

STRATEGIC INITIATIVES  
AND TRANSFORMATIVE GIFTS

July 13, 2017

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Northwestern University

Northwestern

# Largest Gifts to Universities in 2017 (so far)

Anonymous  
\$140M  
MIT

Diller  
\$500M  
UCSF

Frost  
\$110M  
Cal Poly State

Lunder  
\$100M  
Colby

Babka  
\$60M  
Univ. of  
Dubuque

Bonney  
\$50M  
Bates College

Sobrato  
\$100M  
Santa  
Clara U

Halicioglu  
\$75M  
UCSD

# Strategic Initiatives Definitions

**Initiative:** Something new, i.e., a program.

**Strategy (1):** A plan to achieve something of great value, often involving many steps.

**Strategy (2):** What you leave out.

# Within Context of Transformative Gifts...

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A special initiative

a Presidential Initiative

a multidisciplinary collaboration

going after a societal problem

in new way.

A choice

to prioritize one thing over others

powered by

a transformative Gift, transforming

the problem, but also

our institution.

# Strategic Initiatives: MSU Edition



**Lou Anna K. Simon**

President, Michigan State University

As president, Simon has engaged MSU in a strategic and transformative journey to adapt the principles of the land-grant tradition to 21st-century challenges.

- ✓ **Presidential effort** She has expanded MSU's reach in the state and around the world by focusing the university's strengths on solutions that enhance and
- ✓ **Transformation**
- ✓ **Prioritization** protect quality of life: clean and affordable energy, access to education, safe and plentiful food, and health care.
- ✓ **Societal problems**

## Transformation = Disruption

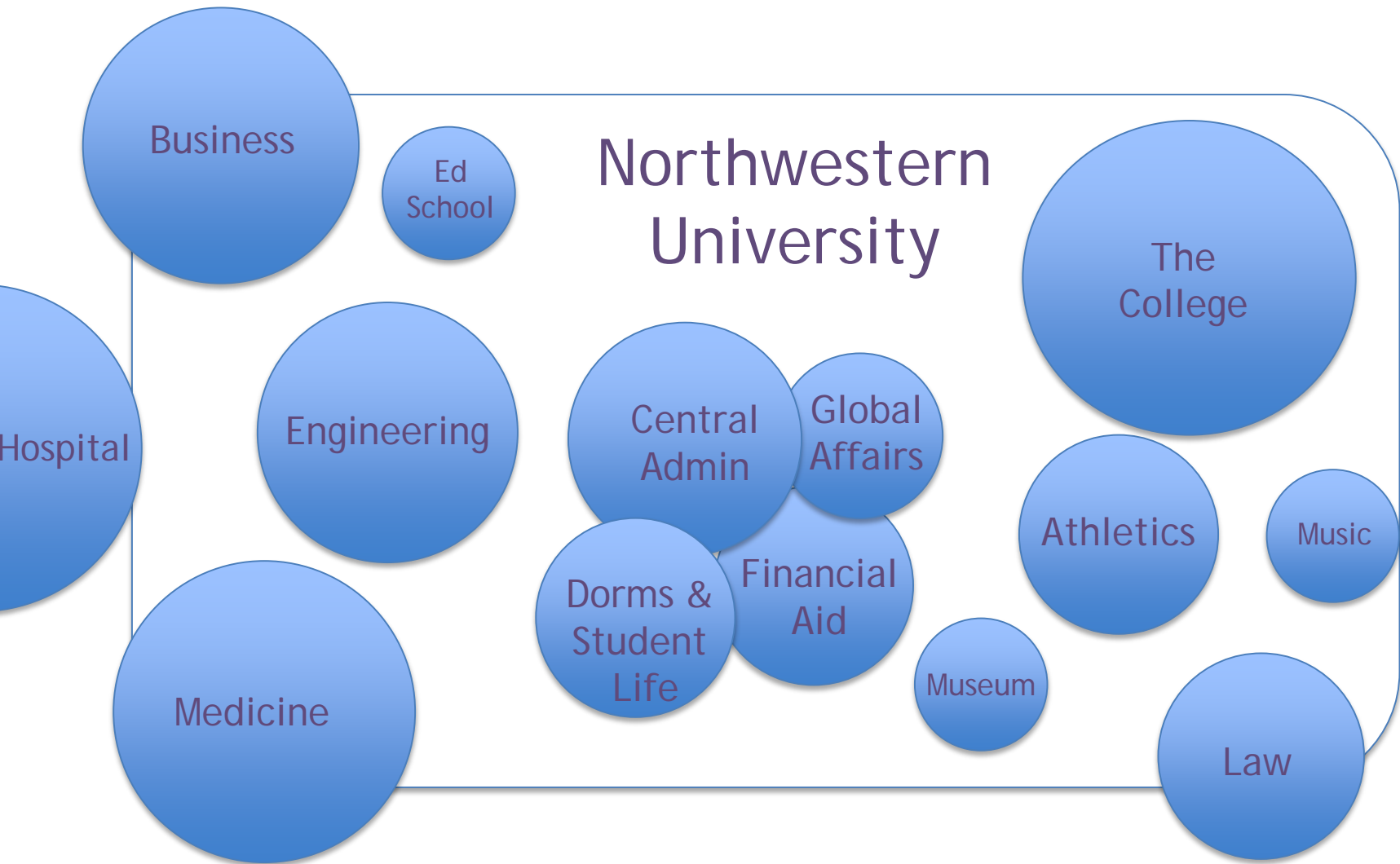
“Transformational gifts may be categorized as ‘big’ gifts, but what distinguishes them is their unique capacity to alter the programs, perception, and future of an organization.”

