2013 ACCOUNTABILITY REPORT TO THE CAMPUS COMMUNITY

“University Advancement’s mission is to inspire pride, commitment and investment in UCR. Our vision is to be the standard for quality service, integrity and accountability.”

University Advancement Strategic Themes document
September 21, 2010

This mission and vision were adopted by the University Advancement Leadership Team during summer 2010 to encourage focus and discipline around the work we do on behalf of UCR. From these statements of philosophy, as well as the UCR 2020 strategic plan, the team developed goals, objectives and plans that have since guided the department’s activities.

This report is intended to serve two purposes. First, it serves to provide transparency and accountability of University Advancement to the campus units it serves. Second, this report is designed to provide archival documentation of broad University Advancement activities and metrics as well as the environment in which the organization operated. This is not intended to be a comprehensive listing of the organization’s accomplishments. Rather, it highlights key areas of success, opportunities for future growth, and goals for the coming fiscal year. We issue this report annually to provide stakeholders with a clear view into the operations of University Advancement.

The audience for this document is primarily campus leadership, the faculty and other internal stakeholders. As the campus continues through the quiet phase of a comprehensive fundraising campaign, it is vital that the UCR community values building external support and understands the role University Advancement plays in partnership with campus units. This transparency will allow for meaningful conversations and activities to unfold against a backdrop of mutual trust and cooperation.
The major factor impacting University Advancement's efforts during 2012-13 was leadership turnover at various levels. At the fiscal year's beginning, major initiatives had begun to take hold, and real—and lasting—change began to yield results. In the prior year, private support exceeded $30 million for the second year in a row, after a decade in which average annual gift support was just over $20 million. The Living the Promise communications campaign was redesigned to provide year-long continuity and increased visibility in important East Coast media markets. The alumni population swelled to approximately 94,000 graduates, who were invited by the campus to a range of professional, networking and social events across Southern California, in the San Francisco Bay Area, Sacramento, Washington D.C., and New York.

Chancellor Timothy White's departure in December 2012 to lead the California State University system created an immediate and significant challenge to UCR's still recovering external relations rebuilding efforts. A skilled communicator and ambassador, Chancellor White had developed trust and respect with key members of the community, including alumni, donors, and civic and business leaders. His departure was viewed with disappointment and the campus was forced to shift from growth mode to stewardship and maintenance. This resulted in continued advances in some areas, but setbacks in others. Most notably, several close friends of the University who were considering proposals to make sizeable philanthropic investments in UCR held back to await appointment of a new permanent leader. Exceptionally strong interim leadership provided important continuity, but the constraints posed by a bridge strategy delayed commitments to the campus that would have supported students, faculty, programs, and capital projects.

In addition, leadership transition within University Advancement created uncertainty and adjustment. Recruitment, training, and development persisted unabated, but the transition did require realignment of reporting relationships. University Advancement continues its focus on high-potential employees and novel recognition initiatives to show appreciation to team members even in the face of constrained resources. The announcement of a forthcoming cost of living adjustment was welcome news but, as is the case across campus, salaries still lag the broader market in many cases.
METRICS AND TRENDS

In advancement work, a wide range of metrics are used to assess organizational effectiveness. What follows is discussion of some of those key measures and how we performed in FY2012-13.

FUNDRAISING

PRIVATE SUPPORT DOLLARS FALL DURING LEADERSHIP TRANSITION; IRS CHANGES

UCR raised $20,768,717, a decrease of almost 43% from the previous year. This drop came on the heels of a three-year trend of increasing private support. There are two major underlying causes of the drop, the first of which is an accounting change. The Council for Advancement and Support of Education clarified its reporting standards in alignment with the Internal Revenue Code, which does not recognize certain “partial interest” gifts of software. The impact of this change at UCR was $10,557,854, so the real dollar decrease in private support activity was 14%, which appears to be attributable to chancellorial transition. As of June 30, 2013, the campus had submitted 7- and 8-figure proposals totaling $35 million to various donors. Had half of these dollars been realized, the campus would have surpassed its previous fundraising year, even in the absence of the software gifts. With the appointment of a new permanent chancellor, these prospective donors will have an opportunity to finalize their giving intentions with a better understanding of UCR’s future outlook.

