

# Annual Accountability Sub-Report on University Private Support

February 2009



# Annual Accountability Sub-Report on University Private Support

## UC Gifts & Endowments



## National Perspective



## Campus Programs



# UC Private Support – 10 Year History

Millions

\$1,000

\$900

\$800

\$700

\$600

\$500

\$400

\$300

\$200

\$100

\$0

98-99

99-00

00-01

01-02

02-03

03-04

04-05

05-06

06-07

07-08

Total

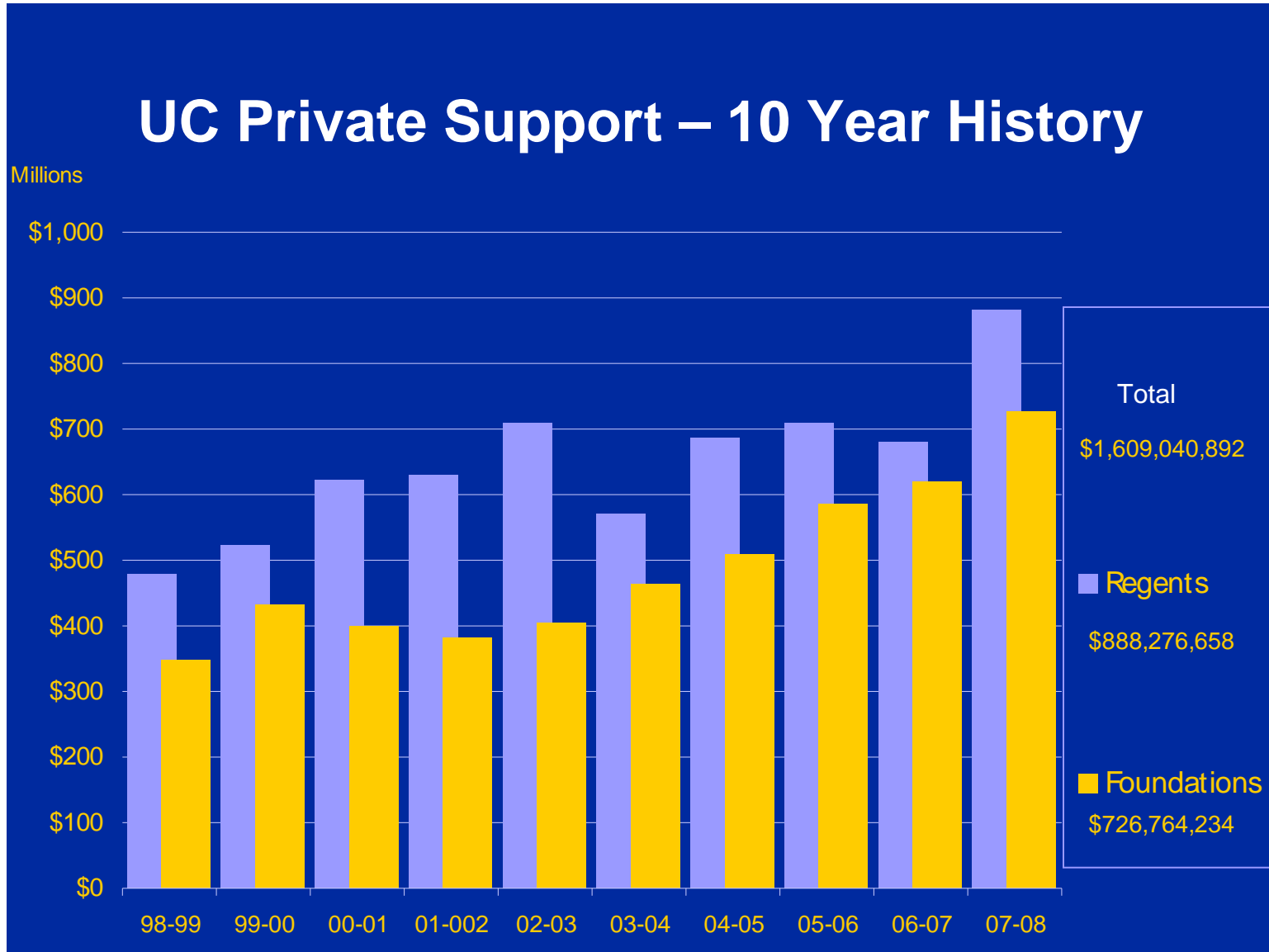
\$1,609,040,892

Regents

\$888,276,658

Foundations

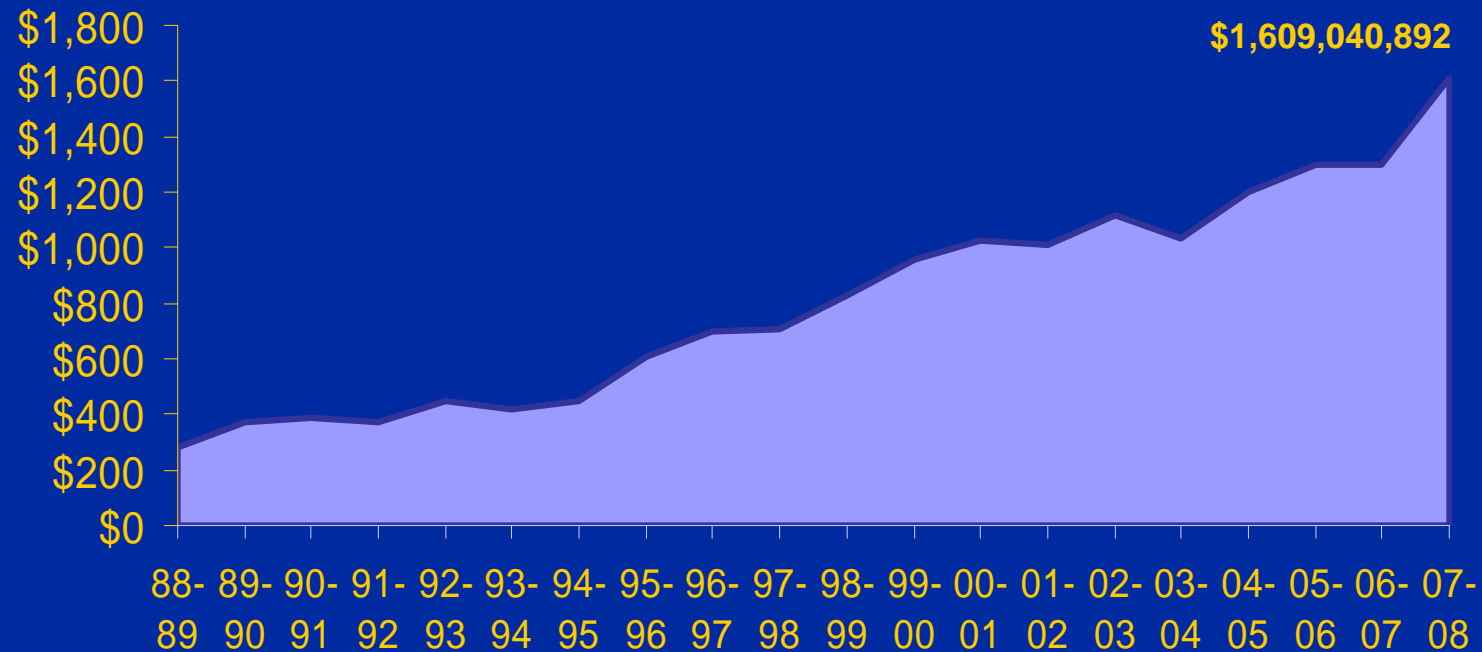
\$726,764,234



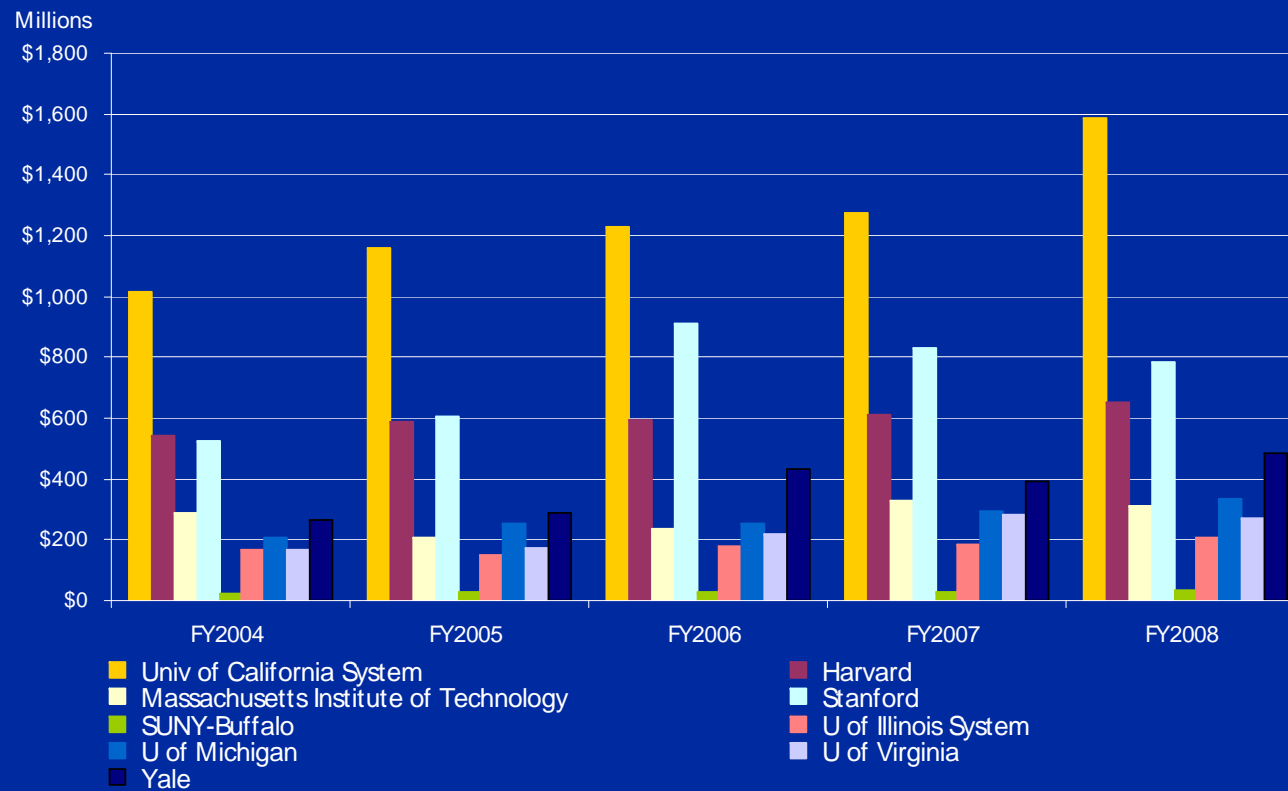
# UC Private Support – 20 Year History

Private Support to the University of California  
1989 to 2008

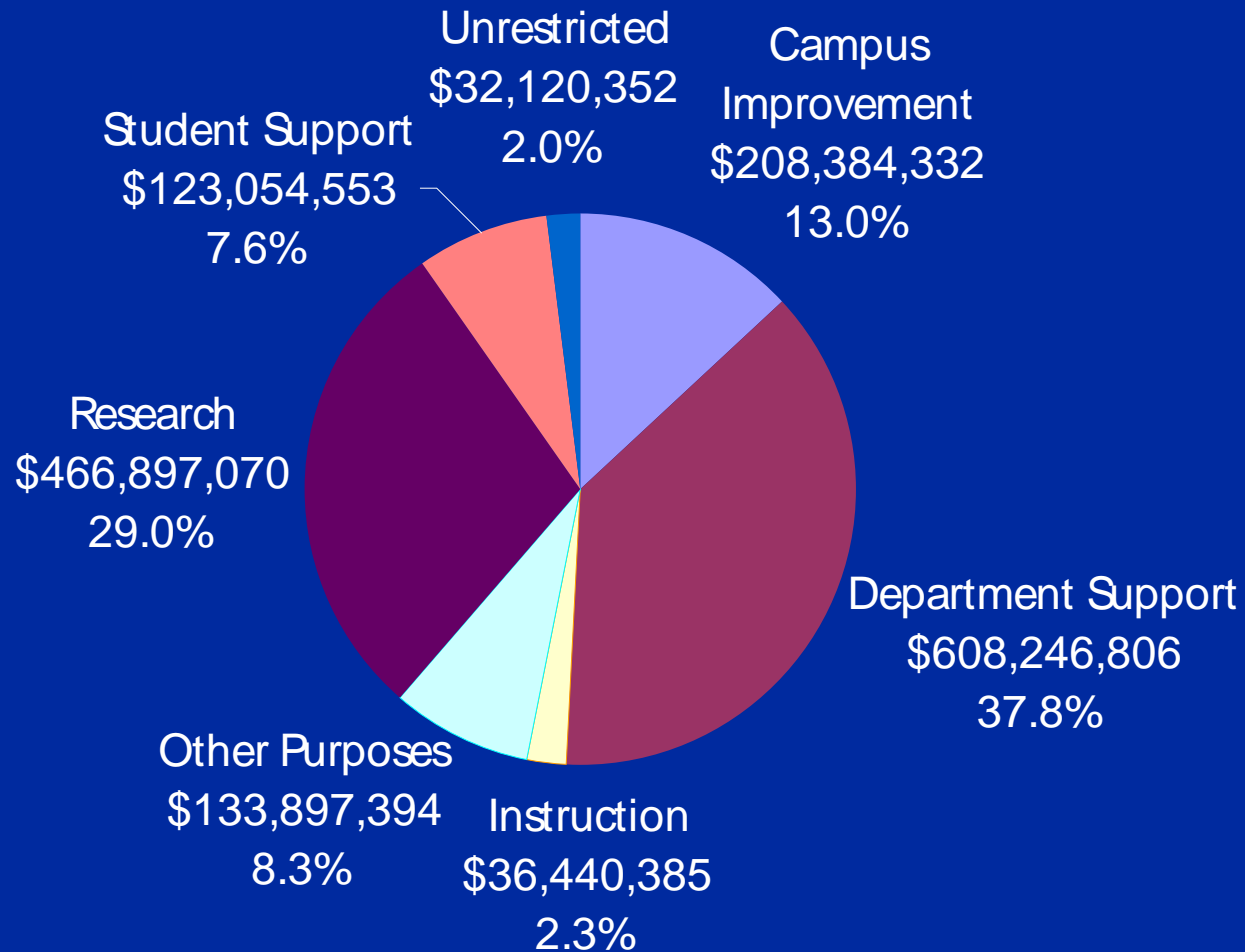
Millions



# Private Support UC & Comparison 8



## Donor Restrictions on Current Gifts

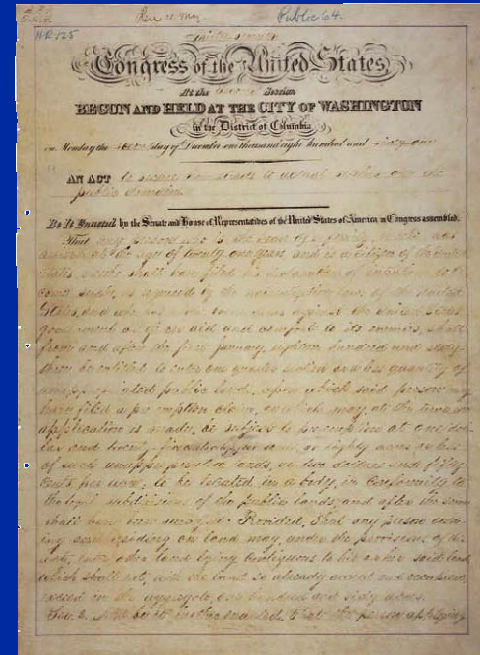


# UC Endowments



# UC Endowments - Historical Context

- UC's First Endowment
- Agassiz Endowed Professorship in Oriental languages
- Establishment of GEP
- Campus Foundations