*Kay Sprinkel Grace*

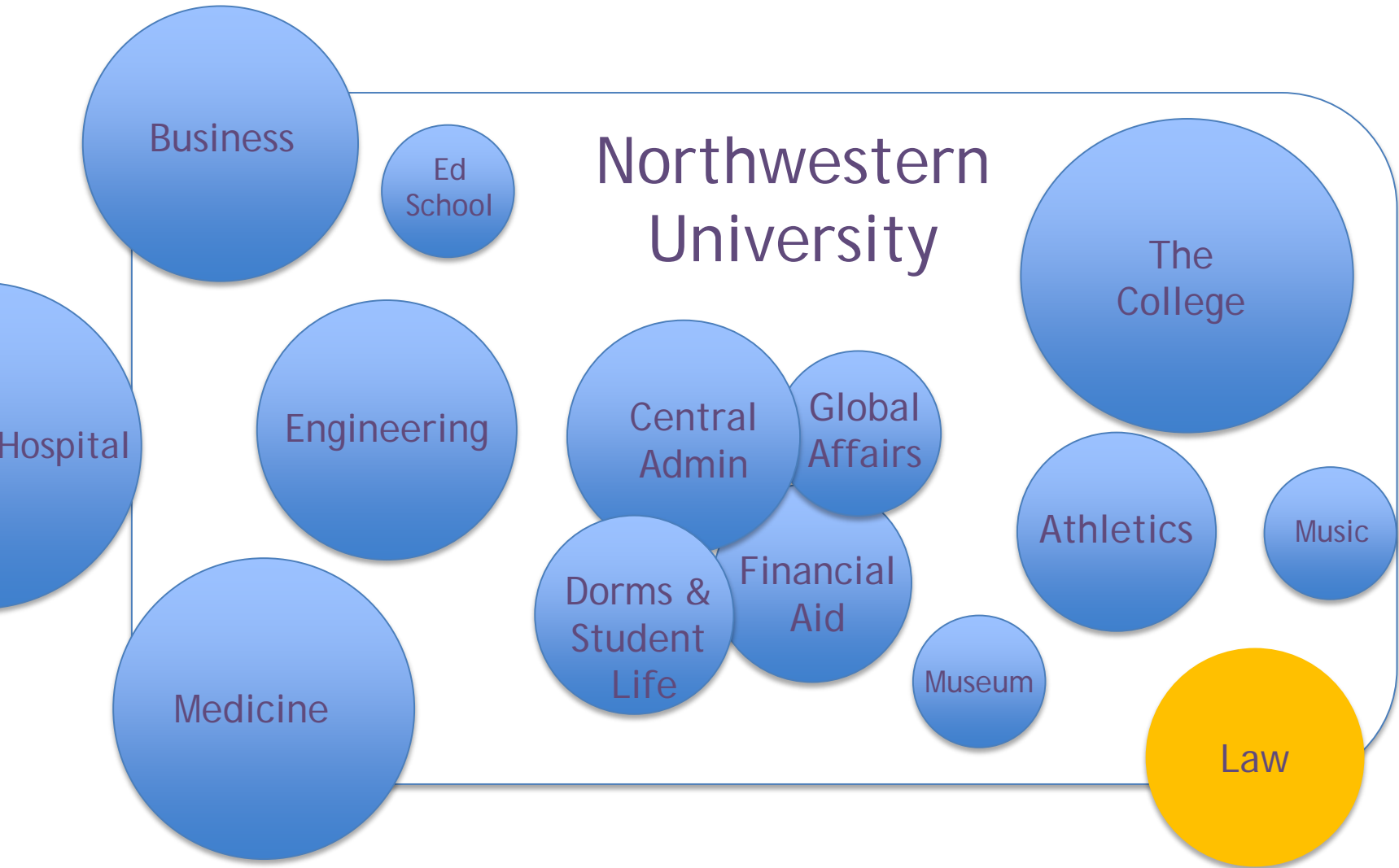
*San Francisco-based author & consultant*

