

Private Giving Governance Report

July 12, 2011 • Vice President for Development, Lisa Calvert



“Scholarship and philanthropy are each, separately, among the most powerful forces at work shaping the future of our society. In combination, they are unsurpassed in their capacity to improve the human condition.”

*– Former University of Oregon President
William Beaty Boyd*

Reporting Development Success

Net Production – Result of all fundraising efforts in a fiscal year:

- Cash, securities, real estate and gifts-in-kind
- New pledges received (less any pledge payments received)
- Irrevocable and revocable deferred gifts
- Payments made on pledges booked in previous fiscal years are not counted

Gift Income – Assets transferred in a fiscal year:

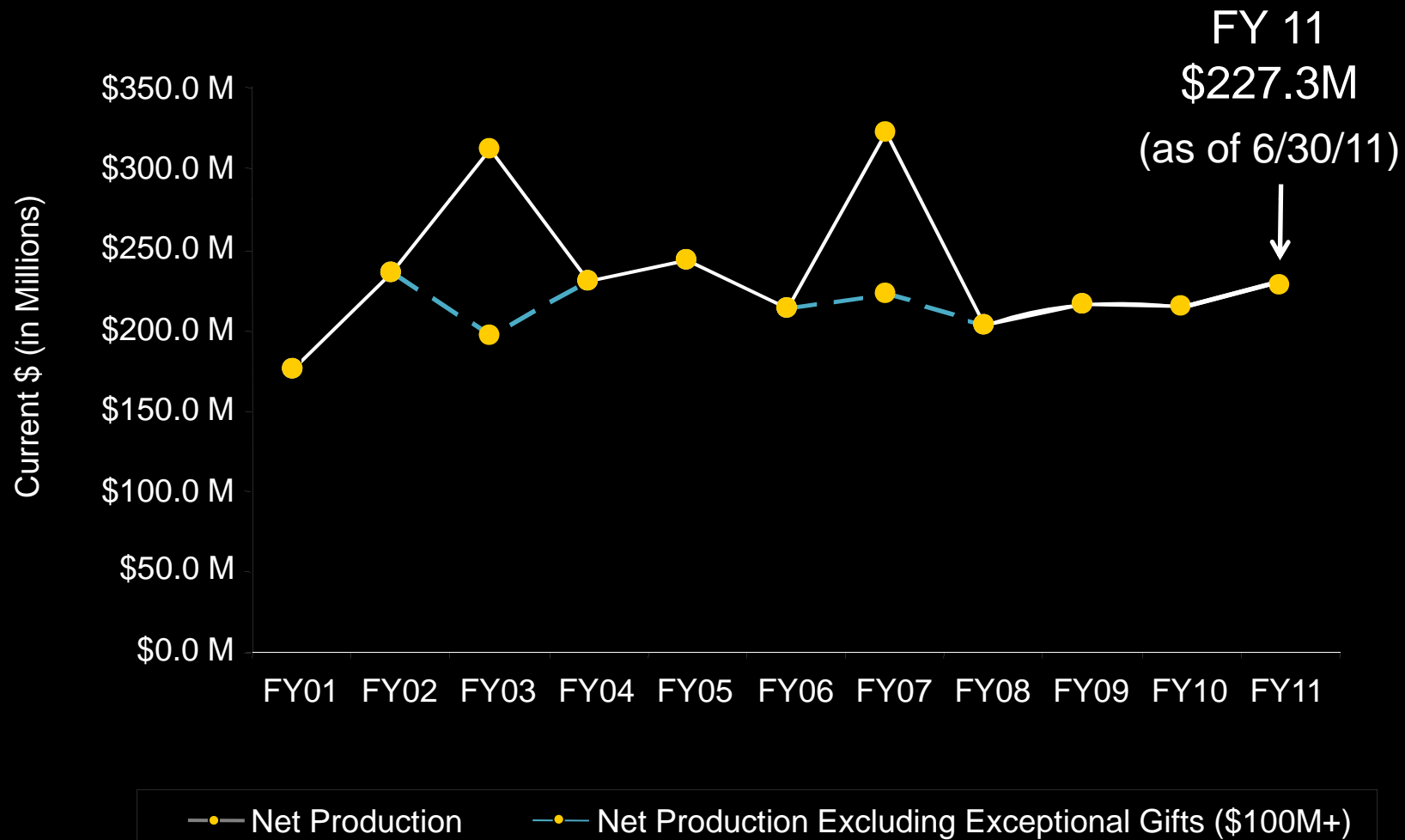
- Cash, securities, real estate and gifts-in-kind
- Irrevocable deferred gifts
- Revocable deferred gifts and pledges are not counted

