The Grenzebach Glier Quarterly Review

Philanthropic News and Analysis

WINTER 2007

The Transfer of Wealth: Giving Now or Later

Development operations that have geared up in anticipation of the predicted national transfer of wealth may want to revisit their projections. According to *Giving USA*, less than eight percent of the charitable bequest totals that some researchers said would be received through 2017 have actually been recorded, with just $127.6 billion bequeathed to charities from 1998 to 2004 (Holly Hall, "Much-Anticipated Transfer of Wealth Has Yet to Materialize, Nonprofit Experts Say," *The Chronicle of Philanthropy*, April 6, 2006). To hit the predicted $1.7 trillion mark by 2017, charitable bequests "would have to average $120.9 billion annually for 13 years straight, beginning in 2005."

Even charities that are among the most active in seeking bequests say they have yet to see any indication that the wealth transfer has started. The **American Heart Association**, **Memorial Sloan-Kettering Cancer Center**, and **World Vision** all say that bequest totals have been flat, Hall reports.

The amount of bequests cited in *Giving USA* is not what he had predicted, agrees Paul Schervish, director of the Center on Wealth and Philanthropy at Boston College. He attributes the lag in the transfer of wealth to a number of factors: household wealth fell by approximately five percent from 1999 through 2002, a sharp contrast to the model the researchers used, which estimated growth by two to four percent annually; a drop in U.S. mortality rates from 1998 through 2005; and growing interest in lifetime giving among wealthy households.

Karen Donovan also reports indicators that suggest the wealth transfer activity and charitable giving may proceed on a lower trajectory. Potential donors are

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In This Issue

Philanthropy

Nota Bene

Today's Donors Want More

What inspires wealthy donors to give, what could prompt them to give more, and what charities are benefiting most from their philanthropy? A new study commissioned by the philanthropic management group of the Bank of America (BOA) reveals the motivations and frustrations of the nation's wealthiest donors and how fundraisers can make their causes more attractive to donors.

The BOA Study of High Net-worth Philanthropy (The Center on Philanthropy at Indiana University, October 2006) surveyed some 30,000 households in high net-worth neighborhoods (incomes greater than $200,000 and more than $1 million in assets) across the country. As expected, nearly 100 percent of high net-worth households surveyed donated to charitable organizations in 2005 compared to 67 percent of less affluent U.S. households.

Still, the wealthy could dig deeper, not feel any financial pinch, and alleviate many of the world's ills, according to calculations by Peter Singer, the Ira W. DeCamp Professor of Bioethics at the Center for Human Values at Princeton University ("What Should A Billionaire Give and What Should We?" *The New York Times Magazine,* December 17, 2006).

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Bequeathing the Values of Philanthropy

Warren Buffett's gift of $31 billion to the Bill & Melinda Gates Foundation last year and the recent $400 million gift to the Sioux Valley Hospital and Health System by billionaire T. Denny Sanford bring renewed attention to a complicated question: Is it better to limit inheritances and avoid spoiling heirs, or to pass on the wealth in the hopes they will build on it for good purposes?

Wealthy people who don't plan to pass along most of what they have to their children are the exception, says Cisco Systems CEO John Chambers, age 56. "It strikes at the heart of parenthood. Even those in the middle class who have been made millionaires by homeownership risk spoiling their children," but Chambers says that won't stop most of them, according to *USA Today* ("Should Kids Be Left Fortunes, or Be Left Out?" by Rachel Breitman and Del Jones, July 26, 2006).

> *"What parents can best offer to their children is a model of how they experienced the rewards of philanthropic giving."*

Promote Philanthropy

Yet psychologist Gary Buffone, an expert on the affluent and author of *Choking on the Silver Spoon* (Simplon Press, 2003), says large inheritances can devastate otherwise healthy children, even those who enter adulthood before they learn that they have been made rich.

Vast family fortunes can create big problems for children of wealthy parents. But sometimes the fortunes enable philanthropic activities that can bring focus and meaning to the children of wealth, writes Victoria Knight ("Philanthropy Helps Focus Rich Kids," *Dow Jones Newswires,* November 21, 2006). "Families often don't anticipate the problems" that can arise from extreme wealth, says Richard M. Ditzio, North America head of the High Net Worth group for Citigroup Inc.'s Private Bank, who works with families with fortunes ranging from tens of millions to several billion dollars. That's why private bankers at Citigroup, and a growing number of financial advisors at Wall Street and independent firms, are developing strategies to help children of wealthy families become better financial and life stewards, writes Knight.

