

## Vice President for Resource Development

The Department of Resource Development, whose mission is to develop major philanthropic support for MIT, has enjoyed impressive success over recent years, and that trend continued in FY2006. Following on the completion of a \$2 billion capital campaign, the department, and the Institute, experienced one of the most successful fundraising years ever. This achievement reflects the faith of MIT's most generous alumni and friends, along with numerous corporations and foundations, in the Institute's ability to make valuable use of private resources. At the same time, it signals that both Resource Development and the Institute as a whole are well positioned to foster continuing growth in MIT's philanthropic support—an important reality at a time when the Institute, under new leadership, has added to the university's existing agenda ambitious new initiatives in areas such as cancer and energy.

Resource Development relies on partnerships across the Institute to accomplish our work. Especially critical have been the department's interactions with the president's staff, the Corporation chairman, the provost, the chancellor, the deans, and selected faculty. All have been instrumental in helping Resource Development encourage major gift prospects to become donors. The department's staff also collaborates frequently with the MIT Alumni Association and school, department, lab, and center development officers in developing financial support for research priorities and academic programs as well as for individual faculty and students. Importantly, in FY2006 the department began building new connections to the MIT News Office, with significant benefits for both organizations.

### Highlights

In FY2006, MIT successfully completed a near record-breaking year. New commitments to the Institute amounted to \$301.3 million, exceeding last year's total by an astonishing 43 percent. Cash gifts were very strong at \$241.8 million—an increase of more than \$30 million over FY2005. These numbers represent the second highest totals ever in both categories—an exceptional feat considering it has now been almost two years since The Campaign for MIT's successful conclusion. Other highlights included:

- Dedication of the new complex housing the Patrick '59 and Lore McGovern Institute for Brain Research, the Picower Institute for Learning and Memory, and the Department of Brain and Cognitive Sciences
- Three \$25 million pledges to support, respectively, the MIT Center for Cancer Research, the Media Lab extension building project, and undergraduate financial aid
- A \$15 million pledge to endow graduate fellowships and a professorship in the Department of Economics' Abdul Latif Jameel Poverty Action Lab
- A \$14 million Lemelson Foundation pledge to the Lemelson-MIT Program, which is administered by the School of Engineering.

## Summary of FY2006 Fundraising Results

In FY2006 private support totaled \$250.6 million. This included:

- \$241.8 million in gifts, grants, and bequests
- \$8.8 million in support through membership in the Industrial Liaison Program

Private support for FY2006 compares with:

- \$216.5 million in 2005
- \$298.2 million in 2004
- \$191 million in 2003
- \$222.9 million in 2002

Gifts-in-kind for the past year (principally gifts of equipment) were valued at \$1.2 million.

By source, gifts totaled:

- \$98.2 million from alumni
- \$16.1 million from non-alumni friends
- \$40.2 million from corporations, corporate foundations, and trade associations
- \$86.5 million from foundations, charitable trusts, and other charitable organizations
- \$0.8 million from other sources

Expendable and endowed funds were designated as follows:

- \$19.8 million in unrestricted support
- \$133.6 million for research and education programs
- \$12.2 million for faculty salaries
- \$20.1 million for graduate student aid
- \$23.0 million for undergraduate student aid
- \$4.6 million for undergraduate education and student life
- \$27.2 million for building construction funds
- \$1.3 million pending designation

**Stephen A. Dare**  
Interim Vice President for Resource Development

## Human Resources

This year, recruitment activities increased with the restoration of the department's budgets following two years of reductions. There were 14 new staff hires, including seven women and two Asian men. Resource Development continued its effort to recruit qualified women and minority candidates by working closely with MIT Human Resources and others to identify new sources from which to draw its applicant pool. Lorraine Ng was promoted to associate director of finance and administration, and Sarah Fernandez to director of research. In addition, Judy Patterson was promoted to director of human resources for corporate relations. Maureen Donnelly joined the staff as associate director of stewardship, and Bradley Smith as leadership giving officer. Pamela Dumas Serfes, director of the Office of Communications and Donor Relations, took on additional responsibilities as interim director of the MIT News Office.