*(Quote from 2000)*

# Three Different Principal Gifts

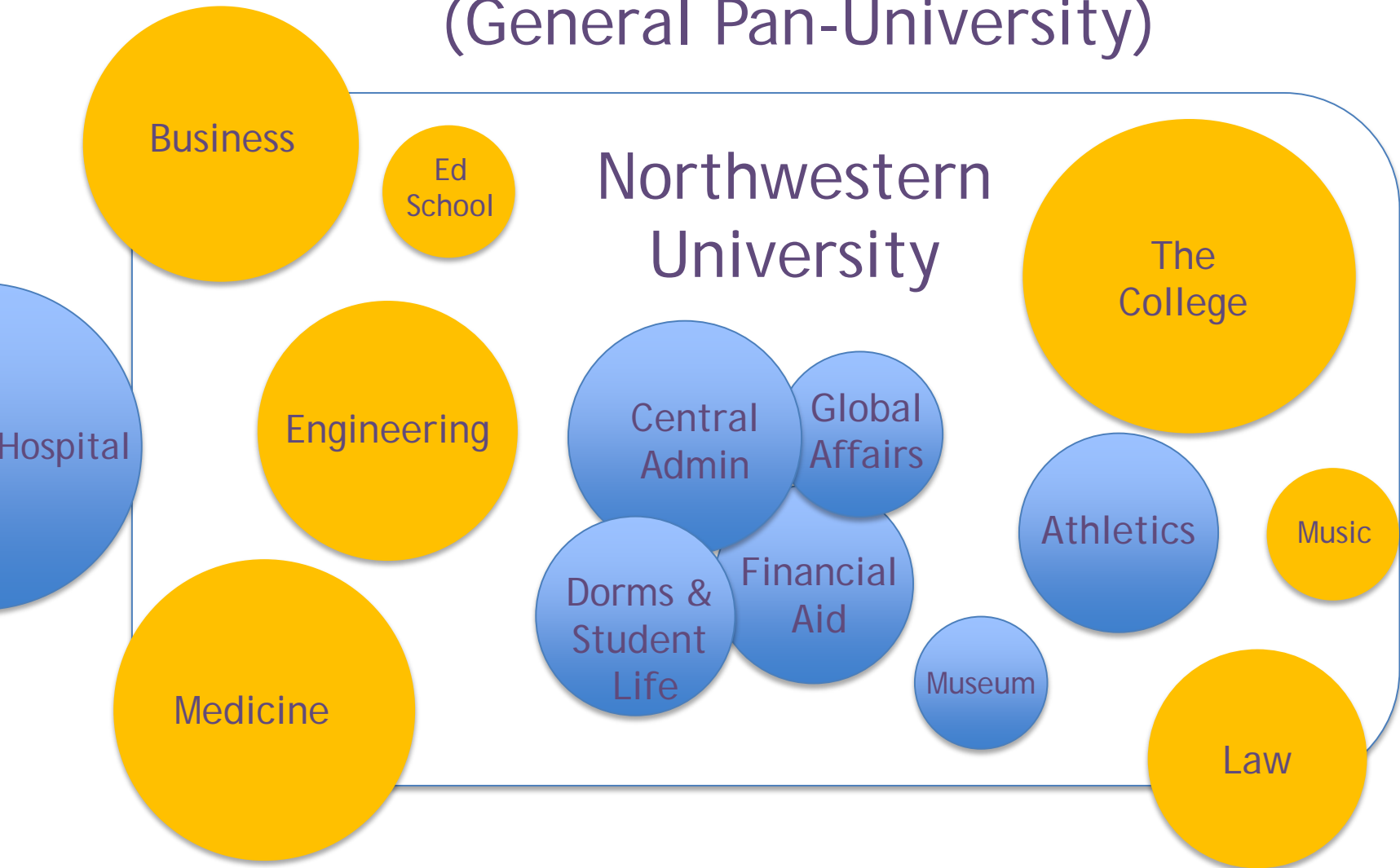


