clearly to our donors and potential donors about the role charitable giving plays in the life of the Institute, our financial needs, and how to focus their good will and charitable intentions to make the most significant difference to MIT's core mission.

Human Resources

One of the most significant challenges we faced this year was working to sustain high levels of private support and complete this campaign with fewer people and reduced resources. As a result of an Institute-wide hiring freeze for administrative areas and two consecutive years of budget reductions totaling 17 percent, we eliminated 27 positions. To achieve our budget targets we laid off 10 people and froze the remaining positions when staff left through transition or retirement.

While hiring was limited, Resource Development continued our efforts to recruit qualified women and minority candidates. Three women and one man, including one Asian woman, filled four open staff positions. Several dedicated and long-time staff members left MIT this year. Cordelia Foell, director of academic development, and Joseph Harrington, senior program development officer, both retired from the Institute. Dianne Goldin, director of leadership gifts, left the Institute for Columbia University in

New York; Shelley Brown, director of research and systems, left MIT for Boston's Children's Hospital; and associate director of campaign giving, Lisa Signorelli, left MIT to join the Nature Conservancy in Providence, Rhode Island. However, we also welcomed staff into new roles this year. Robert Scott was promoted to director of research and systems. Christina Yoon and Charles Hugo were both hired as senior industrial liaison officers.

Summary of Private Support

In FY2004 private support totaled \$298.2 million. This included the following:

\$290.4 million in gifts, grants, and bequests

\$7.8 million in support through membership in the Industrial Liaison Program

Private support for FY2004 compares with the following:

\$191 million in FY2003

\$222.9 million in FY2002

\$200.8 million in FY2001

\$233.6 million in FY2000

Gifts-in-kind for the past year (principally gifts of equipment) were valued at \$4.3 million.

By source, gifts totaled the following:

\$142.1 million from alumni

\$21 million from non-alumni friends

\$40.7 million from corporations, corporate foundations, and trade associations

\$80.4 million from foundations, charitable trusts, and other charitable organizations

\$6.2 million from other sources

Expendable and endowed funds were designated as follows:

\$91.8 million in unrestricted support

\$92.3 million for research and education programs

\$17.9 million for faculty salaries

\$23.8 million for graduate student aid

\$8.5 million for undergraduate student aid

\$27.4 million for undergraduate education and student life

\$25.9 million for building construction funds

\$2.8 million pending designation

Barbara G. Stowe
Vice President for Resource Development

Campaign for MIT

During the seventh year of the Campaign for MIT, the staff, senior officers, and Campaign Steering Committee (CSC), Corporation Development Committee (CDC), and Campaign Network (CN) volunteers continued their diligent efforts to close the campaign in 2004. The CSC convened to discuss campaign activities. The CSC, CDC, and CN convened for the CDC Annual Meeting to review campaign progress.

With the addition of a significant realized bequest, and ongoing activity to secure five-, six-, and seven-figure gifts and pledges, the campaign reached \$1.92 billion by June 30. More than \$1.5 billion has been paid and the remainder is outstanding in pledges.

The strength of this campaign continued to be gifts from individuals. Adjusting for cross-credits, over 65 percent of the campaign total comes from gifts and pledges from individuals, including participation from well over half of the MIT alumni body.

As MIT enters the home stretch, progress across campaign priorities stands at the following:

\$187.9 million raised toward a \$150 million goal for faculty chairs

\$115.3 million raised toward a \$200 million goal for scholarships and other undergraduate aid

\$84 million raised toward \$125 million goal for undergraduate education and student life

\$161.4 million raised toward \$350 million goal for graduate fellowships

\$783.7 million raised toward \$625 million goal for research and education programs

\$310.8 million raised toward \$450 million goal for construction and renovations

\$255.3 million raised toward \$100 million goal for unrestricted support

\$22.6 million pending designation in the campaign

Stephen A. Dare
Director of Development

Campaign Giving

The Office of Campaign Giving (OCG) develops philanthropic relationships with MIT alumni in support of the core needs and key priorities of the Institute.

Since the inception of the Campaign for MIT, OCG has been responsible for cultivating, soliciting, and stewarding individual alumni and friends capable of making gifts of \$50,000 or more. In the past year, the OCG staff of 10 major gift officers logged a total of 1,100 fundraising contacts with alumni across all regions of the United States. This represents a 32 percent increase in activity from the preceding year.