# UC Endowments - Historical Context



## Regents policy on gifts and endowments

*The Regents, in their fiduciary capacity as trustees of Endowment Funds, reiterate their long-standing policy that endowment funds and income therefrom should be used for the enrichment of University programs and not for programs for which state funds are deemed requisite for the necessary educational activities of the University*

## UC Endowments – June 2008

- **\$9.6 billion as of 6/30/2008**
  - **2/3 Regents**
  - **1/3 Campus Foundations**
- **2007 New Gifts for Endowment - \$280 million**
- **2008 New Gifts for Endowment - \$376 million**
- **80% given through Campus Foundations**
- **\$350 million distributed to UC campus programs from over 11,000 individual funds.**

## 2008 Endowment Per Student Comparison

• Yale	\$2 million
• Harvard	\$1.8 million
• Stanford	\$1 million
• M.I.T.	\$1 million
• University of Virginia	\$195,000
• University of Michigan	\$130,000
• University of California System	\$ 45,000
• University of Illinois System	\$ 20,000
• SUNY – Buffalo	\$ 19,000

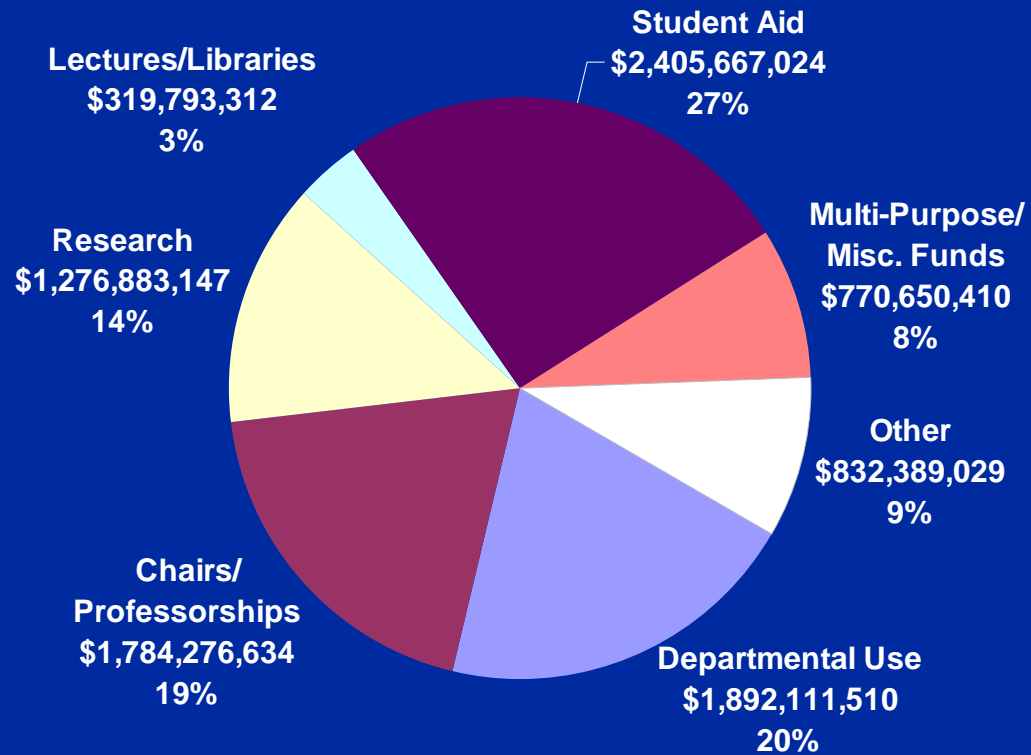
## UC Endowments – Today

- July 2007 – June 2008 NACUBO Endowment Study
  - University and Colleges Investment Returns: -3%
  - UC: -1.5% GEP; -1.6% All UC (weighted average)
  - Endowment Balances (incl. gifts and payout) relatively flat
- July 1, 2008 – November 30, 2008 Supplemental Survey:
  - Investment Returns: -23% (average)
  - UC: - 22%
- Impact on UC ?
  - Current Year
  - Future Payout

# Endowments - Restricted Funds

- Percentage of Restricted Funds
  - Private Institutions – 55% average
  - Public Institutions – 80% average
  - University of California - 90-95%
    - Only 2% of all gift support in recent years is unrestricted, even less for endowments
    - The unrestricted portion has often been allocated to a particular campus for so long that it is virtually restricted.

# UC Endowments Allocations by Dollars



## UC Regents and Campus Foundations Number of Endowment Funds

Department Use	1,935
Chairs/Professorships	1,505
Research	891
Lectures/Libraries	747
Student Aid	5,600
Multi-Purpose/Misc. Funds	472
Other	190

**Total**

**11,340**

## UC Accountability Framework (Systemwide and Campus)

- Total Private Support
  - Annual and multi-year trend
- Donor Restrictions on Support
- Endowment and Endowment Per Student
- Donor Restrictions on Endowment
- Continuous Benchmarking