Philanthropic Cash – All cash received in a fiscal year:

- Cash (new gifts and pledge payments) and securities
- Realized bequests

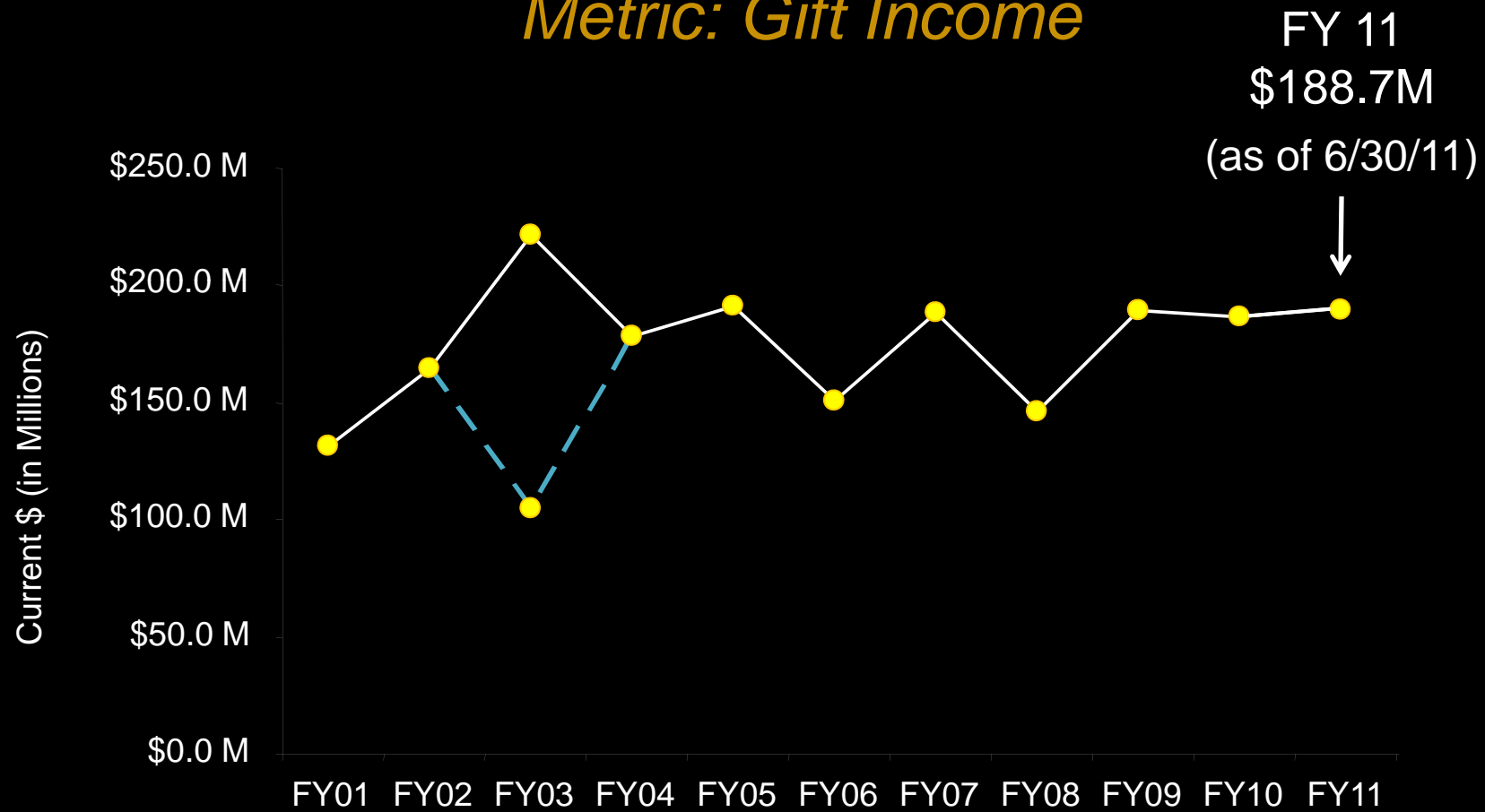
Purdue's Historic Performance

