

# Strategic Directives for University Advancement

Annual Report to Business Board: 9 November 2009



Gift of the year goes to...

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When reports of H1N1 influenza reached Canada, three young Torontonians started worrying about the very real possibility of a pandemic. So they went into business together. Ten-year-old **Flo Smith**, her 7-year-old sister **Katie** and their 10-year-old associate **Nolly** then directed all their profits to H1N1 research at the Faculty of Medicine.

# *Report to Business Board*

- Where we were
- Where are we now
- What's ahead

# *Mandates*

1. Enhance the effectiveness and satisfaction of alumni participation and programs.
2. Grow fundraising performance to \$200 million per year on a sustainable basis.
3. Build advancement capacity within and across divisions, creating an organization and culture that fosters leadership, initiative, effectiveness, and community.
4. Contribute to the creation of an external relations strategy (working closely with Strategic Communications) for a transforming image, reputation and standing of U of T along an axis of differentiation and excellence.

## *Fiscal 2008-09*

- Investment loss of \$510 million
- Suspension of endowment distributions
- Operating funds offset missing distributions
- Regular communications on mitigation strategies
- Total fundraising performance down to 2005-06 levels
- Annual giving remained close to par
- Special emphasis on cultivation and communication
- Rising alumni participation in regional events, affinity

## Global Distribution of University of Toronto Alumni

● Regional Alumni Representation

### North America 321,139

Canada	304,374
USA	15,871
Trinidad & Tobago	226
Mexico	198
Bermuda	132
Jamaica	89
Bahamas	75
Barbados	64
Cayman Islands	34
West Indies	23
Costa Rica	13
Other	40

### South America 293

Brazil	115
Chile	59
Argentina	29
Colombia	25
Peru	25
Venezuela	20
Other	20

### Europe 3,561

England	1,463	Belgium	59	Finland	20
Germany	327	Spain	57	Czech Republic	19
France	288	Sweden	47	Northern Ireland	19
Switzerland	213	Norway	43	Romania	17
Greece	156	Cyprus	30	Iceland	14
Ireland	144	Wales	25	Estonia	11
Italy	137	Poland	24	Bulgaria	10
Austria	125	Malta	22	Latvia	10
Scotland	113	Portugal	21	Other	50
Netherlands	107	Hungary	20		

### Asia & Middle East 6,828

Hong Kong	3,089	Iran	52
China	489	Turkey	46
Singapore	457	Kuwait	30
Israel	410	Sri Lanka	27
Japan	407	Bangladesh	26
India	310	Qatar	21
Malaysia	294	Bahrain	19
South Korea	257	Vietnam	19
Taiwan	221	Macau	18
Pakistan	149	Oman	18
Saudi Arabia	143	Lebanon	16
Thailand	94	Jordan	12
Indonesia	86	Other	27
Philippines	61		

### Africa 537

South Africa	88
Kenya	67
Niger	57
Egypt	54
Tanzania	43
Chania	38
Mauritius	31
Nigeria	27
Zambia	22
Zimbabwe	19
Uganda	18
Other	73