# \$100M Pritzker Naming Gift (Unit-Based)

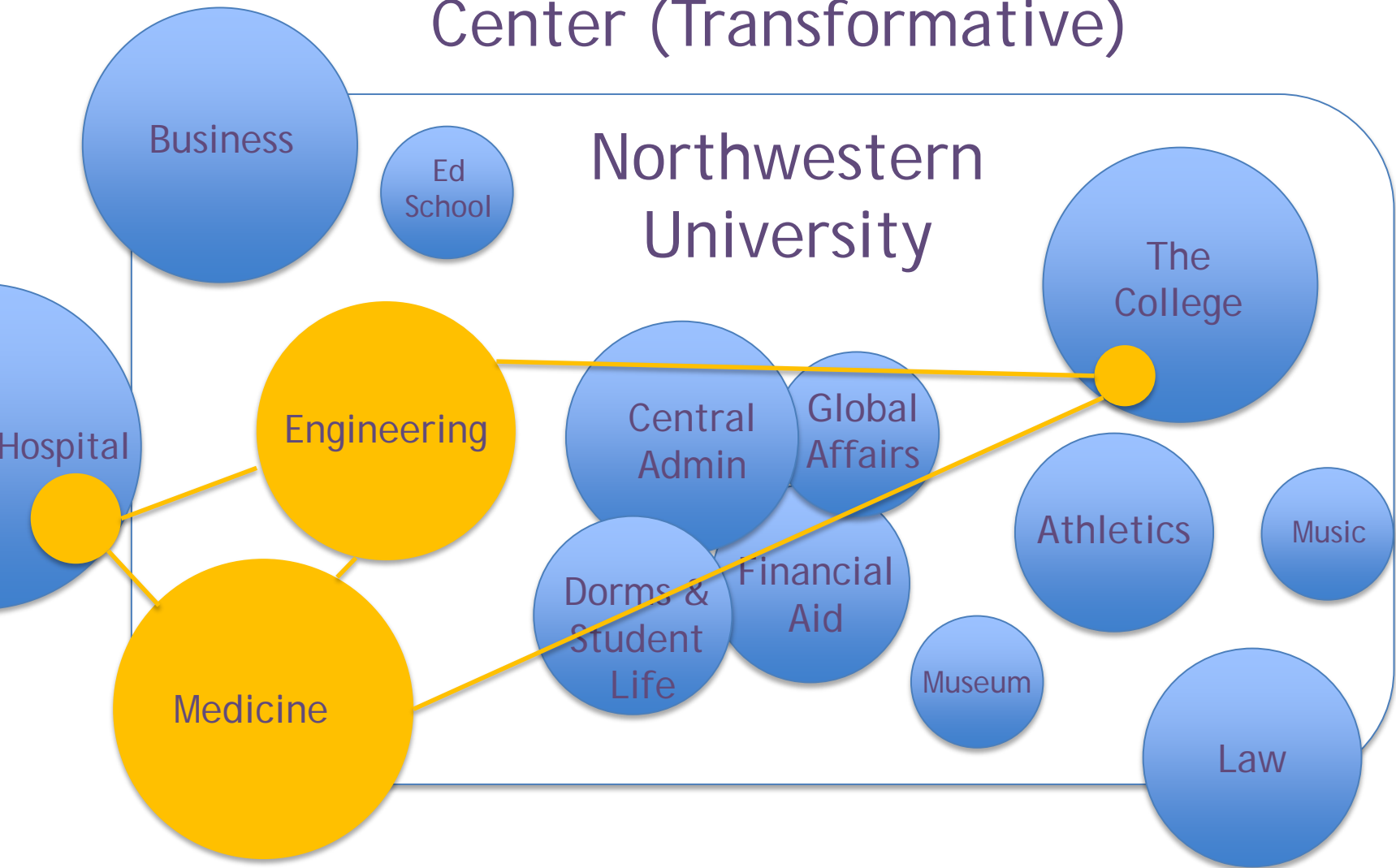