Metric: Net Production



Purdue's Historic Performance

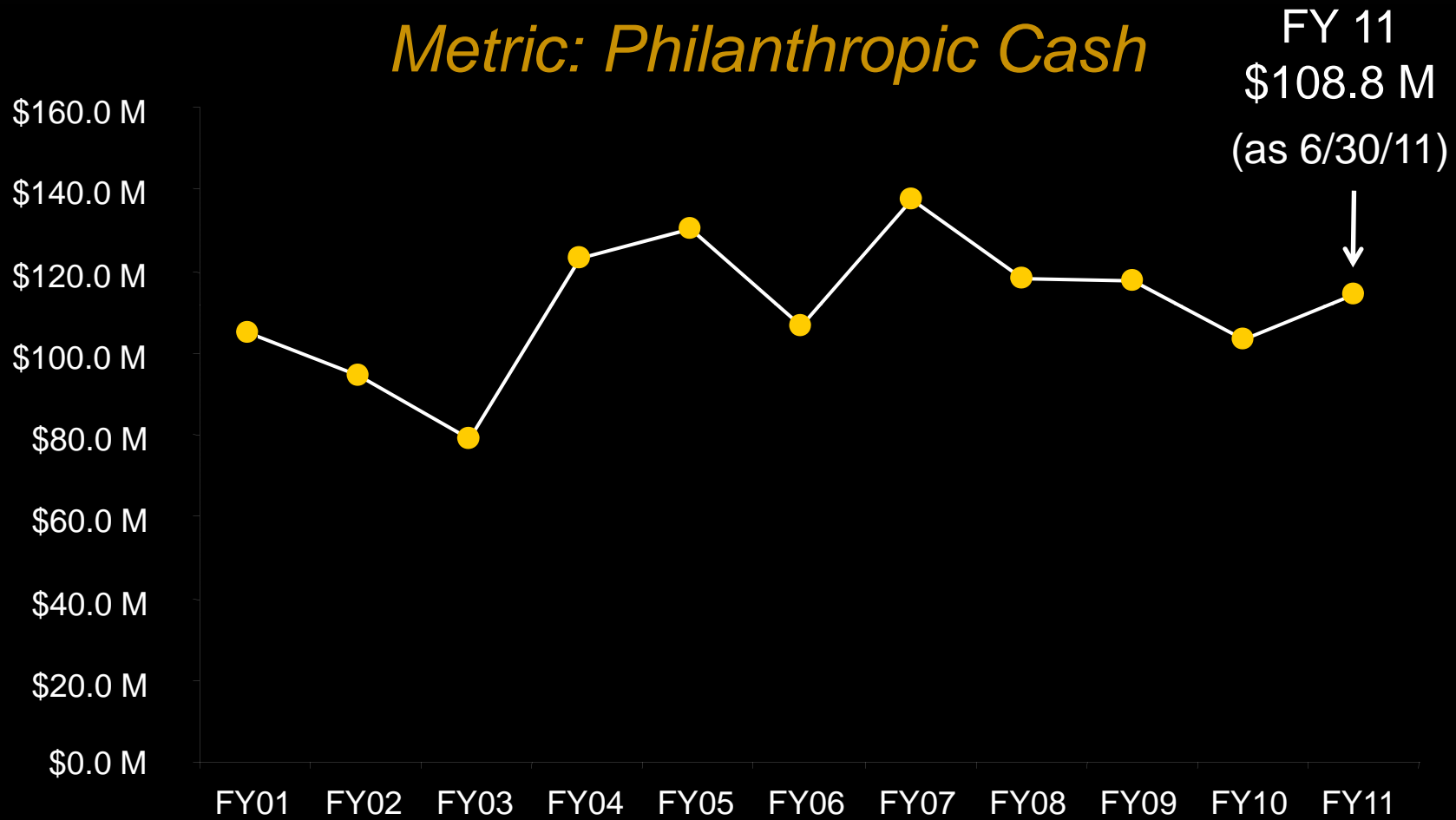
Metric: Gift Income



—●— Adjusted Gift Income —●— Gift Income Excluding Exceptional Gifts (\$100M+)