Paul Schervish believes parents must inspire philanthropy in heirs, not impose it. "At its best, philanthropy is voluntary and self chosen, but there are many ways of promoting philanthropic

The Grenzebach Glier Quarterly Review
Philanthropic News and Analysis
Winter 2007, Vol. 3, No. 2

An international leader in philanthropic management consulting, Grenzebach Glier and Associates, Inc. (GG&A), has more than 45 years of experience with educational, cultural, medical, and other nonprofit institutions. The goal of the *Review* is to provide timely information about issues and events that are relevant to philanthropy.

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impulses. What parents can best offer to their children is a model of how they experienced the rewards of philanthropic giving."

Cam M. Kelly, director of major gifts and gift planning at **Smith College**, shares a story, first related by Tom Rogerson of Mellon Private Wealth, about a client who holds an annual "Family Philanthropy Day" for his grandchildren. Representatives from local charities speak briefly about their work to the grandchildren, who then visit zoos or homeless shelters to learn more about the organizations first-hand. The grandchildren then choose a charity to receive a gift that year. In addition to the group decision, each grandchild directs an individual gift to the charity of his or her choice as a thank you for participating in the day.

"Including mature children and grandchildren in private foundation and community foundation grant making decisions is wonderful," says Kelly. "This practice can strengthen family ties and beliefs while it strengthens a charitable organization."

USA Today reports that some grand-parents are giving donor-advised funds as graduation gifts so their grandchildren can get involved in philanthropy by researching and making grants to charities of their choice, while a growing number of families are using incentive trusts to monitor and reward (or punish) the behavior of children and grandchildren.

Teach Your Children Well

Brian Sagrestano, executive director of gift planning at the **University of Pennsylvania,** hears one message consistently: "Baby boomers have no desire to leave too much to their children. They are teaching their children to understand philanthropy, but they express concern about how their children will make an impact with their inheritances and not be indulgent."

Bob and Brynne Coletti, longtime supports of **Miami University of Ohio** and trustees of the Farmer Family Foundation, believe it is important for their children to understand how fortunate they are, but that the fortune could change at any moment. "Our kids have grown up involved with our nonprofits. They know there is more to charity than writing a check. You need to get your hands dirty," says Brynne Coletti.

"Our kids have grown up involved with our nonprofits. They know there is more to charity than writing a check."

The children of an anonymous philanthropist are trustees of her father's foundation and co-trustees of her foundation. "I am talking to them more and more about giving my money away while I can still enjoy what it achieves," she says. "My children know that my alma mater should be a part of giving after I am gone. I have no bequests other than my foundation."

The four children of Roy Disney, longtime senior executive of the Walt Disney Company, sit on the board of directors of his family foundation. "We started out doing an allowance deal, in which each child received a small percentage to give to causes they supported. Then we began letting the kids make decisions on their own," explains Disney.

He notes that philanthropic values "don't seem to need much watering with them." His children have formed a giving philosophy of their own. "A priority for them is environmental concerns and the state of the earth. We have brought people in to suggest charities in those areas where our gifts will make a difference."

As he watches their giving decisions, Disney says, "My children have more of a conscience and support more causes than I did when I was younger. I am hoping they are talking to their children to figure out constructive ways to promote philanthropy, but I will leave that up to them."

The Transfer of Wealth: Giving Now or Later

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increasingly hesitant to pledge money in their 50s, 60s, and even 70s because of concerns over how they will support longer life spans and astronomical health care costs, according to her article in *Trusts and Estates* ("When Great Expectations Falter," June 2006). Those concerns grow more acute among baby boomers, many of whom are still waiting for their inheritances and must fund their own retirements (factoring in perhaps three decades of income needs), she reports.

Robert F. Sharpe, Jr., of the Sharpe Group, a Memphis-based planned giving adviser to nonprofits, believes charities are not likely to get a clear picture of whether the wealth transfer windfall is really coming until the boomers start to pass away. "The bulk of the money is going to come in 2020 and beyond." He predicts that 75 to 80 percent of the wealth transfer from bequests will occur as baby boomers reach their 80s—in 2026 and beyond. Longer life expectancies will stretch the timeline for the transfer, he notes, adding that the average age of death for individuals leaving bequests to the American Heart Association, for example, is 86 years old.