### Oceania 845

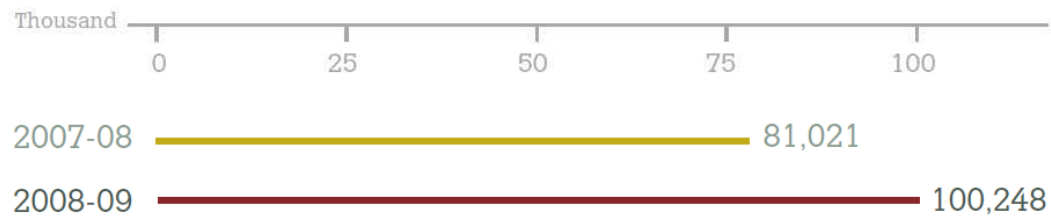
Australia	656
New Zealand	179
Other	10

Global alumni counts are based on valid addresses

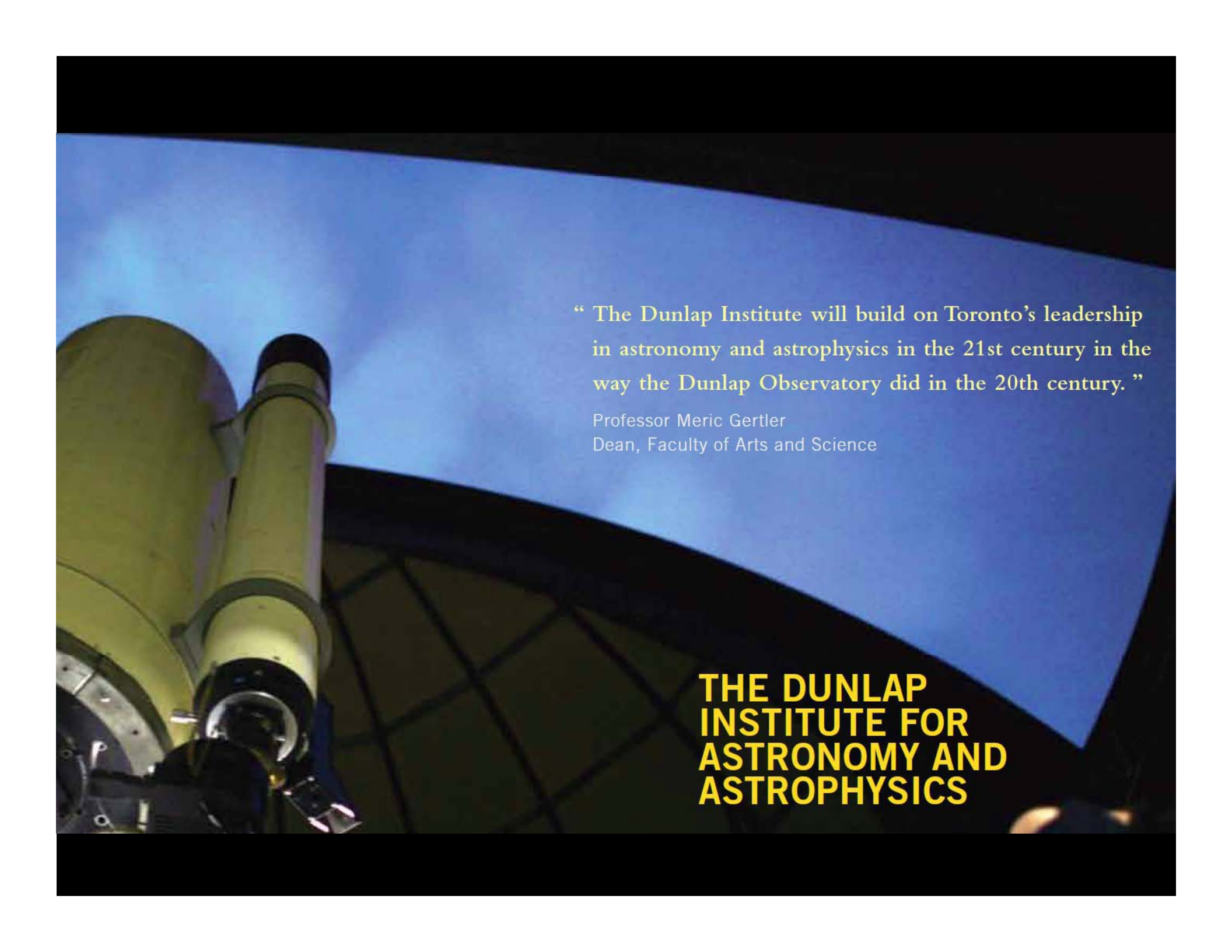




## Participation in Affinity Programs



Active accounts held by alumni, faculty, staff and students.