Purdue's Historic Performance

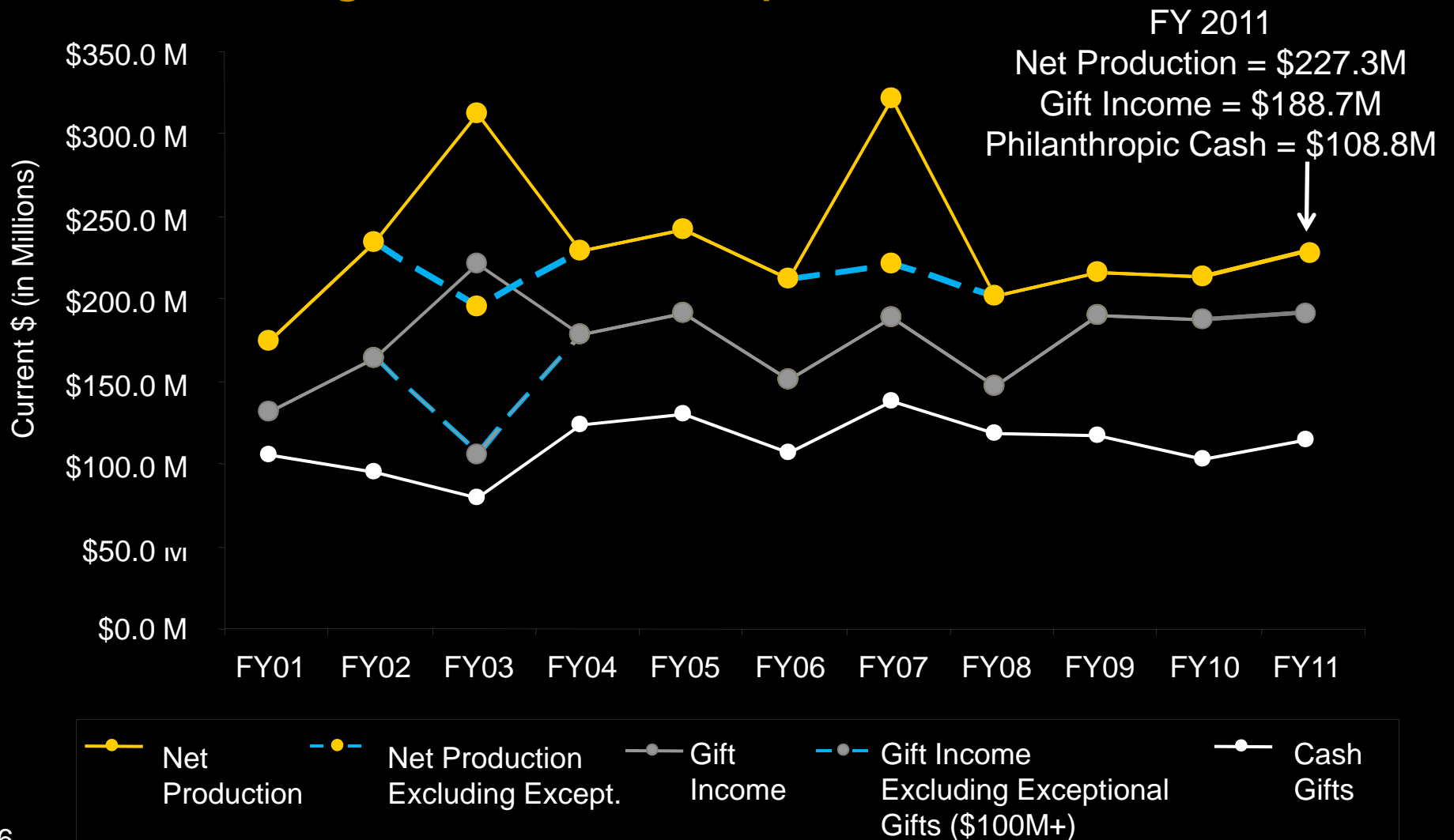
Metric: Philanthropic Cash



—●— Adjusted Cash Gifts

Purdue's Historic Performance

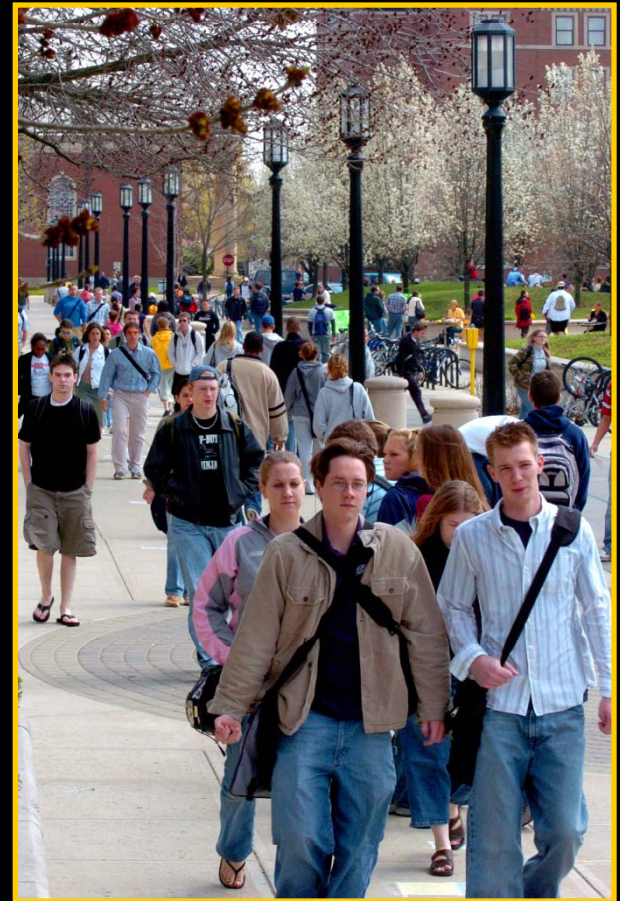
Range of Metrics Capture Performance



Purdue Meets the Challenge – FY 2011

1. Philanthropic Impact Study

- **Bold, Fundable Ideas** – Donors invest in response to a dynamic vision and bold ideas
- **Philanthropic Capacity** – Screening analyses balanced with affinity models confirm donor base has capacity and proclivity
- **Infrastructure** – Right balance between staff and volunteer leadership as well as philanthropic goals and resource and staffing plans
- **Strategic Outcome**
 - Move from **\$200M to \$400M, annually**
 - Shift gift types toward **philanthropic cash**



Purdue Meets the Challenge – FY 2011

2. Development Leadership Restructure

- A sustainable and scalable staffing model will achieve the following:
 - **Best practice** staffing model
 - **Realign resources** to philanthropic potential
 - **New expertise** required to support change in productivity
 - Recognize record of **success**, provide **career paths** and incorporate **new and innovative methodology**

Purdue Meets the Challenge – FY 2011

3. Proposed Three-Phased Campaign

- Several trends emerged during challenging economy:
 - **It's about mission, not money.** Messaging must emphasize and reinforce University's mission rather than philanthropic goals and timeframes.
 - **Flexibility and nimbleness.** Traditional campaigns are a collection of deferred needs and all universities have needs all the time.
 - **Trappings.** Traditional trappings of a campaign are gone. Forget about fundraising talk.
 - **Successful fundraising.** Sustained and built over time, not based on economy and traditional campaign timeframes. Move toward continuous campaigning.
 - **More discerning donors.** Philanthropists invest in fewer charities to increase impact and influence.