In addition to individual visits and general cultivation events, we gave special attention in the past year to promoting opportunities to support student life and learning at MIT. We organized cultivation events for potential major donors in the major markets of northern California, New England, and selected markets in the mid-Atlantic region to highlight student life and learning. Membership in the Catalyst Society, which recognizes campaign donors of \$100,000 or more, increased by more than 10 percent to approximately 525. We convened two gatherings of the Catalyst Society, one in northern California and one in New York, to steward and thank donors of \$100,000 or more to the campaign.

Despite uncertain perceptions about the economy and world events, difficult messages about the Institute's endowment, and the news of President Vest's departure, OCG's overall progress in initiating fundraising relationships and discussions with alumni was not significantly affected. The participation of senior leadership—President Vest, chancellor Phil Clay, chairman Dana Mead, and campaign chair Ray Stata—was crucial to the momentum and success of the past year in the Office of Campaign Giving. We also were fortunate to have the active partnership of the deans of each of MIT's five

Schools, along with department heads and many faculty, who not only served as presenters at events, but also met with individual donors and prospects.

Katherine E. Eastment
Associate Director

Communications and Donor Relations

The Office of Communications and Donor Relations (COMDOR) supports MIT's fundraising with web content and publications about MIT's strengths and priorities, stewardship of donors, and cultivation events. In FY2004 the office continued to build the case for key ongoing priorities, began to develop innovative ways to thank campaign donors, and increasingly tailored our marketing efforts to specific donor concerns.

Communications

Reflecting an increased emphasis on electronic media, the Communications staff planned new approaches for using the web to inform and connect with individual major donors. In collaboration with the MIT Alumni Association, we launched a full-scale redesign of the Giving to MIT website. We also began to refocus the office's publications program to ensure full compatibility with electronic outreach activities.

The Communications staff continued to inform prospects and donors about key MIT matters. We published three issues each of *Spectrum* and $(CR)^2$ —both of which won Council for the Advancement and Support of Education awards; and developed a series of working papers on key student life and learning priorities, including athletics, public service, and the Cambridge-MIT Student Exchange Program. In collaboration with the Office of Strategic Program Development, we produced a monthly email newsletter to MIT's volunteer fundraising community.



Featured in the winter 2004 edition of Spectrum, the Technology Enabled Active Learning (TEAL) classroom is transforming physics education at MIT. From left: Jennifer Wong, Danielle Wen, Assistant Professor Eric Hudson, and Rayal Johnson.

Donor Relations and Events

The Donor Relations staff continued to provide stewardship of major gift donors and to organize cultivation events. We sent 760 presidential gift-acknowledgement letters and 83 letters from the Provost to recognize major unrestricted gifts. In collaboration with the Office of Student Financial Services, we sent personalized annual reports to more than 324 donors to scholarship funds and major donors to class scholarships. The April scholarship brunch engaged 83 donors, students, and guests.

We supported the presentation of Catalyst Society gifts to 90 members by senior officers, faculty, volunteers, or staff members and coordinated two Catalyst Society recognition events in Palo Alto and in New York City for regional members.

Also, the Donor Relations staff coordinated approximately 50 cultivation and stewardship events, including two Campus Visits, two recognition dinners for Stata Center donors, a Chairman's Salon, Technology Breakfasts on the East and West Coasts, numerous cultivation receptions and dinners, and individualized stewardship events for key donors.



Alumni and friends recently gathered in Palo Alto, California, for a Catalyst Society reception hosted by Mark '76 and Debbie Gorenberg. Shown are Ray Stata '57 and Debbie and Mark Gorenberg.

Additionally, the staff participated actively in the Stewardship Task Force to develop an initial plan for implementing an integrated Institute-wide stewardship program.

Pamela Dumas Serfes
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 FY2004, total corporate cash gifts to the Institute totaled \$41 million, while corporate research volume totaled \$83 million. ILP memberships increased to 170 companies (a net increase of seven new members), while fee income increased to \$7.8 million. Staff also contributed to a number of significant research and gift revenue opportunities.