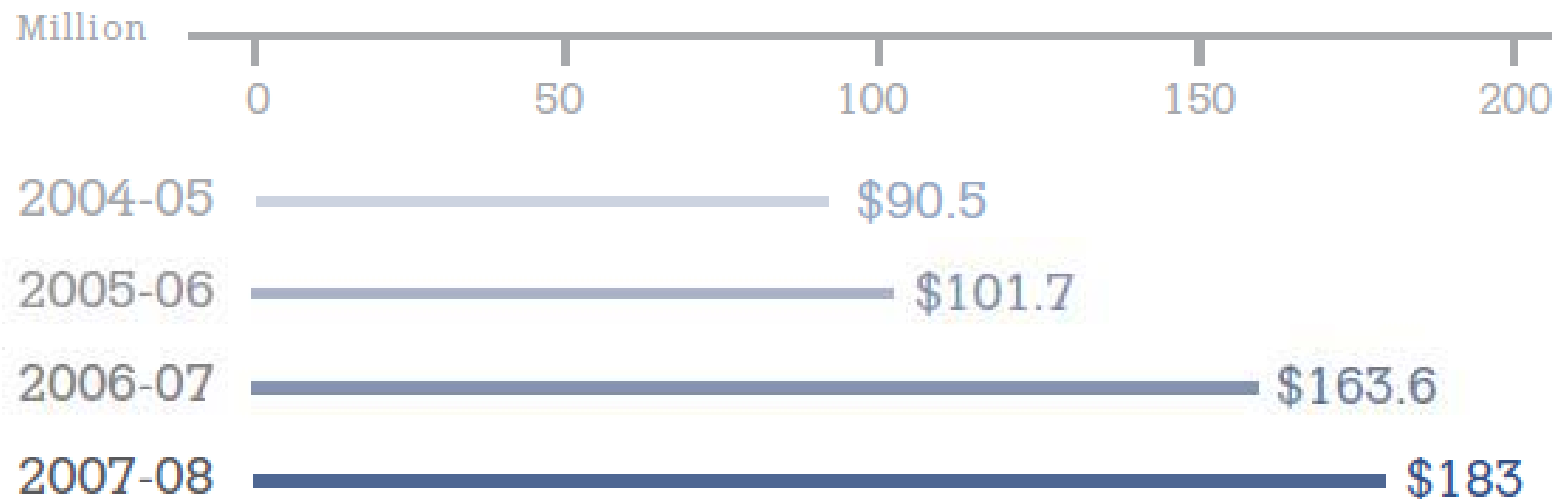
“ The Dunlap Institute will build on Toronto’s leadership in astronomy and astrophysics in the 21st century in the way the Dunlap Observatory did in the 20th century. ”