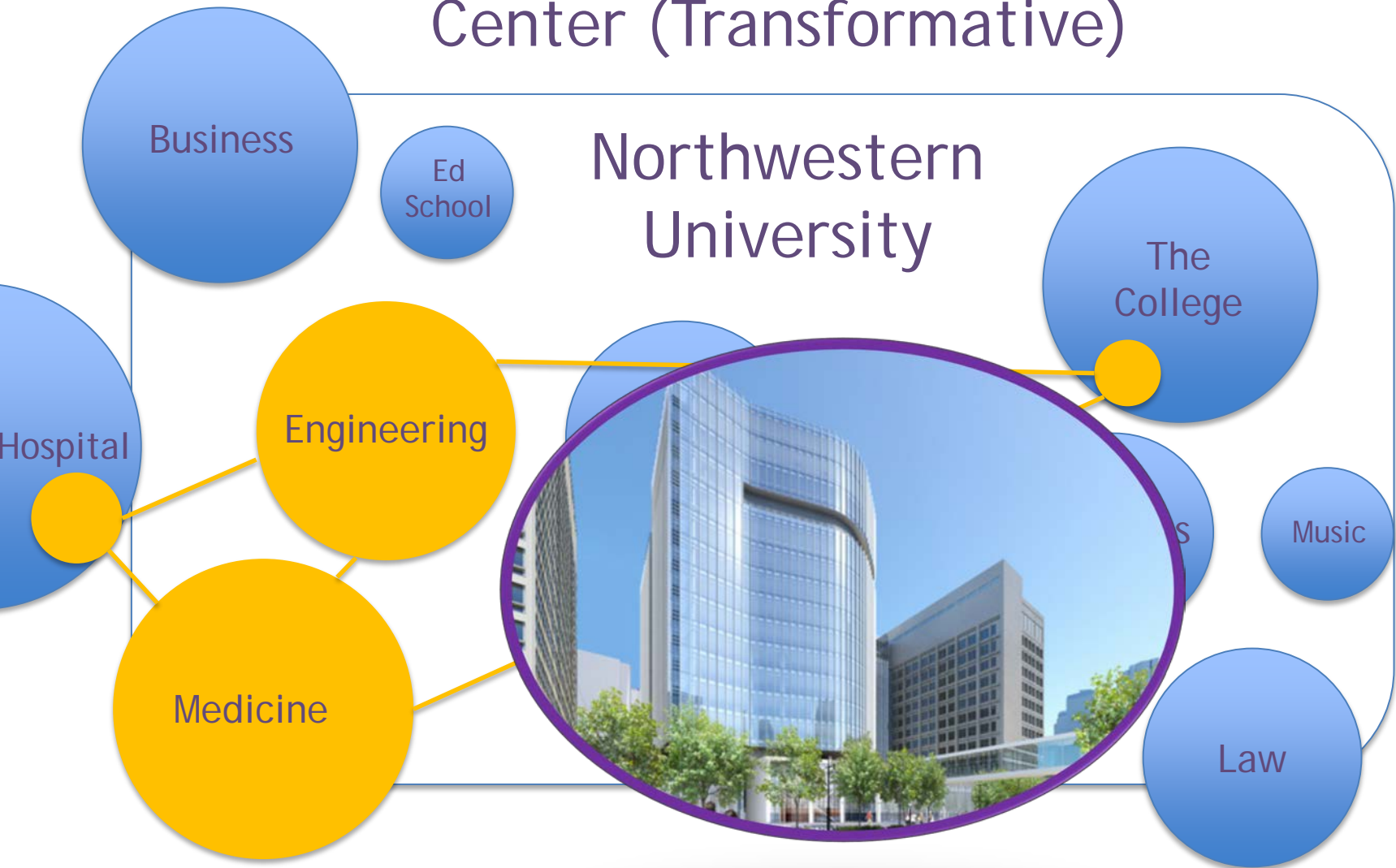
# \$20M Ryan Chair Challenge (General Pan-University)



