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Sustaining Higher Education Funding 2009

Understanding your market, making funding streams and assets work for you

23 June 2009

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Plenary on

Voluntary giving in Higher Education and the Matched Funding Scheme

23 June 2009

Miles Stevenson
Director of Development
Development and Alumni Relations Office
The University of Sheffield

In 15 minutes, I aim to cover …

- The situation we face
- What fundraising is achieving for the HE sector
- The opportunity
- Matched funding opportunities
- A reality check

The issue in one slide

We need money and we need friends

The problem in one slide

In the UK we have

a culture of giving

Most universities don't have

a culture of asking

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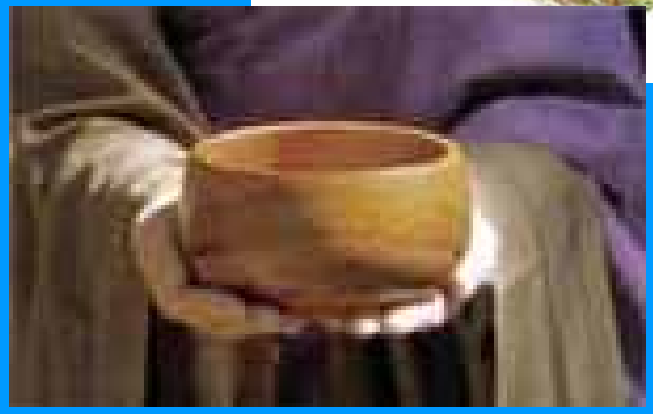
Fundraising is not …



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A seemingly simple financial transaction?

But successful fundraising is highly complicated

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We need to be optimistic

Last year £500 million was raised in philanthropy for the HE sector in the UK – *Ross Group-CASE survey*

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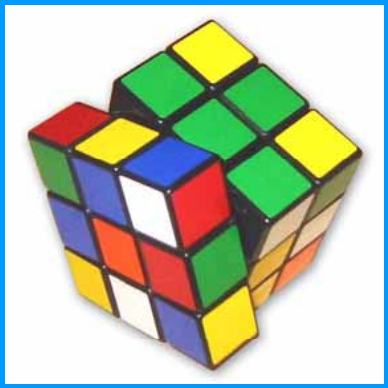
Examples

London, Oxbridge and many of the Redbricks already raise a lot.

But so do others – Nottingham Trent raised £9 million last year including a gift of £7.65 million for cancer research

The conundrum



Our immediate short-term needs (usually money) *versus* the best results take long-term relationship building

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Fundraising is not a short-term fix?

All good projects require long-term planning, resourcing and support from the top.

Bristol/Sheffield's legacy programme

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5 P's

Patience

Persistence

Persuasion

Passion

Perspiration

Fundraisers are <u>not</u> miracle workers nor alchemists

5 Questions/Fears

It can't be done – we're too small/new

Isn't it a bit "grubby"?

No one will give

It requires too much money upfront with no guarantee of success

How quick is the "pay-back"?

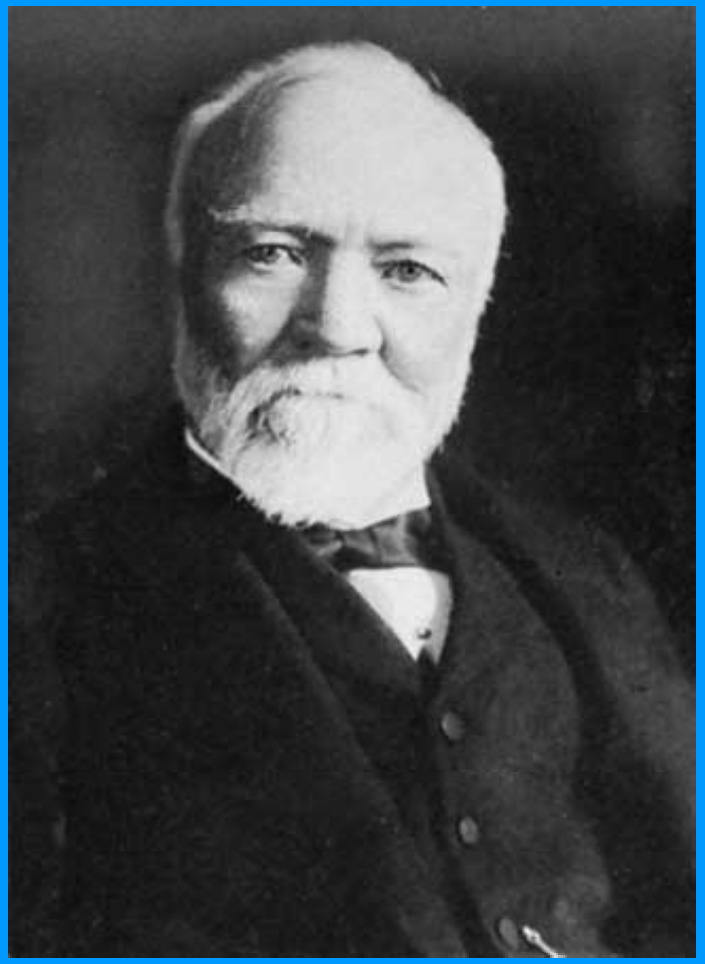
Millionaires

In 1953 there were only 36 millionaires left in Britain.