Professor Meric Gertler  
Dean, Faculty of Arts and Science

**THE DUNLAP  
INSTITUTE FOR  
ASTRONOMY AND  
ASTROPHYSICS**

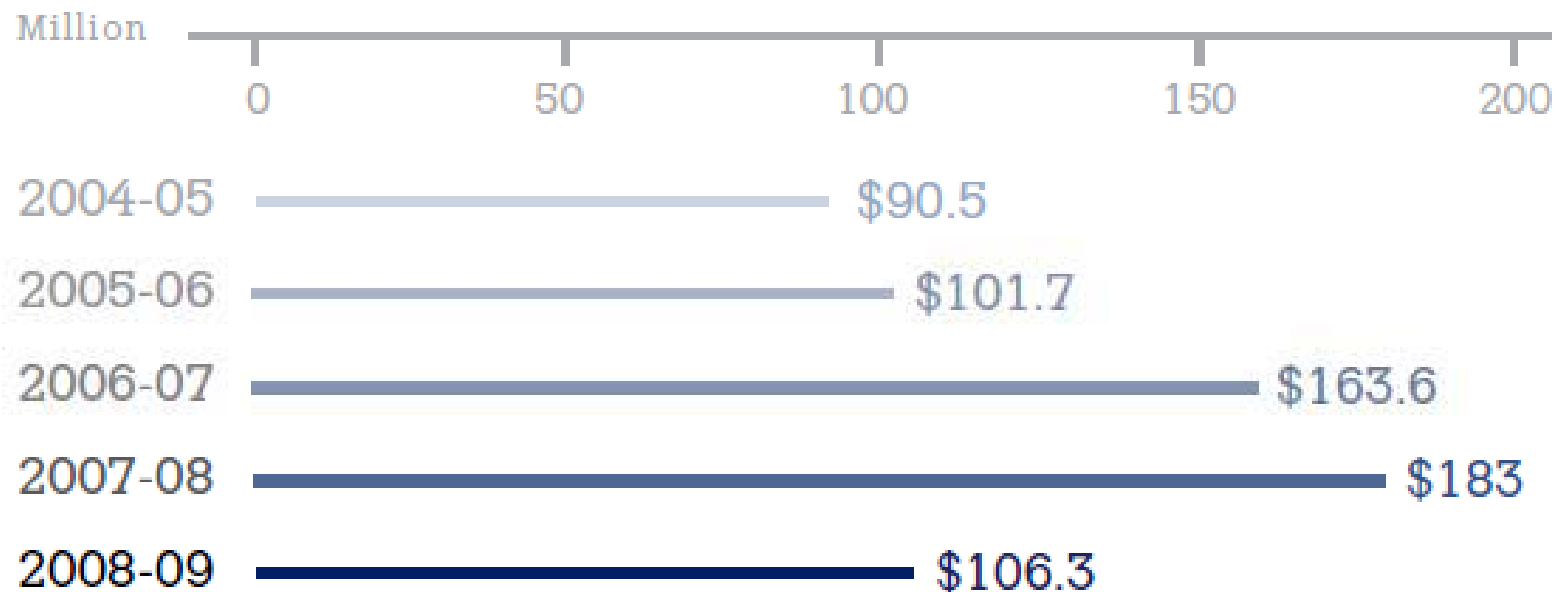
# *Fundraising performance*

## Pledges and Gifts



# Fundraising performance

## Pledges and Gifts



## Fundraising performance by gift size

	2007-08		2008-09		Yr/Yr Var
	\$	%	\$	%	%
\$5 million or more	\$ 105,804,513	58%	\$ 35,874,960	34%	-66%
\$1 million to \$4,999,999	\$ 26,644,644	15%	\$ 21,868,259	21%	-18%
\$25,000 to \$999,999	\$ 35,535,105	19%	\$ 33,878,506	32%	-5%
< \$25,000	\$ 15,061,763	8%	\$ 14,702,226	14%	-2%
Total	\$ 183,046,025	100%	\$ 106,323,951	100%	

## *Solicitations of new principal gifts*

- Oct 2008 to May 2009:                      None

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- Oct 2008 to May 2009:                      None
- June 2009 to November 2009:              Nine

## *Context*

- A volatile and uncertain economic environment
- Lag between recovery of indices and donor confidence
- A weakened case for long-term endowment giving
- Lingering anxiety, distrust over endowment suspension
- Increasingly strong appetite, anticipation for a campaign
- Willingness to invest strategically in growth
- Increasingly positive perception of University's trajectory
- Readiness for an institution-wide campaign



## *GG&A External Review: Why GG&A?*

- Largest, most sophisticated firm of its kind
- Access/window into best practices of best U.S. programs
- Ability to benchmark against best global competitors
- Ability to benchmark against our aspiration range
- Insight into predictive giving patterns of 80 million donors
- Depth of strategic counsel, campaign development
- Significant experience with Canadian and US institutions
- Significant experience with public/private academic elite

## *GG&A External Review: Purpose*

- Chart a path to \$200 million
- Analyse divisional and central fundraising capacity
- Benchmark performance and resources vs. US, CA peers
- Identify performance gaps with best-practice institutions
- Assess financial potential of the University's base
- Recommend infrastructure required to reach \$200 million and mount a significant future campaign

## *GG&A External Review: Findings*

- **Ample evidence of the University's potential to grow fundraising performance to \$200 million annually**
- **Assumes creation of a major institutional campaign to stimulate transformational growth**
- Assumes organizational realignments both divisionally and centrally
- Requires scalable investment in advancement resource
- Notes uncertain short/medium-term impact of the economic recession

## *GG&A External Review: Findings*

- Benchmarked our database of 562,080 individuals (alumni, donors, friends) against 80 million donor records
- Found **unusually strong, untapped financial potential** even compared to leading US public and private clients.
- Identified **27,323 new prospective major gift donors.**
- \$4 million to \$8 million **potential for annual fund growth**
- 24,197 secondary planned gift prospective donors.
- Significantly increased financial potential eventually **measured in the tens of millions on an annual basis.**

## *GG&A External Review: Findings*

- Alumni Relations to strengthen alumni association(s) coordination and cross-marketing
- Strengthen internal service and consulting role
- Enhance database consolidation, research, marketing, communications,
- Enhance division-based fundraising support

## *Next steps*

- Restructuring of DUA to strengthen leadership in fundraising, divisional relations, alumni relations, service and value functions
- Preparation for a major institution-wide campaign as a necessary catalyst to achieve transformational growth

## *Campaign objectives and case*

- U of T's academic leaders: **common sense of readiness and anticipation** for a major institutional campaign
- **Comprehensive in nature, strongly profiling divisional priorities** (sub-campaigns with their own visions, themes, and leadership) within a framework presenting a centrally defined vision, key messages, and brand/marketing platform (the campaign case for support).