# Regents of the University of California: Long Range Planning Committee

Accountability Sub-Report on University Private Support

February 4, 2009

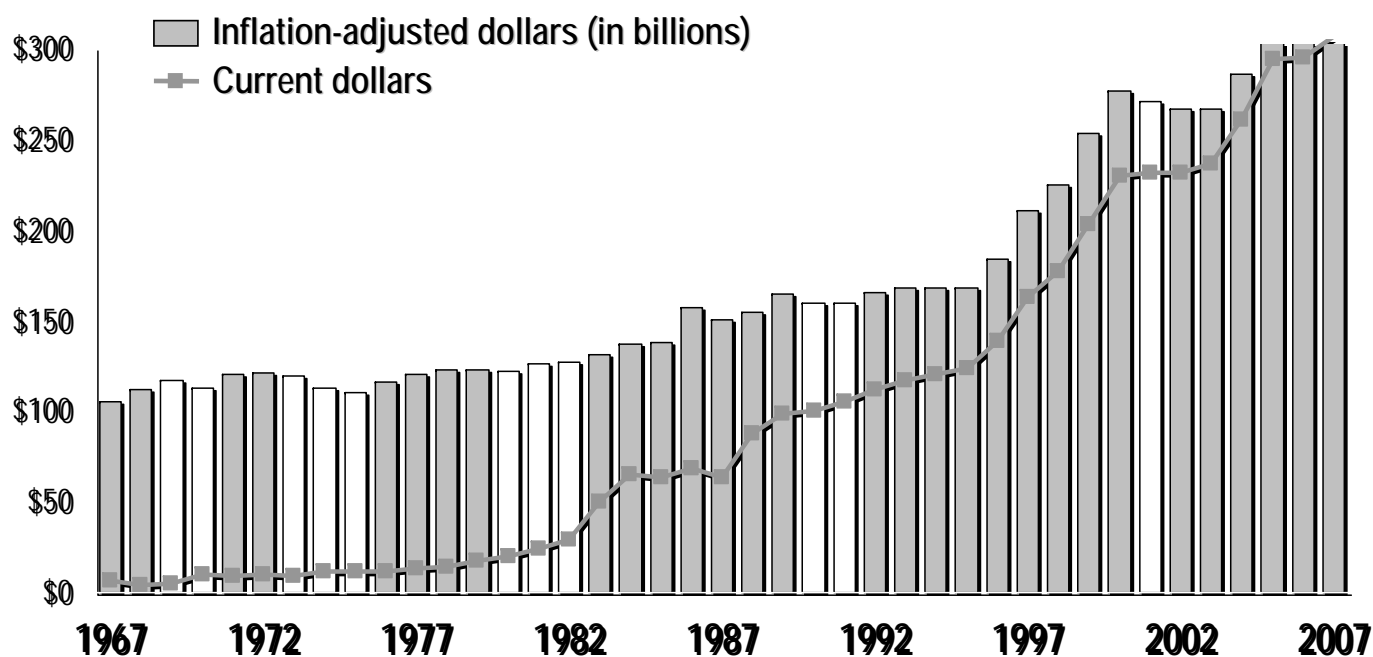


**John J. Glier**

President and Chief Executive Officer

GG+A Grenzach Glier and Associates

# Total U.S. Philanthropy, 1967–2007



Recessions in white: 1969–70; 1973–75; 1980; 1981–82; 1990–91; 2001

Source: Giving USA Foundation/Giving USA 2008

# Total U.S. Philanthropy, 1967–2007



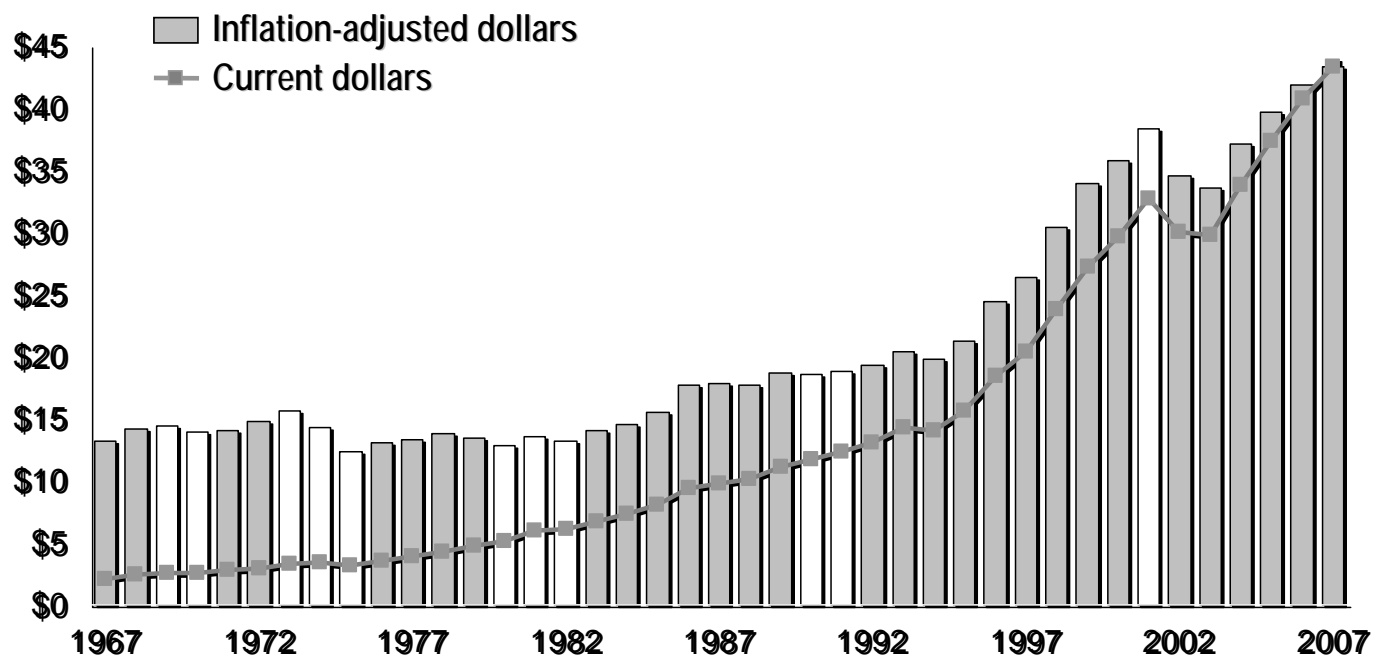
Year	Total Amount in Current Dollars (in billions)	% Change from Previous Year
1967	\$17.03	N/A
1968	\$18.85	10.7%
1969	\$20.66	9.6%
1970	\$21.04	1.8%
1971	\$23.44	11.4%
1972	\$24.44	4.3%
1973	\$25.59	4.7%
1974	\$26.88	5.0%
1975	\$28.56	6.3%
1976	\$31.85	11.5%
1977	\$35.21	10.5%
1978	\$38.57	9.5%
1979	\$43.11	11.8%
1980	\$48.63	12.8%
1981	\$55.28	13.7%
1982	\$59.11	6.9%
1983	\$63.21	6.9%
1984	\$68.58	8.5%
1985	\$71.69	4.5%
1986	\$83.25	16.1%
1987	\$82.20	-1.3%

Year	Total Amount in Current Dollars (in billions)	% Change from Previous Year
1988	\$88.04	7.1%
1989	\$98.30	11.7%
1990	\$100.52	2.3%
1991	\$104.92	4.4%
1992	\$111.79	6.5%
1993	\$116.86	4.5%
1994	\$120.29	2.9%
1995	\$123.68	2.8%
1996	\$139.10	12.5%
1997	\$162.99	17.2%
1998	\$176.80	8.5%
1999	\$203.35	15.0%
2000	\$229.71	13.0%
2001	\$231.08	0.6%
2002	\$231.54	0.2%
2003	\$236.28	2.0%
2004	\$260.46	10.2%
2005	\$293.83	12.8%
2006	\$294.91	0.4%
2007	\$306.39	3.9%

Note: Recessionary years are highlighted gray.