Counting the Cash

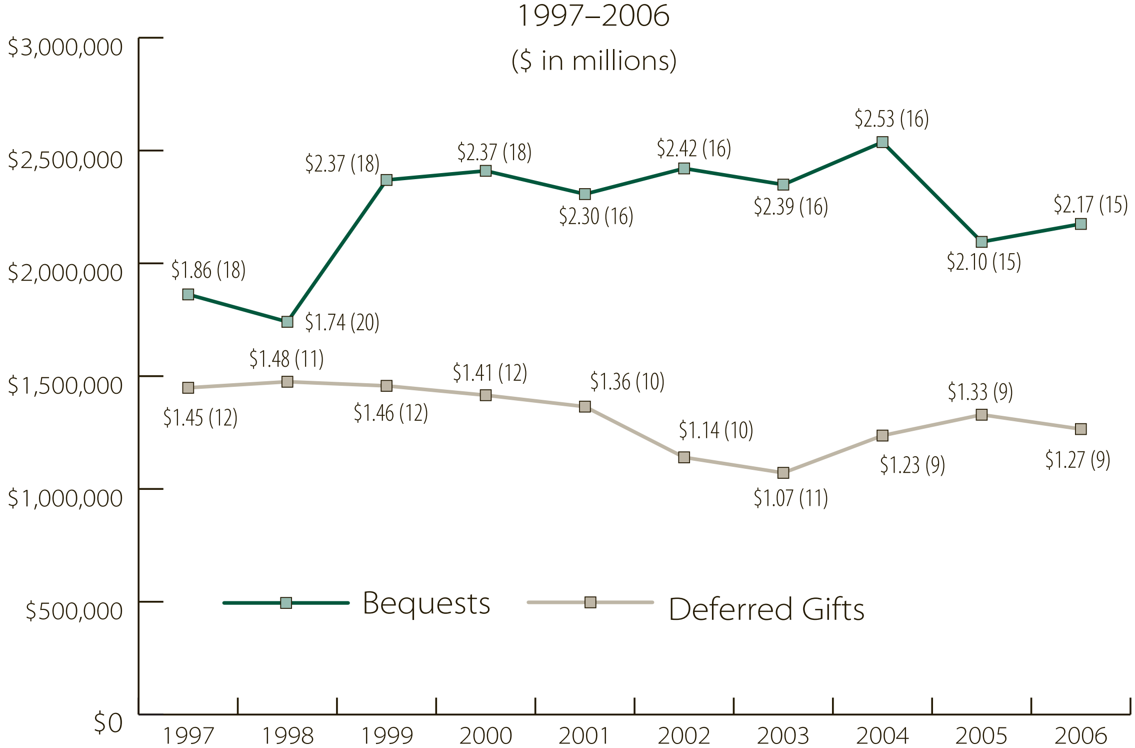
Even in this information age, data is incomplete, and many legacies may not be filed or tallied with the Internal Revenue Service. Life insurance policies to charities, gifts from IRAs, 401(k)s, 403(b)s, and realized life income gifts are often not included in bequest statistics, Schervish explains, making it difficult to get an accurate count of transferred funds.

"Organizations that survive and grow in this market are taking smart, strategic approaches. The transfer of wealth is not a tsunami that will flood organizations with money. Fund-raisers sitting back and waiting for

Average Number and Value of Realized Bequests and New Deferred Gift Contracts Across Higher Education Institutions

1997–2006

($ in millions)



Source: Council for Aid to Education (CAE) *Voluntary Support of Education (VSE)* the tide to come in will be disappointed," Sharpe says.

When it does occur, it will not be an equitable transfer of wealth across the population as a whole. "Some organizations are looking at the transfer as a savior, but many will not even have access to these individuals, particularly grassroots organizations and smaller nonprofits," says B.J. Davisson, relationship manager for Kaspick & Company, one of the nation's largest planned gift managers, and former senior director of gift planning for **Johns Hopkins Institutions**.

Still Schervish attests, "We continue to believe a dramatic increase in lifetime giving is coming. Look at the media reports of multi-million and billion dollar gifts over the last several years. These donors could disprove our bequest projections by transforming major planned gifts to lifetime gifts." A sample of donors interviewed by Grenzebach Glier share his sentiment.