We continued to aggressively market activities, promoting conferences and workshops in addition to sustaining field activity. Communications efforts directed to ILP members

included ongoing production and distribution of the email ILP Edition of MIT Technology Insider, as well as expanding the faculty seminar webcasts into a monthly series.

Additionally, OCR launched the new ILP website, with an expanded events archive and enhanced graphics and navigational tools. The site is supported by the first completed phase of a new centralized information system to support office operations and information management. Succeeding phases of the system were in the advanced stages of development at year end.

Karl F. Koster
Director

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

Development Research and Systems

The Office of Development Research and Systems (ODRS) provides research, information management, technology, and training to support the Institute's fundraising enterprise. In FY2004 we continued to focus on three key strategic areas (research, information management, and technology), while engaged in research projects in collaboration with Institute partners.

Development Research

Development Research both identifies new potential major gift donors (primarily individuals able to commit an outright or limited-year gift of \$50,000 or more) and provides ongoing intelligence to support to the activities of field staff, senior officers, and campaign volunteers. In the last year, ODRS produced more than 1,300 backup summaries and research reports to support its clients, including 162 specialized briefings for senior officers.

We began several initiatives this year to better support future Institute fundraising efforts. ODRS staff examined multiple years of electronic screening data and aggregated and stored it in the fundraising database. A team of research and programming staff began to develop data models and mining tools using internal data to segment the prospect pool with more rigor and a higher degree of accuracy.

Last year ODRS developed a survey of MIT company founders. More than 10,000 MIT alumni entrepreneurs were invited to participate; the data from more than 2,600 participants has since been collected and analyzed. This data has informed Resource Development efforts and enhanced administrative studies at the Institute.

We also continued to provide data to and refine models generated by Core Group. These analyses probe the relationship between fundraising inputs, performance, and yields by analyzing detailed datasets provided by MIT and a consortium of peer institutions.

Development Systems

ODRS computing and research staff focus on system policy, data integrity, development and customization, and reporting. ODRS continued its partnership with the Alumni Association to manage ADONIS, the Institute's prospect control, alumni management, and gift entry database of record. We supported more than 200 users across Resource Development, the Schools, the Treasurer's Office, and other Institute units providing system support, documentation, and training. We also produced thousands of reports on a production schedule and more than 700 custom reports in response to specific requests.

The ODRS staff collaborated with institutional partners to upgrade the ADONIS software with the Alumni Association; improve recording and reporting of fund information with the Controller's Accounting Office and the Treasurer's Office; develop forecasting and accounting of major project gift streams with the Office of Budget and Finance; automate generation and distribution of electronic reports from the Treasurer's Office, which has significantly reduced staff time in this area; and enhance functionality for stewardship, planned giving, and foundation relations within Resource Development.

We modernized technology to improve efficiency and reliability of systems. Staff completed upgrades of OS X, installed new desktop systems throughout the division, and converted major PC-based systems to WinAthena. We completed migration to the Institute's Citrix servers to allow more efficient extension of the fundraising system onto desktops across the Institute. We upgraded ADONIS to leverage new functionality and enhance security, installed improved backup and fileserver systems, and offered individualized trainings to all users.

Robert D. Scott
Director

Donor Partnerships and Special Projects

The Office of Donor Partnerships and Special Projects primarily reaches out to wealthy, philanthropic non-alumni. We work with faculty, senior officers, and key volunteers to identify and engage prospects capable of eight-figure gifts to MIT.

During FY2004 we focused on three main priorities: contributing to the successful conclusion of the campaign, continuing to build select new relationships, and stewarding and re-soliciting past donors. Several significant gifts were closed during FY2004, including a \$25 million commitment to endow fellowships in the brain and

cognitive sciences. As always, colleagues in Resource Development and the Schools, MIT's senior officers, and many faculty and volunteers combined efforts to bring these gifts to successful conclusion.

Last year, our office coordinated a campus visit by Bill Gates that included meetings with senior officers and the Department of Electrical Engineering and Computer Science faculty and a presentation to more than 900 students. As in past years, the president played a special role in hosting non-alumni on campus and in visiting prospects and donors in the field.