## *Targets and timelines*

- The campaign would seek to raise \$1.5 billion to \$2 billion through 2015.
- A quiet phase would seek to secure 40% to 50% of the goal, prior to a public phase marketing launch.
- Timing around a public launch will take into account the pace of economic recovery.



## *Communications and cultivation strategies*

- Plan to foster awareness, interest and support for a major campaign among institutional stakeholders.
- Prospectus on University strategy and vision, and some divisional prospectuses, to go to top stakeholders in individual visits.
- Communications highlighting the University's response to the recession's impact on our endowment management (UTAM Review)
- New models for endowment and expendable giving, building confidence in stewardship of large gifts.
- Campaign marketing strategy to be devised in 2010.

## *Volunteer leadership*

- A volunteer steering committee of the University's most influential benefactors will be assembled to assist in identifying and recruiting a campaign cabinet (and chair) with the capacity, commitment and influence commensurate with the campaign's aspirations.
- This steering committee may form the nucleus of a continuing central body of fundraising volunteers.

# *Outcomes*

- Renewed and reinvigorated sense of pride and ownership among the broad, diversified base of alumni
- Significant lift in image, relevance, impact of U of T along an axis of differentiation and excellence
- Significant contribution to Canada's innovation agenda
- Transformed student experience
- Transformed student engagement with alumni and as future alumni
- Dramatic reduction in existing shortfall in faculty and facilities
- U of T as the country's primary destination for philanthropic, volunteer and advancement leadership
- Sustainable fundraising performance of \$200MM+ annually
- 150,000+ gifts; 100,000+ alumni gifts



2008 Order of Canada in part for his outstanding contribution to education in Canada, made another remarkable contribution—to the Rotman School of Management in 2008.

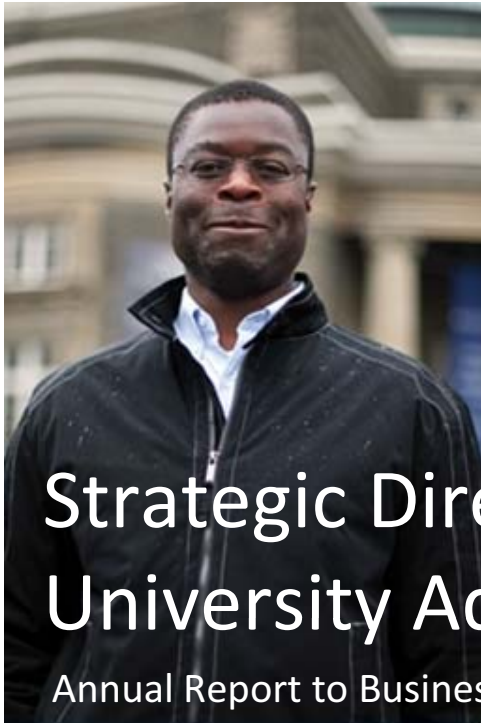
“ We need business leaders who can think in new ways and break new ground, especially during this time of economic recovery. The Desautels Centre for Integrative Thinking is at the heart of the Rotman School’s bid to revolutionize business education and place Canada at the forefront of modern management thought. Integrative Thinking should be a mainstay in business school curriculums around the world, and I am thrilled the Rotman School is leading the charge. ”

Dr. Marcel Desautels

## THE DESAUTELS CENTRE FOR INTEGRATIVE THINKING

Dr. Marcel Desautels’ latest \$10 million gift to the University of Toronto was announced at the official launch of the Rotman School of Management’s new \$200-million fundraising campaign in October 2008. The campaign’s centerpiece is a new building that will double the amount of research, teaching and study space available and build a prominent home for flagship research centres such as the Marcel Desautels Centre for Integrative Thinking and the Lloyd and Delphine Martin Prosperity Institute.

Dr. Desautels is one of the Rotman School’s most engaged and dedicated supporters. Through his involvement and benefaction, he has supported the School at every step and played a central role in shaping its vision and progress towards becoming one of the world’s most enterprising business schools. His total giving to the Rotman School now stands at an extraordinary \$41 million. His latest gift will support ongoing initiatives at the Desautels Centre.



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