Purdue Meets the Challenge – FY 2011

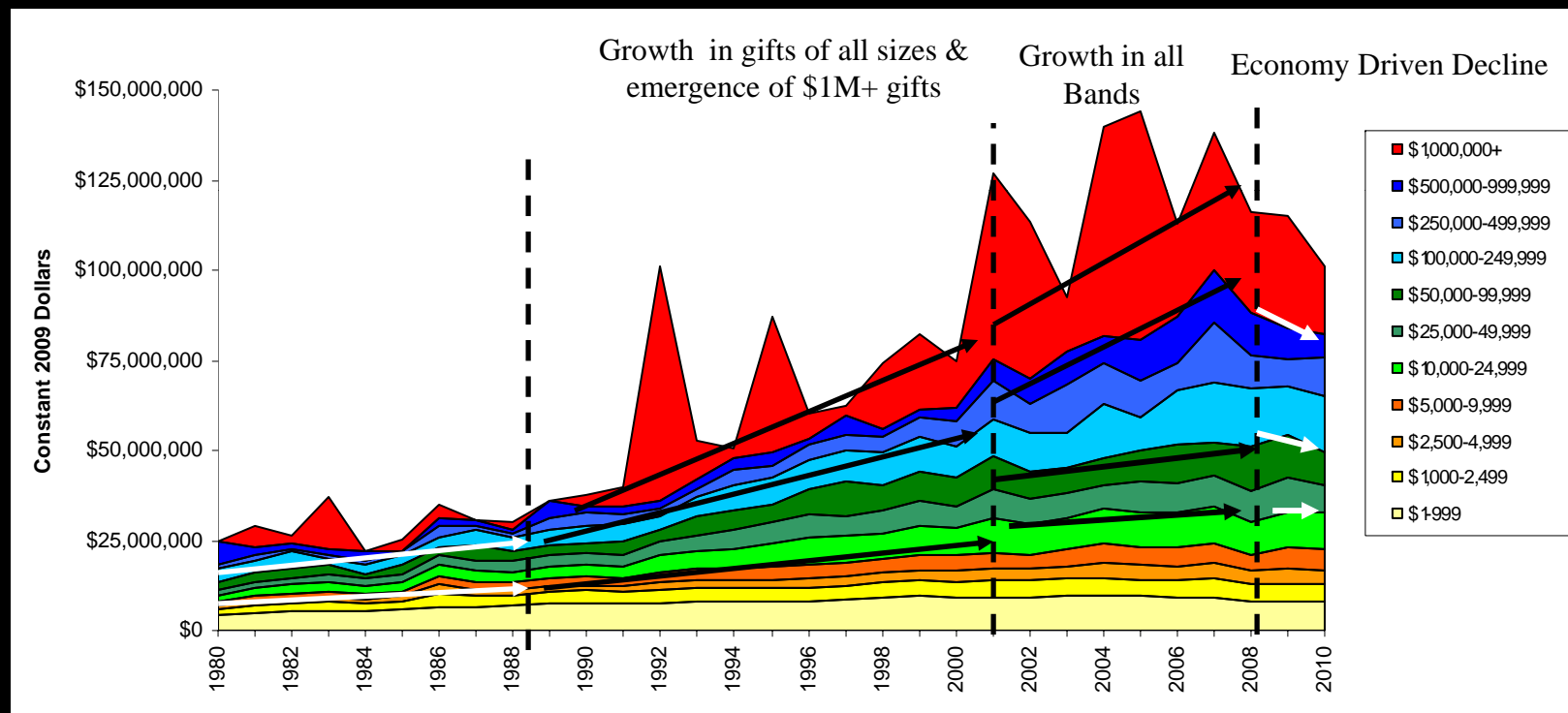
3. Proposed Three-Phased Campaign

- Short-term action towards long-term vision
- Challenge immediate and impact long-term
- Non-traditional, innovative and flexible philanthropic effort
- **Three-phased** campaign concept:
 - **Phase I** – Access & Success Campaign
 - \$170.6M of \$304M goal to date
 - **Phase II** – Critical short-term investment in students and faculty excellence
 - **Phase III** – Bold, Fundable Ideas
- Recalibrate Phase II based on findings
 - Internal and external communication strategies underway
 - Infrastructure building moving forward without delay