# \$92M Simpson Querrey Biomedical Research Center (Transformative)



# \$92M Simpson Querrey Biomedical Research Center (Transformative)



# Chronicle's Top Individual Gifts 2015-2017

YEAR	Donor	Recipient	Gift	Category	Specifics
2017	Helen Diller	UCSF	\$500M	Pan-University	Unrestricted & Biomedical
2016	Philip H. and Penelope Knight	U. of Oregon (Eugene)	\$500M	Transformative	New Center for Scientific Research
2015	John Paulson	Harvard	\$400M	Unit	Engineering endowment
2016	Howard and Lottie Marcus	Ben-Gurion U.	\$400M	Transformative	Institute for Water Research
2016	Philip H. Knight	Stanford	\$400M	Transformative	Global leadership grad program
2015	William Scheide	Princeton	\$300M	Unit	Library
2016	Michael R. Bloomberg	Johns Hopkins U	\$300M	Unit	Public Health
2016	Lawrence J. Ellison	USC	\$200M	Transformative	Institute for Transformative Medicine
2016	Charles T. Munger	UCSB	\$200M	Pan-University	Student housing
2016	Sanford I. and Joan H. Weill	UCSF	\$185M	Transformative	Neuroscience

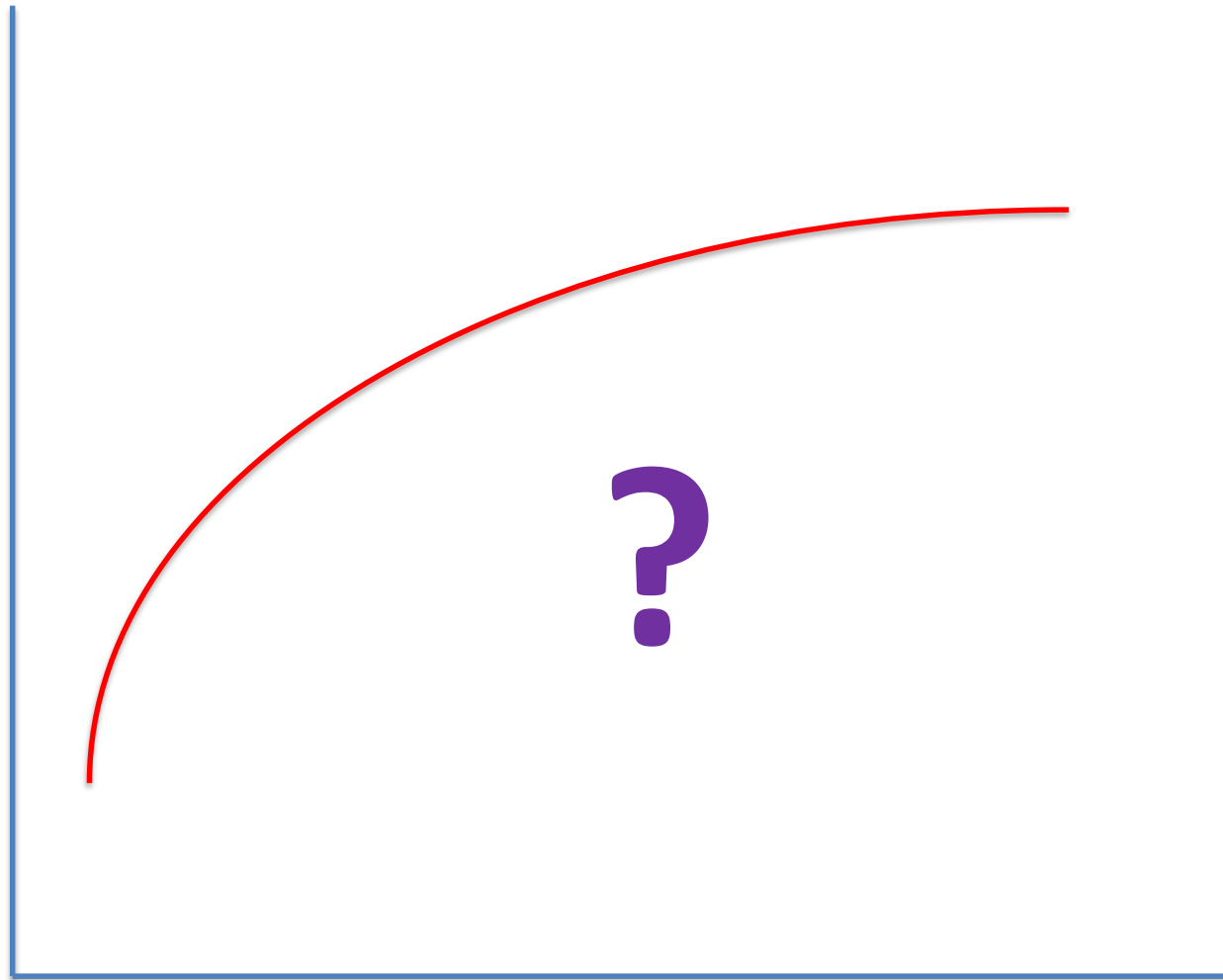
10 gifts / \$3.4B / 50% to "transformative" / 50% to CA