Source: Giving USA Foundation/Giving USA 2008

# Giving to Education, 1967–2007



Recessions in white: 1969–70; 1973–75; 1980; 1981–82; 1990–91; 2001

Source: Giving USA Foundation/Giving USA 2008

# Total Giving to Education, Year-Over-Year % Change (in Current Dollars, 1967–2007)

Grenzbach  
Glier and  
Associates

Year	Total Amount in Current Dollars (in billions)	% Change from Previous Year
1967	\$2.13	N/A
1968	\$2.38	11.7%
1969	\$2.54	6.7%
1970	\$2.60	2.4%
1971	\$2.75	5.8%
1972	\$2.98	8.4%
1973	\$3.33	11.7%
1974	\$3.38	1.5%
1975	\$3.19	-5.6%
1976	\$3.59	12.5%
1977	\$3.89	8.4%
1978	\$4.32	11.1%
1979	\$4.70	8.8%
1980	\$5.07	7.9%
1981	\$5.93	17.0%
1982	\$6.14	3.5%
1983	\$6.71	9.3%
1984	\$7.27	8.3%
1985	\$8.05	10.7%
1986	\$9.38	16.5%
1987	\$9.78	4.3%

Year	Total Amount in Current Dollars (in billions)	% Change from Previous Year
1988	\$10.12	3.5%
1989	\$11.13	10.0%
1990	\$11.68	4.9%
1991	\$12.36	5.8%
1992	\$13.00	5.2%
1993	\$14.23	9.5%
1994	\$14.08	-1.1%
1995	\$15.63	11.0%
1996	\$18.46	18.1%
1997	\$20.35	10.2%
1998	\$23.84	17.1%
1999	\$27.22	14.2%
2000	\$29.65	8.9%
2001	\$32.73	10.4%
2002	\$29.96	-8.5%
2003	\$29.77	-0.6%
2004	\$33.75	13.4%
2005	\$37.31	10.5%
2006	\$40.73	9.2%
2007	\$43.32	6.4%

Note: Recessionary years are highlighted gray.

Source: Giving USA Foundation/Giving USA 2008

# Growth in Total Private Gift Support



Growth	University of California			Carnegie I Privates (50)	Carnegie I Publics (100)
	Total Private Support	Total Private Support FY08	Growth in Total Private Support	Growth in Total Private Support	Growth in Total Private Support
5-year Growth	\$1,100,000,000	\$1,600,000,000	7.8%	8.2%	6.1%
10-year Growth	\$691,000,000	\$1,600,000,000	8.8%	6.8%	7.0%
15-year Growth	\$428,000,000	\$1,600,000,000	9.2%	8.0%	9.1%
20-year Growth	\$186,000,000	\$1,600,000,000	11.4%	7.0%	8.9%

Note: Carnegie I Private and Public Institutions include 151 institutions classified in 2000 by the Carnegie Foundation specifically as Doctoral/Research Universities-Extensive: These institutions award 50 or more doctoral degrees per year across at least 15 disciplines.

Source: Council for Aid to Education (CAE)

# Ten Year Growth in Total Private Support (FY96-98 & FY06-08)



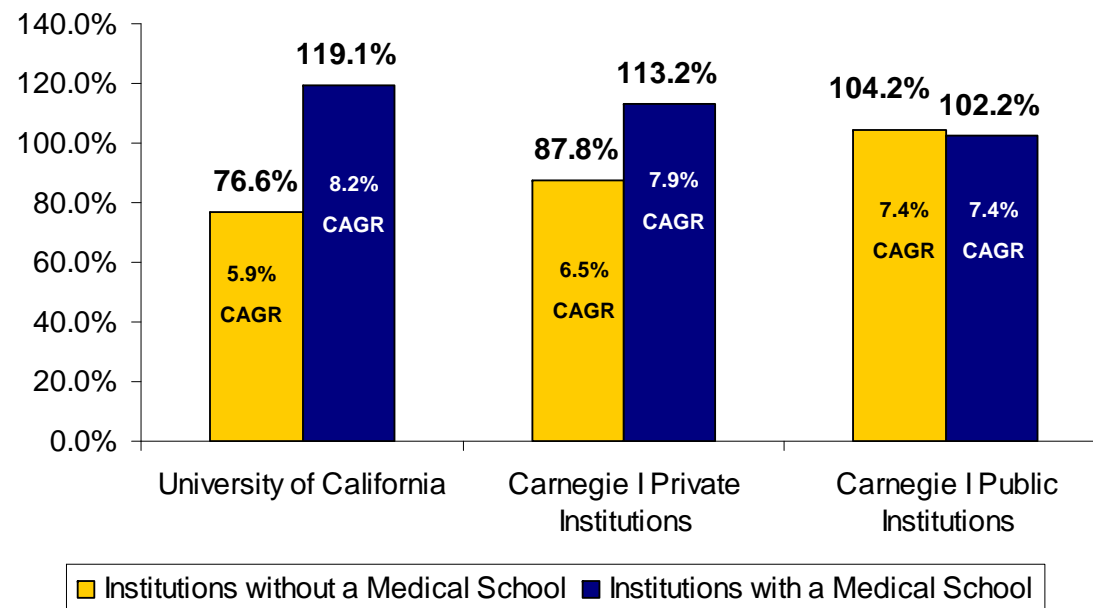
Institutions or Systems (Number of Institutions)	FY96-98	FY06-08	10-year Compound Annual Growth Rate in Total Private Support
University of California (10)	\$662,459,730	\$1,359,058,168	7.5%
North Carolina Public Universities (3)	\$175,010,940	\$442,037,879	9.7%
State University of New York Institutions (4)	\$44,708,427	\$114,424,150	9.9%
Stanford and Univ. Southern Cal. Combined	\$465,367,667	\$1,271,041,983	10.6%
Texas Public Universities (8)	\$362,611,983	\$719,263,921	7.1%
Virginia Public Universities (6)	\$192,908,370	\$489,103,972	9.8%
<b>Mean</b>	\$317,177,853	\$732,488,346	9.1%
<b>Median</b>	\$277,760,177	\$604,183,947	9.7%
Carnegie I Private Institutions (50)	\$4,042,039,343	\$8,380,799,903	7.6%
Carnegie I Public Institutions (100)	\$4,355,957,578	\$8,905,470,450	7.4%

Source: Council for Aid to Education (CAE)

## Growth in Total Private Support (Institutions without a Medical School)



10-Year % Change in Total Private Support, FY06-08  
(CAGR is the Compound Annual Growth Rate)



Source: Council for Aid to Education (CAE)



# Ten Year Growth in Total Private Support per Alumni of Record (FY96-98 & FY06-08)



Institutions or Systems (Number of Institutions)	FY96-98	FY06-08	10-year Compound Annual Growth Rate in Total Private Support per Alumnus of Record
University of California (10)	\$692	\$951	3.2%
3 North Carolina Public Universities	\$479	\$894	6.4%
4 State University of New York Institutions	\$127	\$234	6.3%
Stanford and Univ. Southern Cal. Combined	\$1,515	\$3,276	8.0%
8 Texas Public Universities	\$643	\$881	3.2%
6 Virginia Public Universities	\$573	\$657	1.4%
<b>Mean</b>	\$672	\$1,149	4.8%
<b>Median</b>	\$608	\$887	4.8%
Carnegie I Private Institutions (50)	\$872	\$1,305	4.1%
Carnegie I Public Institutions (100)	\$343	\$474	3.3%

Source: Council for Aid to Education (CAE)

# Ten Year Growth in Average Alumni Gift per Alumni Donor (FY96-98 & FY06-08)



Institutions or Systems (Number of Institutions)	FY96-98	FY06-08	10-year Compound Annual Growth Rate in Average Alumni Gift
University of California (10)	\$901	\$1,436	4.8%
3 North Carolina Public Universities	\$782	\$1,284	5.1%
4 State University of New York Institutions	\$197	\$387	7.0%
Stanford and Univ. Southern Cal. Combined	\$2,529	\$4,510	6.0%
8 Texas Public Universities	\$724	\$1,140	4.6%
6 Virginia Public Universities	\$817	\$1,439	5.8%
Mean	\$992	\$1,699	5.5%
Median	\$799	\$1,360	5.5%
Carnegie I Private Institutions (50)	\$1,354	\$2,145	4.7%
Carnegie I Public Institutions (100)	\$632	\$966	4.3%