Rewards of Lifetime Giving

Bob and Brynne Coletti took about 20 percent of their net worth and started a family foundation about 10 years ago. They have subsequently made two sizable contributions to the foundation.

"Our intent is to have control over where our money is spent and how it is used. We are going to live a long time and we want to do some good while we are here," says Bob Coletti. The couple believes that greater personal rewards come with making lifetime gifts rather than through their estates.

Canadian philanthropist Donald K. Johnson, former vice chairman of investment banking for BMO Nesbitt Burns, one of North America's leading investment firms, agrees. "Giving while you are still here is much more meaningful and has a greater positive impact than letting the next generation handle it."

A major philanthropist in the Midwest, who has chaired numerous development committees for her alma mater and local charities, recalls a phrase her mother used in passing on a cherished collectible. "My mother said 'I want to give this to you with a warm hand.' That is my philosophy in giving money. When I established my foundation in the early 1980s, I thought it was wonderful that things would be supported in my name after I was gone." As she has gotten older, she asks, "Why should someone who doesn't know me give my money to do things I don't care about?"

In 1994 2,000 charities were issuing gift annuities. By 2004 the number had climbed to 4,000.

Lord Laidlaw of Rothiemay, one of Scotland's most generous philanthropists, is committed to giving most of his wealth away during his lifetime as well as creating charitable trusts. "I have no plans to leave massive wealth to heirs. I get great pleasure in giving money away successfully and making a difference in the lives of young people. You can be greedy, but it won't make much difference when you are six feet under," he adds.

Planned Giving Professionals Respond

Few fundraising professionals are building their entire campaign strategies around the anticipated transfer of wealth, but many are adjusting their approaches as the competition intensifies, especially for the planned gift.

According to the American Council on Gift Annuities, in 1994 2,000 charities were issuing gift annuities. By 2004 the number had climbed to 4,000. At the same time, the financial services industry has jumped in the game, as evidenced by the proliferation of philanthropy and trust services now offered by for-profit entities.

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The Transfer of Wealth: Giving Now or Later

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From full-service gift planning to working with donors' personal financial advisers, advancement officers are offering a broader portfolio of services to tap this market.

More than two years ago, the **University of Pennsylvania's** Office of Gift Planning moved from a transactional model, focused on selecting the right gift vehicle, to a more service-based, donor-centered approach concentrating on integrating donor goals and values with those of the university.

"Development officers have become philanthropic facilitators," says Brian Sagrestano. "Our goal is not to get into detailed analyses of the assets of donors but to work with their advisers so that we can help them pursue their goals and objectives through financial planning and estate planning—integrating their values into the process." He admits, "Of course, we hope donors will be generous to the University in determining the kind of gift that can help them reach their goals."

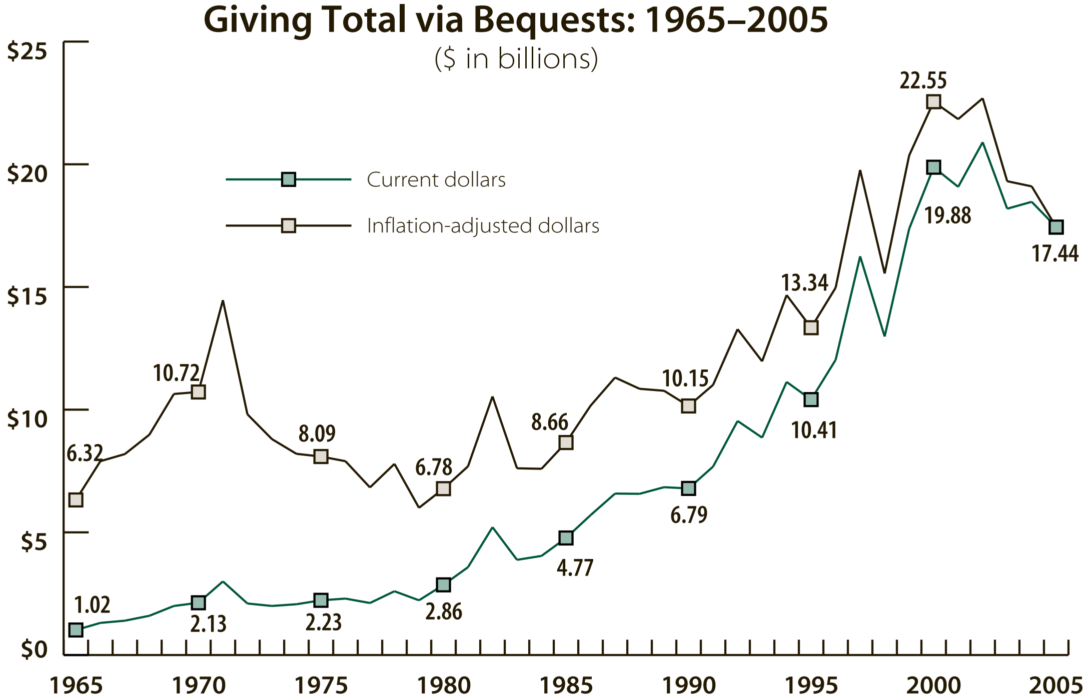
Other institutions such as **Harvard, Princeton** and the **Boy Scouts** have implemented what Sagrestano calls "a family-legacy planning approach," which is highlighted by Charles W. Collier, senior philanthropic adviser at Harvard University, in his book *Wealth in Families* (Harvard University, 2002). "We work through basic questions to start donors thinking about what is important so they can determine the specific plan that will benefit their children and serve their philanthropic interests," says Sagrestano.