NUMBER OF GIFTS CONTINUES TO RISE AS DEVELOPMENT PROGRAM STRENGTHENS

Total number of gifts rose by 11.1%, continuing a positive trend of increasing overall donor participation and bettering the 9.6% climb in the comparable prior year’s gift count. Smaller charitable gifts to education tend to weaken during economic downturns, as discretionary dollars increasingly flow to community-based social-service nonprofit organizations. Because UCR’s future major gifts will likely come from those who are giving modestly today, it is critical that the campus continue to grow the population of individuals who support UCR at smaller gift levels, and steward them appropriately. Unfortunately, these are likely major donors to UCR’s next campaign, not the one currently underway.
NEW STUDENT INITIATIVES HELP BUILD CULTURE OF PHILANTHROPY

Engaging current students in giving is a cornerstone of our UCR 2020 goal to create a sustainable culture of philanthropy. In addition to the historically successful senior class giving program, the UCR Student Alumni Association (SAA) and Golden Key Honor Society added a new activity, Dance Marathon, to their slate of programs in 2012. The pledge-based fundraiser supporting UCR’s Guardian Scholars fund launched with hundreds of participants and $14,734 in new gifts to support students. The second event, in February 2013, garnered $18,454, growth rate of 23%. SAA also created Donor Appreciation Week at UCR to educate the campus about the importance of philanthropy. The highly visible campaign increased awareness of external financial support among students and also resulted in hundreds of thank you notes being written to student scholarship donors.

ALUMNI PARTICIPATION CONTINUES TO LAG

Alumni participation, as defined by U.S. News & World Report, is the percentage of contactable undergraduate degree-holders who made a gift of any size to the institution during the fiscal year. This is a complicated metric, because the denominator is a moving target. Several thousand new graduates are added each June, while some other alumni become “lost,” that is, we discover we no longer have a valid address. During FY2012-13, UCR’s alumni participation rate continued its decline from 4.1% to 3.4%.

Importantly, the absolute number of alumni donors also dropped from its peak of more than 2,800 in 2009-10 to just 2,572 in the most recent fiscal year. This trend is troubling and new measures will be required to reverse the decline.
UCR FOUNDATION

COALESCING CAMPAIGN LEadership

The campaign feasibility study revealed some important challenges around campaign leadership. While an unexpectedly high number of those interviewed indicated that they would be willing to be campaign volunteers – even to the point of agreeing to ask others for money – the data revealed fewer than optimal viable prospects for 7-figure and higher campaign gifts. Formation of a campaign leadership group will require identifying those who have made significant philanthropic commitments to the campus and who are willing to invest resources for a transformative campaign gift. In addition, this group must have access to a large network of potential donors and be willing to make introductions in order for the campaign to be successful. This group must be assembled in the current fiscal year to provide the Chancellor and campus leadership with advice, guidance, and counsel as campaign goals are fine-tuned and finalized.

END OF GREAT RECESSION FUELS ENDOWMENT GROWTH

Growth in the endowment has been a function of both new contributions and exceptional investment performance. Under guidance from a volunteer investment committee and an outside consultant, the UCR Foundation has performed exceptionally well, and returned 11.5% in FY2012-13 resulting in a market value on June 30, 2013 of $106,986,520. Market value for the comparable prior period was $95,255,038.

ENDOWMENT MARKET VALUE AT JUNE 30
ADVANCEMENT NOW HAS 114,038 VALID EMAIL ADDRESSES FOR ALUMNI, PARENTS, AND FRIENDS

1% INCREASE IN VALID EMAIL ADDRESSES IN THE DATABASE FROM LAST YEAR

As information consumption patterns change and mailing costs rise, electronic communications will continue to grow in importance. University Advancement actively and aggressively seeks to populate the database with valid email addresses through mailings, events and other “touch-points” with alumni and friends. In addition, specialized vendors are contracted to provide such information. As a result of this disciplined, systematic approach, Advancement now has 114,038 valid email addresses for alumni, parents, and friends.

SYSTEMS

1,886 PROSPECTS UNDER ACTIVE MANAGEMENT BY GIFT OFFICERS (AN INCREASE OF 155%)

Prospect management is the crucial process of tracking the institution’s identification, cultivation, solicitation and stewardship of prospective donors. Such a system must be intuitive, user-friendly and structurally sound to provide development officers and their academic partners with accurate, current information and clearance for solicitations. This helps the campus appear organized and coordinated to donors.

