

University Leaders From Around the World Discuss Fund Raising in Troubled Times
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The worldwide economic crisis is creating unprecedented challenges for fund raisers, but the new philanthropic landscape could also yield unexpected opportunities for higher-education institutions, university leaders from around the world were told at a three-day meeting here last week. The Global Conference on Fundraising and Grantmaking for Universities, held at New York University's George H. Heyman Jr. Center for Philanthropy and Fundraising, attracted top officials from universities in Asia, Canada, Europe, and South Africa.

"This is a deep crisis, and there is a temptation to consider it a crisis that can be overcome quickly, through a pickup of consumption, which is wrong," L. Jay Oliva, a former president of New York University, told the gathering. At the same time, the innovative thinking needed to produce the deep structural reforms that will help end the crisis will allow universities to showcase what they do best, he said.

Neil R. Grabois, a former president of Colgate University, reminded listeners that economic trends in higher education are in many ways countercyclical. For example, as jobs are cut and the broader economy stalls, some people decide to return to college to pursue additional studies, and the higher-education sector expands as other areas contract. With building costs and real-estate costs plummeting, he said, it might even be the moment for some institutions to think about beginning building projects that have been deferred.

At a presentation on "Fund Raising in Times of Financial Crisis," Richard A. Marker, a senior fellow at the Heyman Center and a leading philanthropic adviser, told attendees that universities already were confronting a generational shift in how individuals donate, with an older "noblesse oblige" model of philanthropy giving way to a more targeted, project-based style motivated by donors' desire to make a concrete difference. The bureaucratic structure of many universities is unappealing to younger people accustomed to a venture-capital-style economic model of hands-on involvement, Mr. Marker said.

American Example

The conference attendees represented a range of countries and systems for supporting higher education, but all were eager to learn from the American model.

"America is criticized for everything, but the one thing the rest of the world applauds us for is our philanthropy," said Naomi Levine, chair and executive director of the Heyman Center.

One recurring theme of the conference was that although endowments and public subsidies are shrinking, universities are uniquely placed to take advantage of some aspects of the economic crisis.

Sir Timothy O'Shea, head of the University of Edinburgh, said that the discussions at the conference underscored that "there is a real debate among universities about how to proceed." University leaders are being forced to decide whether they should lower expectations or raise them. Graduate applications at Edinburgh, which is seeking to raise £350-million, are up 50 percent over this period last year, Sir Timothy said, demonstrating concretely that "the need for what we do is more real, more urgent than ever." At the same time, Sir Timothy is being forced to confront difficulties similar to those many universities are facing. At a panel on "Corporations and Global Philanthropy," he asked the speakers how he should deal with the forthcoming disappearance of support from a bank in Scotland that is about to be subsumed into a larger bank. What could he do to maintain that relationship or create a new one with the acquiring bank?, he wondered. In the current economic climate, the panelists told him, there is not much he could do beyond continuing the relationship with those responsible for giving at the bank as best he can.

Low-Key Strategies

Ms. Levine told the gathering that universities should tailor their fund-raising activities to the economic climate. "Universities should not have capital campaigns now," she said. "They should have fund-raising studies, meet with their donors, and use this period for silent strategy. They wouldn't want to have very glamorous events. It just doesn't look right, when people are losing jobs. They need to tone it down."

Ms. Levine also said the downturn presented an opportunity for administrators to "look at the ways in which universities are run" and to make some difficult decisions—such as examining the role of the faculty and the number of courses professors teach. University leaders, she said, will have to "find ways in which you can run more efficiently that won't make you more popular." Ralf Hemmingsen, rector of the University of Copenhagen, said his university still had much to learn about successful fund raising. The university established an alumni organization just two years ago and is setting up a development office. Mr. Hemmingsen said that the most valuable aspect of the conference for him, in addition to making new contacts, had been simply hearing of the experiences of the many seasoned fund raisers on the various panels. "Learning about the pitfalls has been very, very helpful," he said.