# Top B1G Individual Gifts 2015-2017

Year	Donor	Recipient	Gift	Category	Specifics
2015	Roberta Buffett Elliott	Northwestern	\$100M	Transformative	Global Affairs Institute
2015	JB and MK Pritzker	Northwestern	\$100M	Unit	Naming Law School
2015	Lou Simpson and Kimberly Querrey	Northwestern	\$92M	Transformative	Medicine/Engineering space
2015	Sam and Helen Zell	Michigan	\$60M	Unit	Entrepreneurship in B School
2015	Nancy and Ab Nicholas	Wisconsin	\$50M	Pan-University	Scholarships+ Fellowships
2016	Frank Stanton	Ohio	\$39M	Unit	Veterinary Medicine
2016	Donald E. Brown	Indiana	\$30M	Unit	Center for Immunotherapy
2015	Mary Joy and Jerre Stead	Iowa	\$25M	Unit	Children's Hospital
2016	Thomas and Stacey Siebel	Illinois	\$25M	Transformative	Center for Design
2015	Patrick and Shirley Ryan	Northwestern	\$25M	Pan-University	Basketball

10 gifts / \$546M / 30% to “transformative” / 50% from Midwest

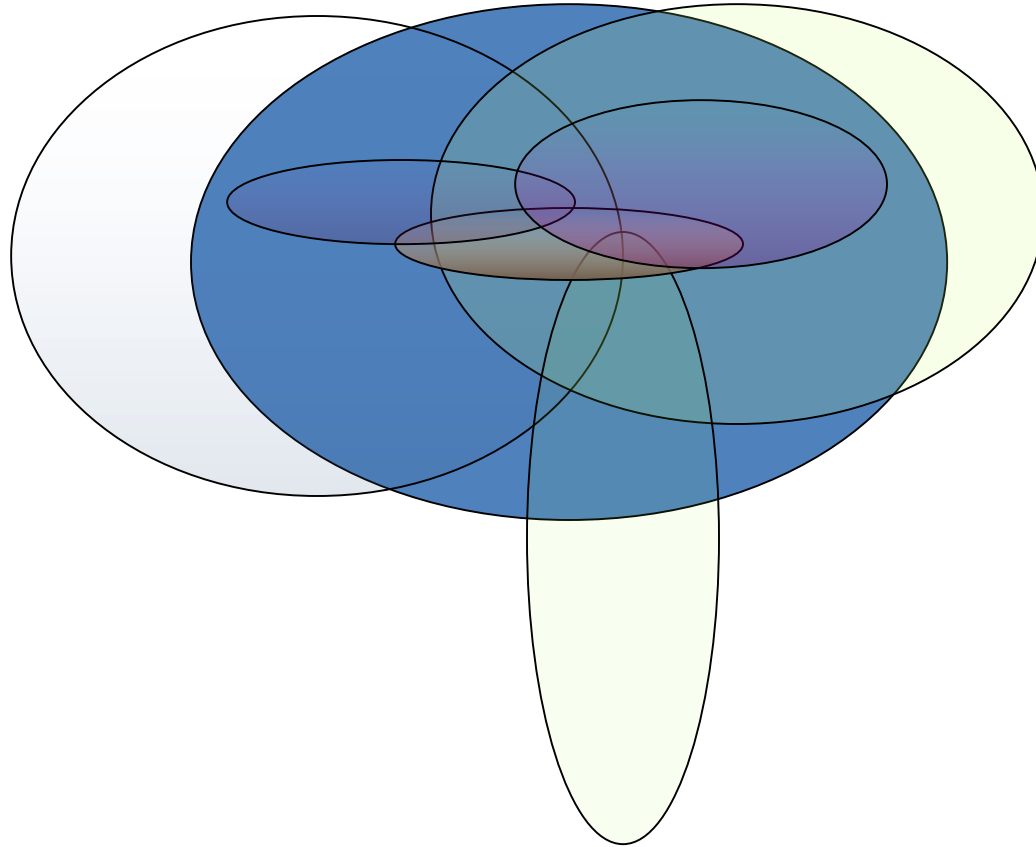
DEGREE OF PAIN



DEGREE OF DECENTRALIZATION

# WHERE DO STRATEGIC INITIATIVES COME FROM?

# IMAGINE INHERITING THIS





**UNIVERSITY LEADERS HOLD A SERIES OF FACULTY  
MEETINGS TO DISCUSS REPACKAGING THIS LANDSCAPE  
INTO A SINGLE INSTITUTE  
THEN HAND IT OVER TO THE DEVELOPMENT OFFICE  
WITH A PRICE TAG OF ~\$150M  
AND, NO IDENTIFIED PROSPECTS**

## **ALTERNATIVELY...**

**AN EAGER VISIONARY PHILANTHROPIST  
COMES ALONG WITH AN IDEA IN MIND**

**GIVES YOU ABOUT HALF OF WHAT'S NEEDED  
PROPOSES USING HER GIFT AS MATCHING**

**AND YOU HAVE TO FIND THE REST.**

# Strategic Initiatives Conference

## Six Founders and Conference Hosts

**Northwestern (2012)**

**Michigan (2013)**

**Stanford (2014)**

**MIT (2015)**

**Johns Hopkins (2016)**

**Duke (2017)**



**Participants: Michigan State, Penn State, Berkeley,  
U. Oregon, Harvard, Penn, U. Chicago, Broad Institute**

## Identified Best Practices

- Stated Presidential priority
- Proposed faculty leadership already in place
- Strong internal collaborators identified
- Large donors involved from get-go
- 2+ Deans on board
- Emphasis on expendable cash gifts
- Development leads - but from behind
- Able to cut bait if donors aren't interested