To better serve donors, his office has made organizational changes. "All gift agreements now come through our office because we serve as the primary liaison to the treasurer. We can leverage that relationship to the maximum advantage of donors and the institution."

He also notes the growth in the structure and complexity of outright gifts. "Many entrepreneurs have unusual assets, and if we can accommodate gifts of family limited partnerships, real estate holdings, S corporation shares, or hedge funds,

Giving Total via Bequests: 1965–2005

($ in billions)



Source: *Giving USA*

it will mean more immediate resources to the University of Pennsylvania."

Davisson expresses concern about development officers' ability to open the door with nontraditional donors and facilitate complicated gifts. "If staff members simply enforce policies when different types of gift structures are proposed and say 'we generally don't do that,' they could prematurely shut down discussions with donors," he explains. "To be successful, planned giving officers must quickly recognize opportunities and be prepared to facilitate the gift process. Today's donors will push the comfort zone."

Sharpe cautions that charities need to be more careful about how gifts are structured and more sophisticated in evaluating options before soliciting gifts. "For example, a $500,000 charitable remainder trust for a couple estimated to live 20 more years may not be as valuable as an outright gift of $175,000 today," he says.

Carolyn Yeager, associate vice president for development and director of leadership giving at **Dickinson College**, has found her staff spending more time educating boomers, GenXers, and GenYers and building partnerships to solidify gifts.

"We are taking a fairly new approach by having conversations with recent graduates who have wealthy parents," says Yeager. "In some cases, the whole family is involved in philanthropic decisions. In generations past, you waited for alumni to build their own wealth, but many more family foundations have young graduates sitting on the board who have a say in how gifts are made."

For seven-figure gifts, Yeager now finds her staff engaging in strategic conversations with tax and financial advisers. "Donors are more savvy, and their financial advisers are interested in protecting their wealth. We need to be at the table because many advisers are not thinking of philanthropy."

Development professionals must continue to customize the solicitation of wealthier alumni. "No matter what the asset is or whether the donors are boomers or GenXers, the important question to ask is, 'Who needs to be part of the conversation?' Make sure you are prepared to explain how the gift benefits the various parties as well as the impact they can make on the institution," says Yeager.

"Development officers have become philanthropic facilitators."

Cam M. Kelly also sees a shift in planned giving approaches. "Planned giving used to focus only on future gifts, but now we position our office as a resource to help donors consider different ways to be as generous as possible to Smith," she says.

Kelly now oversees both the major and planned gift offices. "We bring a combined set of knowledge and skills to help prospective donors. We ask our donors to think broadly about how they can support us, and we don't want to see money left on the table because we thought too narrowly."

At Smith, Kelly says, "The older generations had fewer outside philanthropic interests and usually consulted with spouses, who often made the money. We reach them through tried and true Smith contacts and relationship building. Younger graduates make their own money and don't need to ask anyone else about philanthropic decisions. They demand accountability, want to see impact, and are less likely to make unrestricted gifts."

The ultimate planned giving question, she says, is: "What impact do you want to make with your wealth? If we can help you get there, are you willing to consider a gift to Smith?"