With the retirement of Allan Bufferd as MIT treasurer, the Recording Secretary's Office (RSO), directed by Bonny Kellermann, joined Resource Development. RSO receives, records, and acknowledges gifts and pledges. The office also maintains the records of all of MIT's funds.

A major transition for the department and MIT in FY2006 was the retirement of Barbara G. Stowe, vice president for resource development, who had served the Institute for 25 years. Under Barbara's leadership, MIT in FY2005 completed a highly successful \$2 billion capital campaign. In addition to serving as vice president for the last 12 years, Barbara had been director of foundation relations, assistant dean for resource development in the School of Humanities, Arts, and Social Sciences, and director of health sciences development.

Stephen A. Dare, director of resource development, was appointed interim vice president for resource development.

**Elizabeth M. Ogar**  
**Director, Office of Finance and Administration**

## Office of Principal Gifts

The Office of Principal Gifts (OPrG) continues to engage the Institute's most generous donors in the life of MIT, working to deepen their relationships with students, faculty, and senior staff, to acknowledge the importance of their generosity to the Institute, and to encourage their continued support of MIT.

In FY2006, working with the Office of Donor Partnerships and the vice president for resource development, the office brought in \$111.5 million in gifts in increments of over \$5 million. In addition, the number of living donors whose lifetime giving to MIT exceeds \$5 million increased from 35 to 43.

Together with the vice president's office and the MIT Alumni Association, the office also provided leadership in making appropriate use of 75 days committed by President

Hockfield to development and alumni activities. The office organized two presidential trips to Asia; the OPrG director accompanied the president on these trips, as well as on visits with principal gift-level donors throughout the US. OPrG staff also led a planning effort among multiple resource development offices in preparation for the first Institute-wide celebration of named endowed professorships at MIT, scheduled for early in FY2007.

**Lucy V. Miller**  
**Director of Principal Gifts**

### **Office of Institutional Initiatives**

The Office of Institutional Initiatives (OII) was established on July 1, 2005, with the mission of managing the development program for the highest-priority interdisciplinary initiatives at MIT. To achieve this goal, the office works with colleagues within Resource Development; with school, program, and project fundraisers; with the MIT Alumni Association; and with selected faculty and staff. The OII also manages a portfolio of alumni and non-alumni principal gift donors and prospects.

In FY2006, OII worked with faculty leaders and administrators to develop the fundraising architecture for the new facility for the MIT Center for Cancer Research, for the energy initiative, for the OpenCourseWare program, and for the OpenCourseWare Secondary Education initiative.

**O'Neil A. Outar**  
**Director of Institutional Initiatives**

### **Office of Donor Partnerships and Special Projects**

The Office of Donor Partnerships and Special Projects focuses primarily on developing philanthropic relationships with individuals and groups who are not formally affiliated with MIT, and with sustaining those ties after such prospects have become donors to the Institute.

In FY2006, the office's primary activity centered on engaging and soliciting non-alumni at the level of \$100 million and up. Working throughout the fall of 2005 with donors, faculty, and administrative staff, the office contributed to the celebrations and dedication of the new brain and cognitive sciences complex. Events included three daylong symposia, four special dinners, and a campus community celebration. Working closely with the president and other senior officers, the office also hosted several donor visits, and participated in events celebrating the opening of the new Broad Institute. Highlights of work with assigned alumni prospects included a new eight-figure gift commitment and a special cultivation event in Palm Beach, Florida.

**Christine Rinaldi**  
**Director of Donor Partnerships and Special Projects**

### **Office of Leadership Giving**

The Office of Leadership Giving (OLG) is responsible for developing philanthropic relationships with MIT alumni and friends in support of MIT's core needs and key priorities. To that end, we work closely with the president's and Corporation chairman's offices, with deans and department heads, and in particular with the volunteers across the country who serve on MIT's Corporation Development Committee.