Purdue Fundraising Evolution

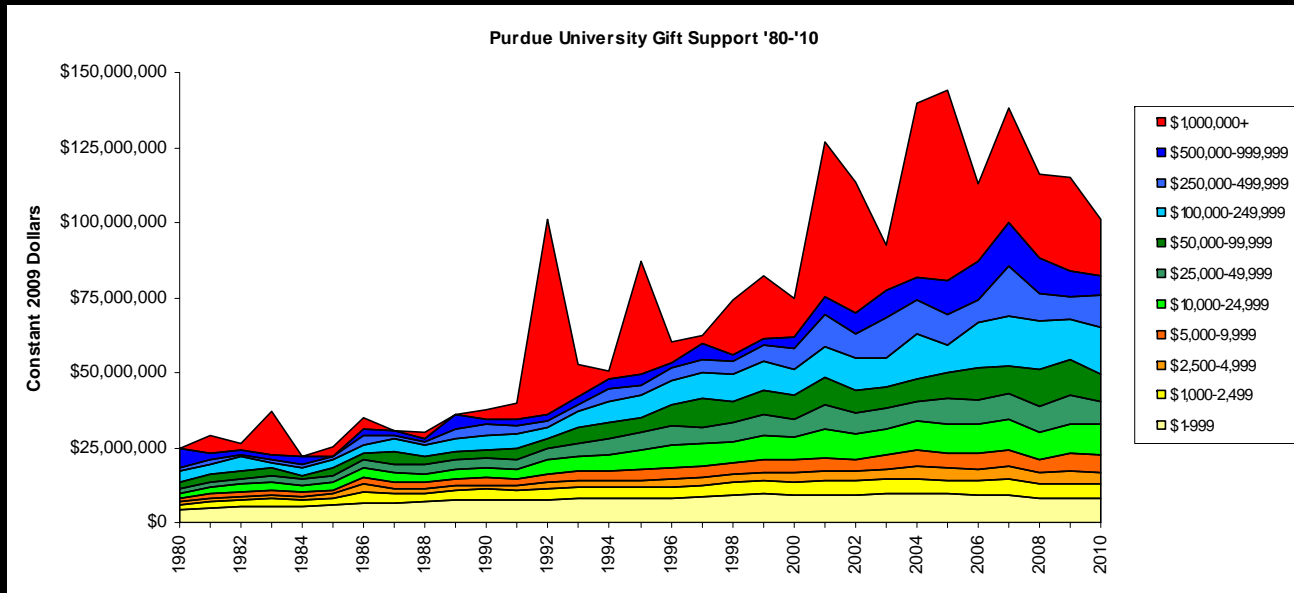
Emergence of Larger Gifts & Periodic Growth in Smaller Gifts



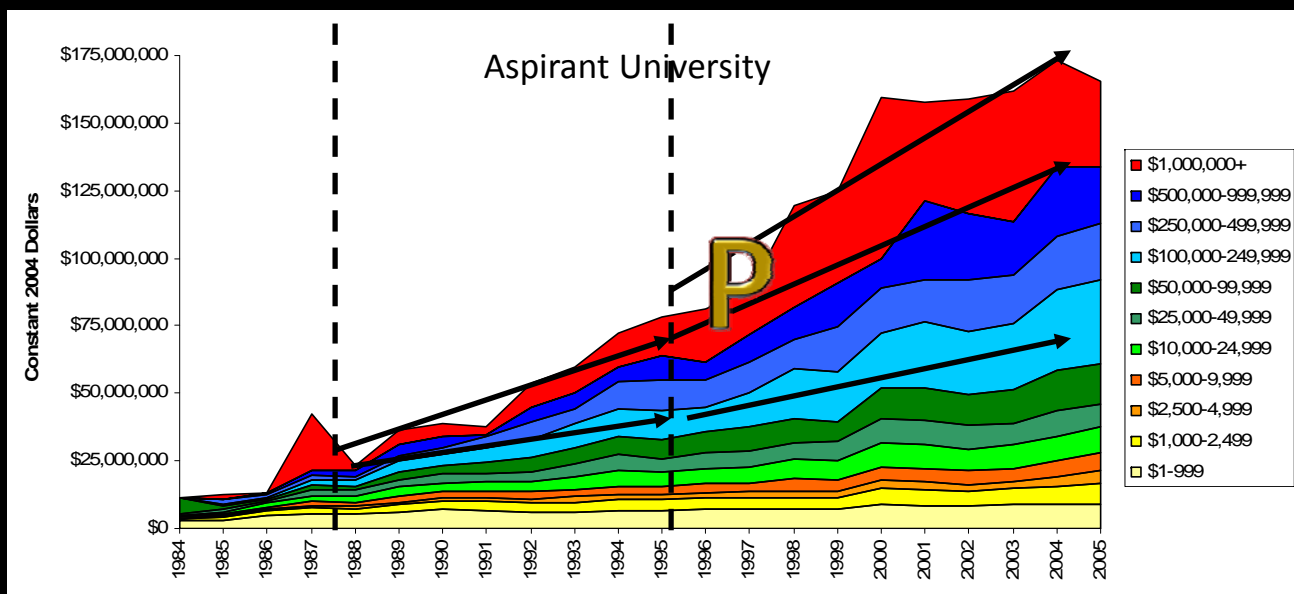
Purdue is building gifts across sizes.
Largest gifts are most volatile.