The movement of prospects into active management is a sign of progress in our efforts to more effectively engage prospective donors. The current population of prospects under active management is a better predictor of future major gift potential than it has been in the past, a goal identified in the capacity analysis conducted by consultant Marts & Lundy. Specifically, the Development office has attempted to:

1. Increase overall focus on identifying and qualifying new prospects both centrally and in the units with the addition of two regional gift officers and a heavier focus/expectation for the unit based development staff to meet monthly goals for qualifying new prospects.

2. Focus effort on building high quality prospect portfolios; many of which have been refined and grown through addition of high potential prospective donors.

UCR utilizes a systematic process that significantly reduces the number of instances where fundraising units on campus have inadvertently engaged donors and potential donors while they were already involved in other conversations. With the assignment of relationship coordinators and the implementation of clear prospect management policies and procedures, the number of unapproved solicitations of university donors has dropped dramatically over the past year, and enhanced overall coordination. Significantly increasing the number of prospects under management is essential if UCR is to reach its campaign goals.

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ALUMNI ENGAGEMENT

NEW AND RENEWING ALUMNI ASSOCIATION MEMBERSHIPS INCREASED BY 3%

The UCR Alumni Association now stands 7,272 members strong with the addition of 852 memberships in FY2012-13. While the role and benefit of a membership dues-based structure evolve over time, the current model still holds anecdotal value for UCR, with graduates expressing appreciation for the increased engagement that comes with membership. Association members are three to four times more likely to also be donors. Without suggesting causation, it is clear that the correlative relationship between these engagement choices demands that we look closely at ways to reinforce the importance of joining and giving in support of alma mater. As part of this effort, the alumni relations unit is working closely with development to increase both memberships and annual gifts.

VOLUNTEER PARTICIPATION INCREASED BY 31% IN SERVICE TO UC RIVERSIDE

When we talk with our constituents about giving back, we refer to the “Three T’s” — time, talent and treasure. Increasingly, time is the most precious commodity that individuals hold. Yet, there are often many things our friends can do more effectively than paid staff. Legislators in Sacramento and Washington, D.C., pay closer attention to volunteer advocates than they do to UC employees. Further, no one can convey to prospective and new students the nuances of the Highlander experience better than our alumni. Through clubs and chapters, the Student Alumni Association, scholarship committees, advocacy and a range of other activities that support UCR, 2,373 volunteers invested their passion, commitment and creativity this year in making our campus shine.

COMMUNICATIONS

EXPANDING DIGITAL REACH

New media, perhaps the area of communications with the greatest future potential, continued to see enormous gains. The fan base on the official campus Facebook page grew to 29,000, engaging this essential marketplace of ideas with more than 900 posts. In addition, YouTube videos, Instagram photos, Twitter posts, and Google+ activity engage a thriving online community supporting UCR’s diverse campus culture. Social media efforts are critical with half of UCR’s alumni population aged 35 and younger. UCR's website has gained national acclaim for efforts to make the pages accessible to people with disabilities. The UCR.edu domain received more than 15.3 million visits, 74% of which were external, during FY2012-13, and online editions of UCR Magazine and Inside UCR were launched.

MAKING UNIVERSITY RESEARCH MATTER

Living the Promise, UCR's annual messaging effort that highlights the real-world impact of university research to policymakers, opinion leaders and the general public, continued to gain momentum in its third year, yielding 61.3 million impressions through paid media placements. The breadth of the project represents a cross-section of UCR’s scholarly activities, and the campus continues to get positive feedback on the effort's ability to make complex, technical research understandable and accessible to the general public.

TELLING THE UCR STORY BEYOND SOUTHERN CALIFORNIA

UCR’s research and activities were prominently featured in more than 4,300 articles and broadcast segments throughout the nation and world. Among the 1,500 news organizations covering our faculty and students in the past year were: The New York Times, BBC, NPR, The Los Angeles Times, Associated Press, Reuters, The Wall Street Journal, The Sacramento Bee, The Washington Post, USA Today, and many others.
SYSTEM IN PLACE FOR IMPROVED TRACKING OF ALUMNI AND DONORS

With numerous improvements over the past few years, the Raiser’s Edge database system used by our department provides ongoing feedback on alumni engagement and development activities. The production of private support dollars is an outcome of long-term relationship building, so that metric continues to be critical in gauging effectiveness. But it is also true that relationship building requires ongoing, high quality contact, so the organization strives to improve its ability to track communications, invitations, event participation, significant gift officer contacts, solicitations, and gift closures. During the past fiscal year, a system of tracking gift officer activities was finalized and is now being distributed routinely. In addition, a cross-functional team focusing on alumni communications convened and is meeting monthly to examine our communication patterns and practices targeting alumni to ensure better message integration, timing, and continuity.