The office's mission includes cultivating, soliciting, and stewarding individual alumni and friends capable of making gifts at the level of \$100,000 and above. In the past year, OLG staff completed a total of 1,185 fundraising visits with alumni across all regions of the United States—a 21 percent increase over visit activity in FY2005, and a 7 percent increase over such activity in FY2004. The visit results are due in part to the addition of five new leadership giving officers in the third quarter of FY2005 and the first and second quarters of FY2006. Also in FY2006, the Office of Leadership Giving increased by 18 percent its contribution to new gifts and pledges to the Institute; its staff raised \$25.2 million, compared to \$21.3 million in FY2005 and \$20.7 million in FY2004. Our efforts in FY2006 were focused on increasing support for the Institute's core needs—scholarships, fellowships, and unrestricted resources.

The strong fundraising results for the year reflect a variety of factors, including a generally favorable environment for philanthropic giving, the Institute's new directions—particularly its energy initiative—and the addition of new leadership giving officer positions.

**Katherine E. Eastment**  
**Director of Leadership Giving**

### **Office of Gift Planning**

The Office of Gift Planning (OGP) supports MIT's development efforts by engaging donors in estate planning and other activities related to life income gifts or bequests. Life income gifts—which include charitable remainder trusts, gift annuities, and pooled income funds—provide donors with income and substantial tax benefits. These gifts provide funding for scholarships, fellowships, professorships, the MIT Libraries, and general Institute needs. OGP also seeks to increase awareness of planned giving among internal and external constituencies, and to further cultivate relationships with current donors while supporting the efforts of staff in other Resource Development offices.

During FY2006, OGP secured a record-setting \$16.17 million in gifts from 66 donors. Two gifts of \$5 million or more accounted for better than half this total. Three gifts in the \$500,000 to \$999,999 range were also received. As in past years, charitable remainder trusts and gift annuities continued to account for the most significant gifts, totaling \$12.29 million and \$3.79 million respectively. Alumni and friends of MIT—two-thirds

of them first-time donors—established 35 gift annuities, including seven deferred gift annuities. Charitable remainder trusts accounted for approximately 76 percent of total gifts received. Of the 22 trust gifts this year, 87 percent were from repeat donors.

The office continued to market planned giving options through events and direct mail. The events, hosted by planned giving donors, feature an attorney's presentation on estate and financial planning. This year, OGP's four estate planning events included a luncheon for MIT faculty, and an event at MIT's Endicott House for widows and widowers of alumni.

**Judith V. Sager**  
**Director of Gift Planning**

### **Office of Corporate Relations**

The Office of Corporate Relations (OCR), which includes the Industrial Liaison Program (ILP), creates and strengthens mutually beneficial relationships between MIT and corporations worldwide. During FY2006, the ILP collected record-setting revenues of \$8.8 million, the highest total in the program's 58-year history. In addition, ILP membership increased to 181 companies, representing a net increase of six from the previous year and 18 overall since FY2003.

Total corporate gifts to the Institute in FY2006 rose 13 percent from FY2005, to \$40 million, while corporate research volume totaled \$99 million, up 7 percent. In addition, OCR provided faculty-requested assistance to all of MIT's major corporate partnerships, particularly the Ford and DuPont Alliances. The office also played an important role in a number of other successful research and philanthropic interactions.

OCR continued to sponsor important communication vehicles, including the ILP website, ILP MIT Technology Insider, and ILP conferences and events. In addition, through the ILP's Industry Leaders and Technology Executives Lecture Series, the office hosted on-campus meetings of six CEOs or CTOs with faculty, senior administrators, and students.

**Karl F. Koster**  
**Director of Corporate Relations**

### **Office of Foundation Relations**

The Office of Foundation Relations manages MIT's relationships with the foundation community and supports project-driven fundraising on behalf of the deans and faculty. Gifts from private foundations and charitable trusts for this fiscal year totaled \$86.5 million, an increase of 1 percent over FY2005 and our third consecutive record for receipts from private foundations.