Source: Council for Aid to Education (CAE)

# Ten Year Growth in Alumni Participation (FY96-98 & FY06-08)



Institutions or Systems (Number of Institutions)	FY96-98	FY06-FY08	10-year Compound Annual Growth Rate in Alumni Participation Rate
University of California (10)	10.7%	8.1%	-2.8%
3 North Carolina Public Universities	19.8%	16.4%	-1.8%
4 State University of New York Institutions	11.9%	9.5%	-2.2%
Stanford and Univ. Southern Cal. Combined	23.3%	23.1%	-0.1%
8 Texas Public Universities	14.1%	14.9%	0.5%
6 Virginia Public Universities	23.4%	13.9%	-5.1%
Mean	17.2%	14.3%	-1.9%
Median	16.9%	14.4%	-2.0%
Carnegie I Private Institutions (50)	23.0%	17.9%	-2.5%
Carnegie I Public Institutions (100)	13.7%	11.4%	-1.8%

Source: Council for Aid to Education (CAE)

# Ten Year Growth in Parent Giving (FY96-98 & FY06-08)



Institutions or Systems (Number of Institutions)	FY97-98	FY06-08	10-year Compound Annual Growth Rate in Parent Giving
University of California (10)	\$2,547,058	\$15,842,644	20.1%
3 North Carolina Public Universities	\$684,055	\$8,813,217	29.1%
4 State University of New York Institutions	\$349,639	\$613,752	5.8%
Stanford and Univ. Southern Cal. Combined	\$12,834,333	\$33,773,148	10.2%
8 Texas Public Universities	\$166,819	\$14,262,874	56.0%
6 Virginia Public Universities	\$3,277,306	\$16,243,058	17.4%
<b>Mean</b>	\$3,309,868	\$14,924,782	23.1%
<b>Median</b>	\$1,615,556	\$15,052,759	18.7%
Carnegie I Private Institutions (50)	\$68,799,192	\$208,934,752	11.7%
Carnegie I Public Institutions (100)	\$18,618,785	\$100,575,245	18.4%

Source: Council for Aid to Education (CAE)

# Total Private Support as a Percentage of Institutional Expenditures (FY98 & FY08)



Institutions or Systems (Number of Institutions)	FY98	FY08
University of California (10)	8.6%	12.6%
3 North Carolina Public Universities	11.5%	15.0%
4 State University of New York Institutions	3.9%	3.7%
Stanford and Univ. Southern Cal. Combined	22.7%	27.9%
8 Texas Public Universities	10.5%	11.5%
6 Virginia Public Universities	14.1%	12.4%
<b>Mean</b>	11.9%	13.9%
<b>Median</b>	11.0%	12.5%
Carnegie I Private Institutions (50)	20.4%	17.4%
Carnegie I Public Institutions (100)	9.4%	9.6%

Source: Council for Aid to Education (CAE)

# Potential for Growth in Private Gift Support for the University of California



**University of California 10 Year Compound Annual Growth Rate (FY94-FY04) in Total Private Support: 9.2%**

If we grow the University of California's average Total Private Support (FY02-04) of <b>\$1.02 billion</b> to match the following cohort group	Compound Annual Growth Rate	Total Private Support							
		FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Carnegie I Privates & Publics (FY94-FY04)	7.7%	\$999 M	\$1.10 B	\$1.18 B	\$1.27 B	\$1.37 B	\$1.48 B	\$1.59 B	<b>\$1.71 B</b>

If we grow the University of California's average Total Private Support (FY02-04) of <b>\$1.02 billion</b> at its current rate	Compound Annual Growth Rate	Total Private Support							
		FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
University of California (FY94-04)	9.2%	\$999 M	\$1.11 B	\$1.22 B	\$1.33 B	\$1.45 B	\$1.58 B	\$1.73 B	<b>\$1.89 B</b>

To grow the University of California's average Total Private Support (FY02-04) of <b>\$1.02 billion</b> to <b>\$2 billion</b> over 7 years	Compound Annual Growth Rate	Total Private Support							
		FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
	10.1%	\$999 M	\$1.12 B	\$1.24 B	\$1.36 B	<b>\$1.50 B</b>	\$1.65 B	\$1.82 B	<b>\$2.00 B</b>

Source: CAE

Note: CAE Total Private Support is the sum of outright gifts, which includes cash, gifts-in-kind, securities, real estate, and property, and deferred gifts. Deferred gifts have been counted at present value starting in FY02 and at face value for FY01 and earlier. It does not include pledges or bequest intentions.

Note: TPS for University of California FY94 was **\$415,015,710** and FY04 was **\$999,666,048**

Note: Average TPS FY02-04 for University of California was **\$1,019,452,886**

**Actual for FY08: \$1.6 billion**

## Total Advancement Expenditures in Proportion to Total Private Support (FY06)



Institution	Total Expenditures (FY06)	Total Private Support (FY06)	Cost per Dollar Raised	Net Yield \$'s to Institution
<b>Cohort Average</b>	<b>\$29,348,665</b>	<b>\$218,637,439</b>	<b>\$0.13</b>	<b>\$189,288,774</b>
<b>UC Mean</b>	<b>\$18,157,022</b>	<b>\$152,344,977</b>	<b>\$0.13</b>	<b>\$114,257,037</b>
<b>UC Median</b>	<b>\$13,298,139</b>	<b>\$84,075,243</b>	<b>\$0.13</b>	<b>\$74,282,662</b>
<b>UC Total</b>	<b>\$170,378,572</b>	<b>\$1,237,917,211</b>	<b>\$0.14</b>	<b>\$1,067,538,639</b>

Cohort: Johns Hopkins University, University of Massachusetts-Amherst, University of Oregon, Pennsylvania State University, University of Pennsylvania, University of Virginia, and University of Washington.

Source: CAE and Grenzsbach Glier and Associates

## Total Advancement Expenditures in Proportion to Total Alumni of Record (FY06)



<b>Institution</b>	<b>Total Advancement Expenditures (FY06)</b>	<b>Total Alumni of Record (FY06)</b>	<b>Total Advancement Expenditures per Alumnus of Record</b>
<b><i>Cohort Average</i></b>	<b>\$29,348,665</b>	<b>216,895</b>	<b>\$155</b>
<b>Mean</b>	<b>\$19,889,303</b>	<b>\$162,536</b>	<b>\$147</b>
<b>Median</b>	<b>\$13,816,355</b>	<b>\$125,935</b>	<b>\$109</b>
<b>UC Total</b>	<b>\$169,544,368</b>	<b>1,408,461</b>	<b>\$120</b>

Cohort: Johns Hopkins University, University of Massachusetts-Amherst, University of Oregon, Pennsylvania State University, University of Pennsylvania, University of Virginia, and University of Washington.

Source: CAE and Grenzbach Glier and Associates



# Net Yield as a Percent of Total Institutional Expenditures (FY06)



Institution	Net Yield (FY06)	Total Institutional Expenditures (FY06)	Net Yield as a Percent of Institutional Expenditures
<b>Cohort Average</b>	<b>\$189,288,774</b>	<b>\$1,511,327,959</b>	<b>12.7%</b>
<b>Mean</b>	<b>\$114,257,037</b>	<b>\$984,613,542</b>	<b>11.6%</b>
<b>Median</b>	<b>\$74,282,662</b>	<b>\$1,182,047,000</b>	<b>12.6%</b>
<b>UC Total</b>	<b>\$1,067,538,639</b>	<b>\$9,319,421,000</b>	<b>11.5%</b>

Cohort: Johns Hopkins University, University of Massachusetts-Amherst, University of Oregon, Pennsylvania State University, University of Pennsylvania, University of Virginia, and University of Washington.