Example: Maturity Metric

Growth Across Gift Bands



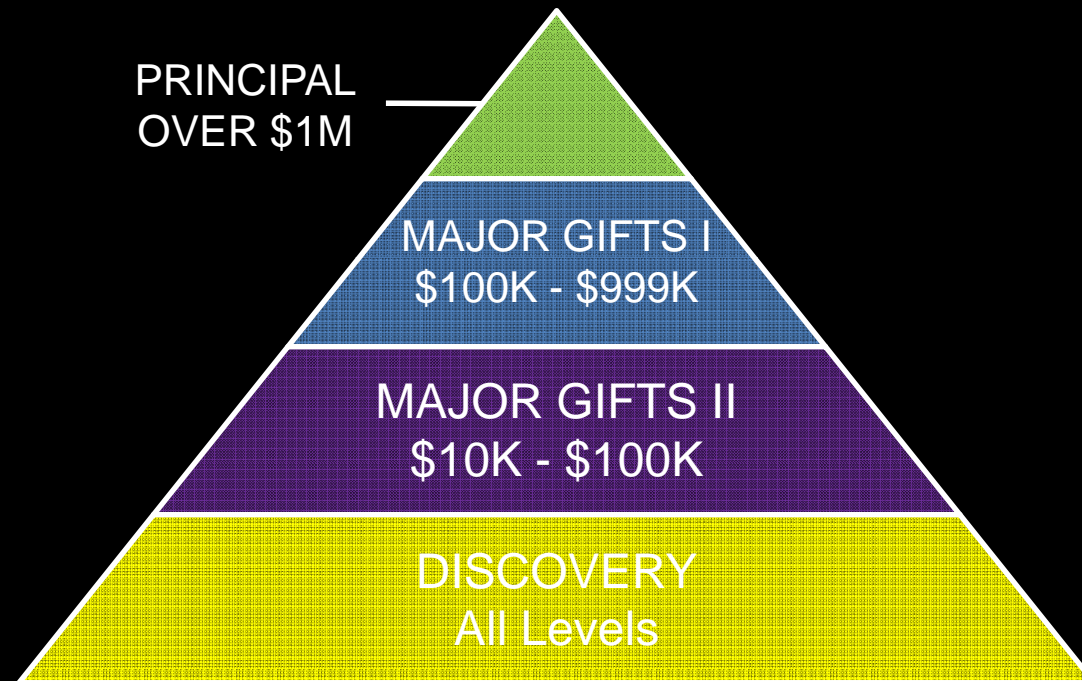
Purdue's gifts are becoming more consistent, but growth is periodic



This more mature operation has volatility in larger gifts, but has more consistent growth across lower bands

Purdue Meeting and Responding to Challenges – FY 2012

1. Reorganize and build development teams



- Assignments based on **philanthropic potential**
- University and volunteer leadership create **sophisticated strategies**
- Solicitations once every campaign to **more frequent solicitations**
- Increased support to gift officers, providing more **focus on fundraising**

2. School and College Philanthropic Capacity Analyses

- **Small number** of universities implemented more than one \$1B+ campaigns
- Accumulation of university, school and college philanthropic capacity analyses **based on peer data** is new
- Analyses are instrumental to success of **Columbia University** (\$4B goal), **Stanford University** (\$4B goal) and **University of Virginia** (\$3B goal)

3. Strategic Philanthropic Communication

- Strategies reflect external emerging trends and respond to **Purdue's culture**
- Build upon previous Campaign success and enhance Purdue's culture of philanthropy
 - **Philanthropic cash**
 - **People and programs**
- Develop prospectus with **distinctive institutional voice** which aligns with institutional messaging

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