This year featured new or continued major foundation support for the Lemelson-MIT Program; autism research; the OpenCourseWare initiative; the MITES, SEED, STEM pre-college outreach programs; the MIT-CalTech Voter Technology Project; the Kavli Institute for Astrophysics and Space Research; the Kuwait-MIT Center for Natural Resources and the Environment; the Moore Foundation Investigators program in marine microbiology; the Terrascope program; the Security Studies Program; the iLabs Africa program; the Science, Technology, and Global Security Working Group; the Transgenic Mouse Facility in the Center for Cancer Research; the Poverty Action Lab, and the MIT-Italy program. The office was also instrumental in developing fellowship support in the environmental sciences, brain and cognitive sciences, mathematics, economics, electrical engineering and computer science, and numerous other areas.

**John E. Oldham**  
**Director of Foundation Relations**

### **Office of Communications and Donor Relations**

The Office of Communications and Donor Relations (ComDor) supports the fundraising mission of MIT through online and print communications, stewardship activities, and events. In FY2006, the office made a number of changes and improvements relevant to that goal.

The ComDor stewardship group designed and launched a new web-based, MIT-wide informational and educational resource, the Stewardship Toolbox. The group, working with other MIT offices, also initiated a comprehensive system for tracking interactions with major gift donors and prospects. In addition, the stewardship staff drafted over 450 scholarship reports and more than 1,300 presidential acknowledgement letters. It also staged four events for members of the Emma Rogers Society, the affinity group for widows of MIT alumni. The Catalyst Society, which recognized donors of \$100,000 or above in the Campaign for MIT, officially closed in FY 2006 and gifts were distributed throughout the spring.

The events group worked with other Resource Development offices to stage gatherings for major gift prospects and others. The group managed approximately 60 events, ranging from campus visits—which bring roughly 50 alumni, spouses, and friends to MIT for presentations and festivities—to planned giving events and scholarship Undergraduate Research Opportunities Program brunches. The group also managed regional events for major and principal gift prospects that featured President Hockfield or selected faculty. For the first time ever, an off-campus equivalent to the campus visit was staged in Northern California.

ComDor's communications group oversaw a major redesign of the Spectrum newsletter. This thrice-yearly publication, which goes to roughly 45,000 alumni households as well as other audiences, continued to highlight important research and other activities involving MIT faculty and students. The communications group also created several additional print publications—colorful and informative descriptions of MIT fundraising priorities, a number of which have been of value in generating six-figure gifts. Finally,

the communications team completed a brochure, “The Structure of Invention,” designed for use by MIT fundraisers seeking to educate prospects about the Institute’s priorities.

**Pamela Dumas Serfes**

**Director of Communications and Donor Relations**

### **Office of Development Research and Systems**

The Office of Development Research and Systems (ODRS) provides prospect research, information management, technology, and training support to Resource Development and its partners in MIT’s fundraising enterprise. In FY2006, the office continued to focus on three key strategic areas—research, information management, and technology—while carrying out projects aimed at enhancing the quality of the support provided to MIT fundraisers.

Research continued to focus on providing intelligence and analysis on known philanthropic prospects, and on identifying new ones. Significant effort was expended on briefing senior officers. More than 250 detailed reports were prepared in FY2006, representing an increase of 20 percent over last year.

Prospect identification efforts rose dramatically during the year, reflecting a focus on building the pool of prospects. A total of 1,002 evaluations were completed, resulting in the discovery of 263 previously unknown major gift prospects. The number of new prospects identified represents a 40 percent increase over FY2005.

The systems and reporting groups serve more than 200 clients in Resource Development and the schools. In FY2006, the group implemented a special system for tracking requests for data or reports. Meanwhile, more than 2,500 help desk phone requests and 946 email requests were completed.

Teamwork between the systems and database groups is enabling the research staff to find prospects more efficiently. In addition, through systems developed in conjunction with research and field staff, prospects are now being assigned to prospect managers automatically. Qualitative enhancements of the database have been made in cooperation with the MIT Alumni Association and the Treasurer’s Office, as well as with fundraising staff in the schools and elsewhere.

**Robert D. Scott**

**Director of Development Research and Systems**