Christine M. Rinaldi
Director

Foundation Relations and Academic Development Support

The Office of Foundation Relations and Academic Development Support (FRADS) manages MIT's relationships with the foundation community and supports project-driven fundraising on behalf of the deans and faculty of the Institute's five Schools. Gifts from private foundations and charitable trusts for this fiscal year totaled \$80.4 million, an increase of 34 percent over the previous year. New gifts and pledges from foundations were \$57 million, up 49 percent from FY2003.

In FY2004 the staff emphasized increasing the number of foundation visits and proposals in collaboration with faculty, deans, and senior officers while focusing more systematically upon new and emerging philanthropies.

FRADS staff initiated or supported foundation visits that realized significant support for renovation of the Dreyfus Building lobby, astrophysics and space research, marine microbiology, postdoctoral fellowships in electrical engineering and computer science and environmental sciences, the Terrascope undergraduate program in environmental sciences, Phase II of OpenCourseWare, faculty development in biology and other disciplines, the SEED (Saturday Engineering Enrichment and Discovery) Academy and STEM (Science Technology Engineering Math Program at MIT) for pre-college students, the Voting Technology Project, and the Alliance for Global Sustainability.

In addition, we are currently seeking foundation support for MISTI-China Program, entrepreneurship education, the Program on Human Rights and Justice, teaching students the use of imaging technologies in science, international studies, political science, comparative media studies, international water and petroleum resource management, inorganic chemistry laboratory renovations, sharing MIT engineering teaching facilities with African universities over the internet, research support for emeritus faculty.

John E. Oldham
Director

Office of Gift Planning

The Office of Gift Planning (OGP) supports MIT's development efforts by securing life income gifts via charitable remainder trusts, gift annuities, pooled income funds, and bequests. OGP seeks to increase awareness of planned giving, solicit new gifts, and cultivate relationships with current donors while supporting the efforts of development staff in Resource Development, each School, and the Alumni Association.

Gift Activity

Gifts for FY2004 totaled \$10.98 million from 81 individual donors, a 19.5 percent increase from FY2003. Two gifts in the \$1 million to \$2 million range and six gifts in the \$500,000 to \$999,999 range accounted for 59 percent of all gifts. Thirty-six gift annuities were established in FY2004, 50 percent from first-time annuity donors and 50 percent from repeat annuity donors. Charitable remainder trusts (CRTs) accounted for 79.4 percent of total gift dollars. Of the 33 CRT gifts received, two-thirds were repeat gifts, including one gift of real estate.

Marketing

This year OGP marketed planned giving through events and mailings. We hosted four informational estate-planning seminars in Houston, Wellesley, Greenwich, and Detroit. We produced two bequest mailings, a year-end letter, a real estate self-mailer, and a life-income-fund self-mailer. Also, we inserted planned giving information in Alumni Association mailings, prepared planned giving articles for (CR)², updated the Ways of Giving brochure, and placed four planned giving donor profiles in Technology Review in collaboration with the Office of Communications and Donor Relations.

Judith V. Sager
Director

Principal Gifts

The Office of Principal Gifts (OPrG) actively engages the Institute's most generous individual donors in the life of MIT; works to deepen their relationships with current students, faculty, and senior staff; appropriately acknowledges the importance of their generosity to the Institute; and encourages their continuing philanthropic support to strengthen and even transform aspects of MIT.

This year OPrG collaborated with the departments of Electrical Engineering and Computer Science and Linguistics and Philosophy to raise additional naming gifts for spaces in the Ray and Maria Stata Center. We worked closely with the Office of the Corporation to plan and execute the dedication of the Stata Center while honoring the almost 50 donors to the building complex. The office worked closely with the Offices of Campaign Giving, Donor Partnerships and Special Projects, Foundation Relations, Gift

Planning, and the five School development offices to increase from 212 to 221 the number of donors whose lifetime giving exceeds \$1 million. During the fiscal year, MIT received 18 new gift commitments of \$1 million or more from individual donors.

We continued to support the activities of campaign chairman Ray Stata and the Campaign Steering Committee (CSC) in collaboration with the Office of Strategic Program Development and the Office of Campaign Giving. This year the CSC surpassed its increased committee fundraising goal of \$100 million when CSC prospects contributed \$160 million to MIT. The OPrG staff led the effort to ensure that all active members of the Corporation and the Corporation Development Committee were solicited for campaign commitments during this final year of the campaign.

Lucy V. Miller
Director