By the mid 1980s there were 17,000.

Today there are 450,000 British investors worth £1m.

Philanthropy



"The man who dies rich dies disgraced."

"I resolved to stop accumulating and begin the infinitely more serious and difficult task of wise distribution."

Andrew Carnegie

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Keep in touch with all your alumni

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Now worth $73 billion

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It is not just the duty of millionaires

A UNIVERSITY FOR SHEFFIELD

THE PROPOSED UNIVERSITY BUILDING.

You should support the University because:—

1. The UNIVERSITY will be for the people.
2. The UNIVERSITY will bring the highest education within the reach of the child of the working man.
3. The UNIVERSITY will help the local industries.
4. The UNIVERSITY will be the centre where the treatment of accidents and diseases will be studied.
5. SHEFFIELD is the only large City in England without a University. Sheffield cannot afford to remain in this position.
6. The UNIVERSITY will not only benefit this district, it will assist the nation in its trade competition with other nations.

Ask at your works or shop for a copy of the Pamphlet on the University Movement.

NOTICE.

The men engaged at Messrs. EDGAR ALLEN & CO.'S, are invited to attend a

MEETING

To be held IN THE YARD, on

FRIDAY NEXT,

17th MARCH, 1905,

AT 2-0 P.M., WHEN

MEMBERS OF THE UNIVERSITY COMMITTEE

WILL SPEAK ON THE SUBJECT OF

"A UNIVERSITY FOR SHEFFIELD."

THE MEETING WILL BE A SHORT ONE.

LOXLEY BROTHERS, PRINTERS AND STATIONERS, FARGATE, SHEFFIELD.

We can <u>all</u> play a role in Philanthropy

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The University of Sheffield Founded in 1905

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Charities - competition

Over 168,000 “main charities” in the UK

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Is your institution a charity?

- Does your University have charitable status?
- Are people aware of this?
- What is its reference number?
- Do you reclaim Gift Aid?
- Do you make full use of charitable status – e.g. promoting legacies and gifts of stocks/shares

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Why don't people give?

They simply don't understand what goes on in a University and their financial problems

A lot is about marketing, confidence and positioning

Matched Funding

Pioneered in Hong Kong, Canada and Singapore

Only for English universities – although Scotland and Wales are thinking of it too

£200 Million

"to promote a culture of philanthropic giving to higher education institutions, which outlasts the duration of the scheme"

Matched Funding

From 1st August 2008 to 31st July 2011

Must complete Ross-CASE HE voluntary giving survey to participate

Three tiers

Tier 1 – 1:1 – You raise £200K to receive £200K

Tier 2 – 2:1 – You raise £2.7M to receive £1.35M

Tier 3 – 3:1 – You raise £8.25M to receive £2.75M

Matched Funding

Tiers and caps have been set – possible flexibility for upwards movement between tiers.

In year 1, Finance Directors must certify off all claim forms for submission to Hefce by 14th December 2009. Money will be paid by end of March 2010.

With Gift Aid and Matched funding £100 turns into £170 (in tier 3).

Matched Funding

The money is being released in stages:

11.5% in year 1

31% in year 2

57.5% in year 3

Please visit the Hefce website for the latest information – www.hefce.ac.uk/finance/fundinghe/vol/

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People give because:

- They are asked
- They believe

- Everyone needs to understand the mindset of fundraising. It is an institutional thing.

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An African Proverb

"It takes a village to raise a child"

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Making it easy

- How friendly is your website?
- Can a donor find your Development Office, a legacy wording or a donation form?
- Who manages the gift register?
- Who sends a letter of thanks?
- Do you use gift agreements?
- What are your processes?

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What you can fundraise for?

It won’t pay for your utility bill or for new tarmac for a car park.

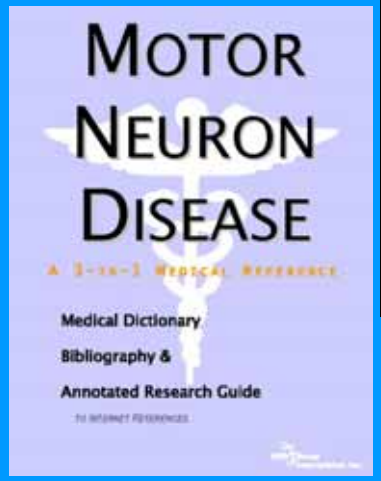
A Case for giving

Short, concise, well-reasoned case for supporting a particular project at an institution

It is supported by evidence and financial costings

Ideally it is compelling, short and exciting

It is targeted at potential donors



Light a fire!

Demonstrate success

Maximise publicity

Generate enthusiasm and excitement

Support your institutional fundraisers.

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Recognition/Stewardship

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Fundraising can and does work

You will need a mixed portfolio for short, medium and long-term fundraising

Use Matched Funding to unlock donations