DIVERSIFYING BASE OF SUPPORT

Giving from individuals represents a major untapped opportunity for UCR, as illustrated in the chart on the following page. The campus is disproportionately dependent on funding from corporations, foundations and other organizations, which together comprised more than three-quarters of our private support. To be sustainable, UCR must be more reliant on individual major donors across the full spectrum of gift tiers in a way that allows for some flexibility in the system if a given source recedes. The key to expanding individual major gift support lies in more sophisticated, creative and strategic research and prospect management, and disciplined attention to the quality and depth of the giving pipeline.
**FISCAL YEAR 2012-13 DOLLARS RAISED BY TYPE**

- **PLANNED GIFTS** $824,120
- **GIFTS-IN-KIND** $2,992,853
- **AWARDS (GRANTS)** $4,658,322
- **MULTI-YEAR PLEDGES** $4,869,636
- **OUTRIGHT GIFTS** $7,423,786
- **TOTAL** $20,768,717

**FISCAL YEAR 2012-13 DOLLARS RAISED BY SOURCE**

- **PARENTS** $234,272
- **FACULTY/STAFF** $657,915
- **ALUMNI** $1,762,804
- **OTHER INDIVIDUALS** $2,437,019
- **FOUNDATIONS** $3,359,707
- **OTHER ORGANIZATIONS** $6,097,057
- **CORPORATIONS** $6,219,950
- **TOTAL** $20,768,717

**FISCAL YEAR 2012-13 DOLLARS RAISED BY USE**

- **LIBRARY** $131,212
- **DISCRETIONARY** $209,954
- **ATHLETICS** $265,851
- **OTHER PURPOSES** $862,223
- **STUDENT SUPPORT** $2,856,257
- **PROGRAMS/RESEARCH** $6,604,667
- **DEPARTMENT SUPPORT** $9,838,553
- **TOTAL** $20,768,717

**FUNDRAISING BY BENEFITTING UNIT**

- **UNIVERSITY EXTENSIONS** (0.15%) $31,997
- **GRADUATE SCHOOL OF EDUCATION** (0.36%) $75,487
- **UNIVERSITY LIBRARIES** (0.63%) $130,987
- **SCHOOL OF BUSINESS ADMINISTRATION** (1.16%) $240,017
- **ATHLETICS** (1.50%) $312,243
- **UNIVERSITY-WIDE** $728,915
- **STUDENT SUPPORT** $1,046,476
- **SCHOOL OF MEDICINE** $3,445,127
- **COLLEGE OF HUMANITIES, ARTS & SOCIAL SCIENCES** $3,709,131
- **BOURNS COLLEGE OF ENGINEERING** $3,813,396
- **COLLEGE OF NATURAL & AGRICULTURAL SCIENCES** $7,234,940
- **TOTAL** $20,768,717
COMPREHENSIVE CAMPAIGN

During FY2012-13, consulting firm Marts & Lundy completed a feasibility study to provide another data point in determining campaign goals for UCR. Although this essential planning tool did not disprove any of the existing assumptions, it did reveal hesitance among our donor community that our working dollar goal is feasible. We will continue to track progress toward goal with an eye toward reaching at least 40% of the overall goal before transitioning to the public phase. With the arrival of a new chancellor, the next phases of planning can proceed, including appointment of a volunteer leadership committee, solicitation of lead gifts, and shaping of unit priorities, both by dollars and purposes.

FY2013-14 GOALS

The last fiscal year was an inflection point for the campus. Accreditation of the School of Medicine and the quiet phase launch of a comprehensive campaign have put tremendous pressure on the institution to generate external support. University Advancement has set the following goals for FY2013-14:

- Generate $32 million of private support in gifts and pledges
- Increase the absolute number of alumni donors from 2,572 to 2,600 to halt the downward slide
- Expand research communications efforts in partnership with the Research and Economic Development Office
- Create a volunteer campaign leadership group
- Add 728 new and renewing members to the UCR Alumni Association, representing a 10% increase and bringing the membership to 8,000
- Complete recruitment of Associate Vice Chancellor for Development