## Does your initiative's leader have ... ?

- Passion and commitment
- Internal and external reputation
- Multiple appointments
- The ear of President and Provost
- Management ability
- Powers of persuasion
- Diverse funding sources
- Resilience
- Bandwidth

# Built-in Constituency? As if!

- Ability to receipt and steward donors for initiative
- Ability to track interests, not just affiliation
- Credit for the staff, cross-crediting for the donor
- Cleared list to target
- President's prospects
- Incentives for Schools to share good donors.

**Step 1: Meet a billionaire!**

**Step 2: Ask for \$100M!**

# \$5M+ Gifts Study: 80%+

94% Alum or spouse of alum

88% Campus Visit

82% Stand-alone Officer Relationship

82% 60+ Years of Age



# \$5M+ Gifts Study: 70%+

79% Deep, long-term non-dev relationship

76% Test major gift

76% \$1M Gift here or elsewhere

76% 3+ Visits with a Unit Leader

70% First meeting with President

# \$5M+ Gifts Study: 60%+

64% Solid execution (spending) of major gift

64% Evidence of liquidity

64% High annual giving (\$25K+)

64% Solicitation directly by President

61% Engagement of family / spouse

61% High board service

# \$5M+ Gifts Study: 50%+

55% Creative, customized stewardship

55% Known assets >\$100M

53% Relationship with influential Trustee

51% Lives near main campus

# International Mega-Gifts



**Top 10 country donors to U.S. colleges from January 2007 to November 2013, in millions**



**The biggest recipients of Hong Kong giving:**



Source: U.S. Department of Education (sources of donations, recipient schools); staff reports

Photos: Reuters

The Wall Street Journal

Berkeley has raised \$299M over past 10 years from abroad. “Hong Kong has always been a focal point.”

2014: Gerald Chan (Hong Kong) \$350M *unsolicited* gift to name Harvard School of Public Health.

2017: Tianqiao and Chrissy Chen (Singapore) give \$115M to Caltech for Neuro Institute.

Up to 1/3 of MIT’s campaign

\$1B+ of Harvard’s \$6B campaign

Emphasis on partnerships

# STRATEGIC INITIATIVES IN FUNDRAISING

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