Source: CAE and Grenzsbach Glier and Associates

# Total Advancement Expenditures As a Ratio of University Budget



Institution	Total Advancement Expenditures (FY06)	Total Institutional Expenditures (FY06)	Advancement Expenditures as % of Total Institutional Expenditures
<b>Small Cohort</b>	<b>\$29,348,665</b>	<b>\$1,511,327,959</b>	<b>2.2%</b>
<b>UC Mean</b>	<b>\$18,157,022</b>	<b>\$984,613,542</b>	<b>1.7%</b>
<b>UC Median</b>	<b>\$13,298,139</b>	<b>\$1,182,047,000</b>	<b>1.2%</b>
<b>UC Total</b>	<b>\$170,378,572</b>	<b>9,319,421,000</b>	<b>1.8%</b>

Cohort: Johns Hopkins University, University of Massachusetts-Amherst, University of Oregon, Pennsylvania State University, University of Pennsylvania, University of Virginia, and University of Washington.

Source: CAE and Grenzsbach Glier and Associates

## GG+A Observations and Recommendations



- A few best practices of high performance fundraising universities

# Campus Presentations



# Regents of the University of California

## Committee on Long-Range Planning

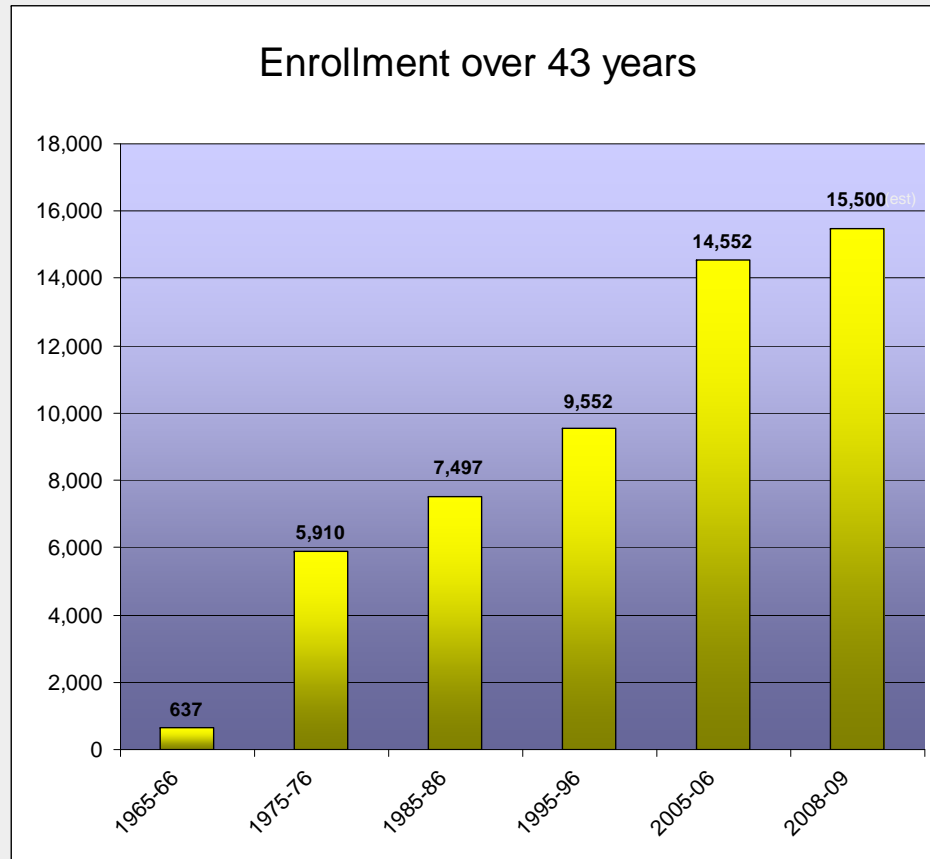
**George R. Blumenthal**  
Chancellor  
University of California, Santa Cruz

February 4, 2009

UC SANTA CRUZ



Santa Cruz,  
a young  
and growing  
campus

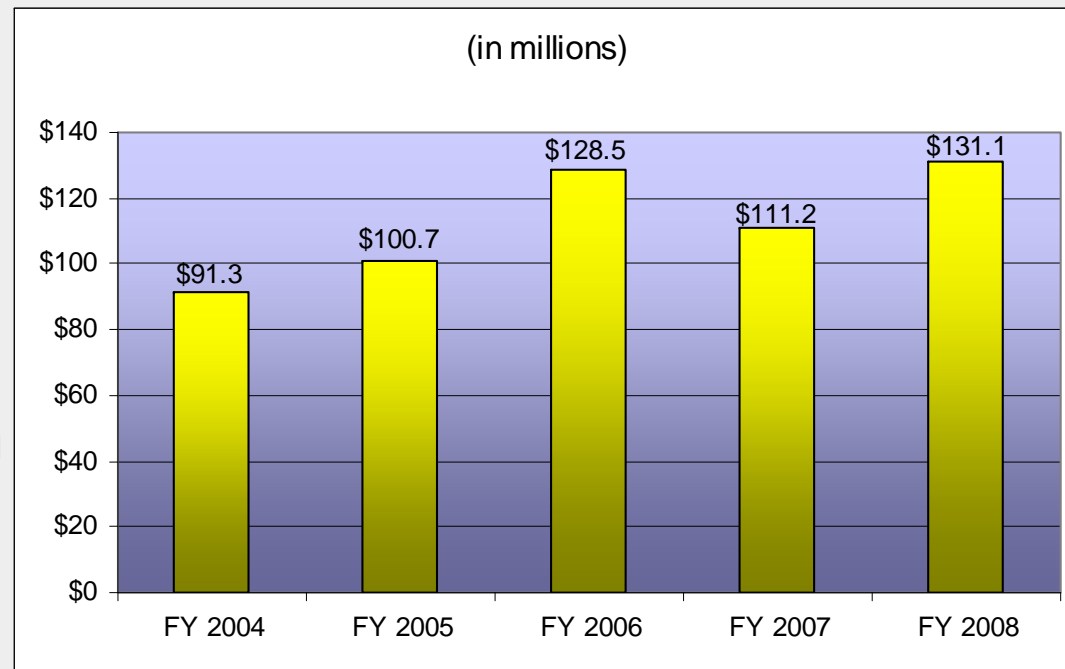


UC SANTA CRUZ

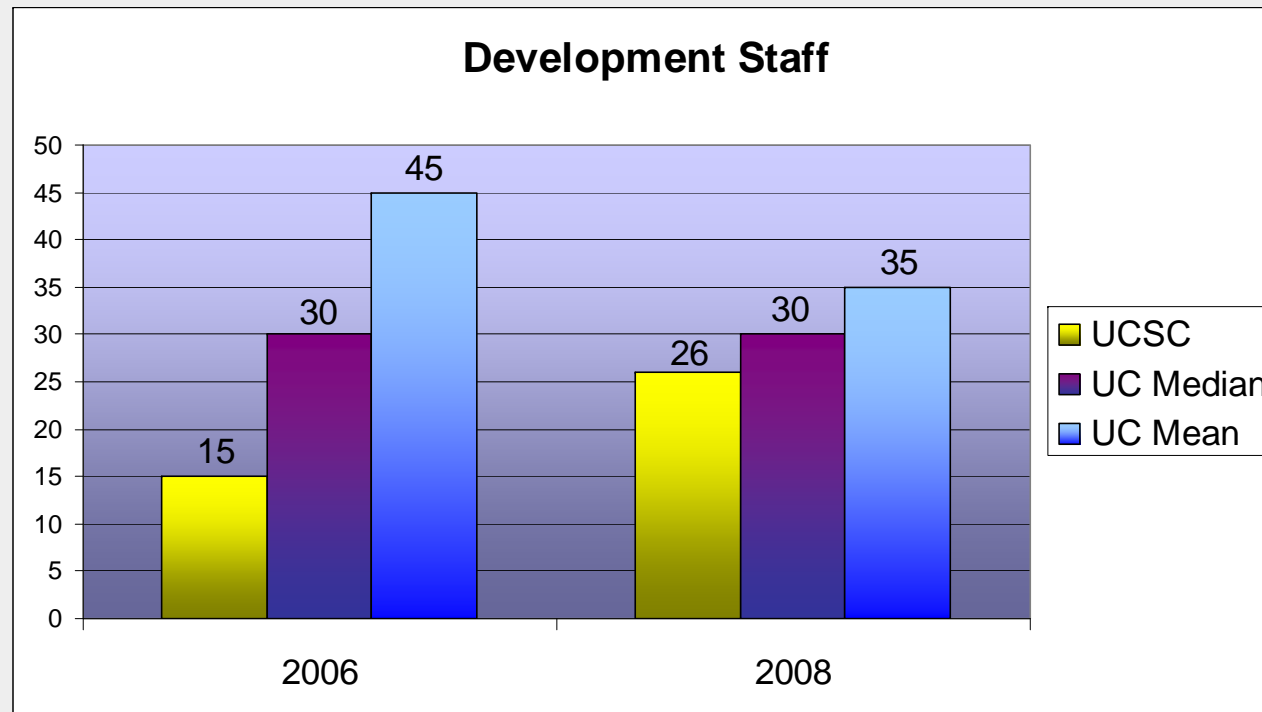


# High impact for size

- \$563 million in research funding in 5 years



# Building with UCOP incentives



Note: Figures exclude staff from medical and professional schools and UCSF.

UC SANTA CRUZ





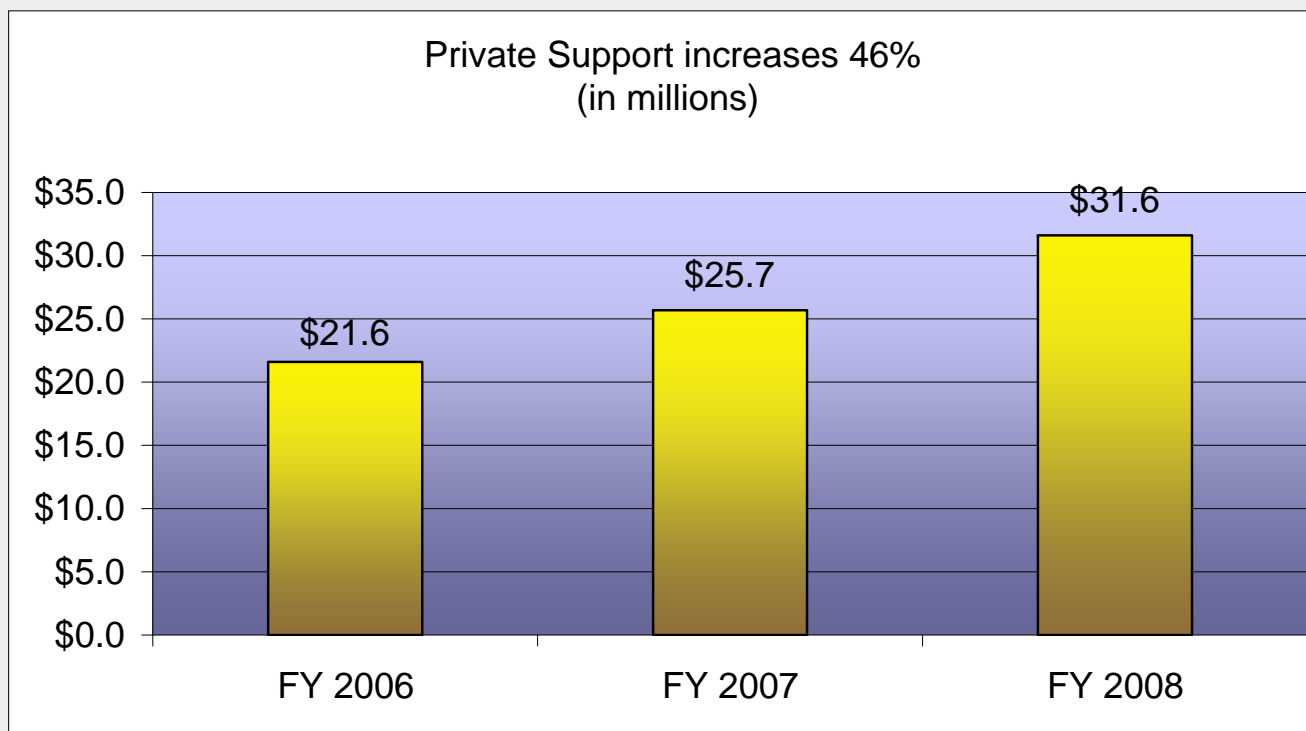
# Impact of UCOP Incentive Funding

- Regional outreach program increased contacts with alumni five-fold
- Telephone outreach contacts increased by 6,650
- Giving from telephone program increased 68%
- First parents move-in weekend and new student welcome hosted 2,400 parents

UC SANTA CRUZ



# Impact of UCOP Incentive Funding



UC SANTA CRUZ



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## The Hewlett Challenge at UC Berkeley: 100 Endowed Chairs

Support comprehensive academic  
excellence

- **Faculty scholarship**
- **Faculty salary**
- **Graduate student support**

Build the endowment

Broaden the base of leadership donors

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## Financial Model for Hewlett Challenge Chairs

	Pre-Existing Chairs	Hewlett Chairs
Endowment	\$500,000	\$2 Million
Scholarly allowance	100%	\$25,000
Graduate student support		1/3 of remainder
Faculty salary pool		2/3 of remainder

# Hewlett Challenge Fundraising Progress (September 2007 - January 2009)

	Allocated	Matched
Schools and colleges	80	39
Multidisciplinary	20	10
<b>Total chairs</b>	<b>100</b>	<b>49</b>

## Ancillary Benefit: Rationalize the Payout Model for Pre-Existing Chairs

	Pre-Existing Chairs
Endowment	Typically > \$500,000
Scholarly allowance	\$25,000
Graduate student support	Next \$25,000 or part thereof
Faculty salary pool	Amount of payout in excess of \$50,000

**UCLA**

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***Bruin Scholars  
Initiative***

***Excellence, Opportunity & Service***

**July 1, 2008 – June 30, 2013**

## Goal:

To raise \$500 million in private support for graduate and undergraduate student support as follows:

- **Fellowships**

- \$300 million

- \$240 million endowed

- \$60 million current expenditure

- **Scholarships**

- \$200 million

- \$160 million endowed

- \$ 40 million current expenditure



## **Areas of Priority:**

- Maintaining access and affordability
- Fostering a service ethic
- Encouraging world citizenship
- Bolstering research opportunities

# Annual Accountability Sub-Report on University Private Support February 2009



UC Regents' Meeting  
February 2009