Today's Donors Want More

(cont. from page 1)

Using 2004 tax data, Singer looked at the top 10 percent of the nation's taxpayers and determined a "fair" percentage of their wealth that could be donated to charity. He suggests the top .01 percent of taxpayers should give away a third of their annual income; the top .1 percent, one-fourth; the top .5 percent, one-fifth; the top one percent, 15 percent; and the top 10 percent of taxpayers should donate 10 percent of their income.

The calculations "made me fully understand how easy it would be for the world's rich to …virtually eliminate global poverty," says Singer. "It should be seen as a more serious failure when those with ample income do not do their fair share toward relieving global poverty."

As development officers encourage their donors to do more, the BOA study shows where they may want to concentrate their efforts. Entrepreneurs are the most generous group, followed by donors with inherited wealth, and those whose net worth comes from savings, return on investment, or real estate.

No matter what their income source, people give because they want to make a difference. More than 80 percent of surveyed donors cited "meeting critical needs" and "giving back to society" as significantly more important than leaving a legacy, which was reported by only 26 percent of respondents.

"Those of us fortunate to have successful careers have a responsibility to give back financially and to serve as volunteer board members of not-for-profit organizations in our communities," says Donald Johnson, who sits on six not-for-profit boards. "I have always felt that private sector funding is key to helping organizations grow from being good to great."

When it comes to Johnson's philanthropic decisions, he looks for prudent and wise management and wants to be "confident that the recipient is a well-managed organization. I prefer to give to organizations that are leaders in the field, not just in Toronto or Canada, but among the best internationally."

Manage Prudently

The BOA survey holds a number of clues for not-for-profits to cultivate prospective donors further. A significant percent of high net-worth households reported that if charities spent more on helping the constituencies they served and less on administrative and fundraising expenses, then they would give more. They would also give more to charity if they were able to determine the impact of their gifts, if they felt financially secure, and if they received a better return on their financial investments.

Roy Disney was schooled early in the ways of philanthropy by his father Roy Oliver and his uncle Walt. "My father decreed that whatever we did, we needed to support Cal Arts. For a long time, that is the institution we supported. But as our wealth grew and we developed interests of our own, we began to branch out," says Disney, whose uncle's bequest built the **California Institute of the Arts** campus and seeded its endowment.

In selecting organizations to support, Disney says of his own efforts and those of his children, "My family has tried to avoid gigantic charities where two-thirds of our donations go to the administration or to support a fancy ball. In that sense, accountability is very important."

Disney enjoys seeing the fruits of his gifts. "There seems to be a big trend lately, with smaller charities, to build endowment," says Disney. "When you give to endowment, it is sometimes a big, black hole. If you give a charity money and leave them to run the business for a year with the knowledge that you will give again next year if the funds are used properly, you get more of a sense of accomplishment and can see immediate results."

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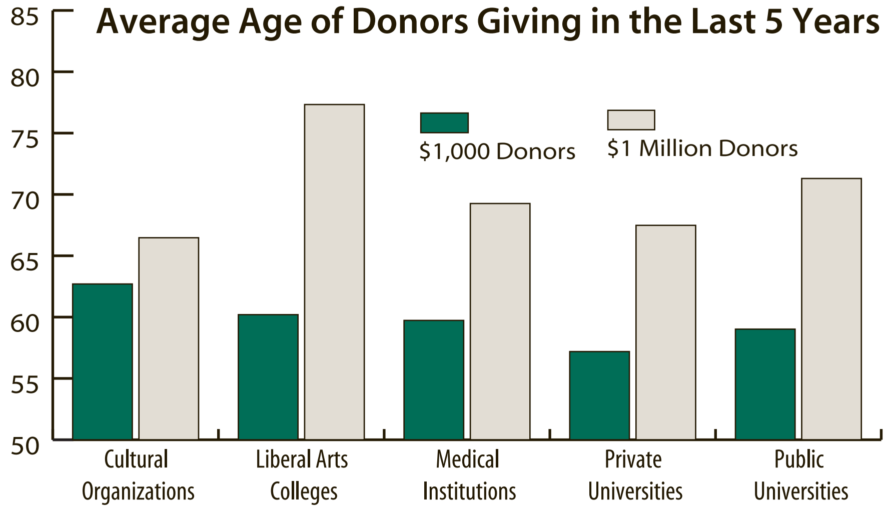
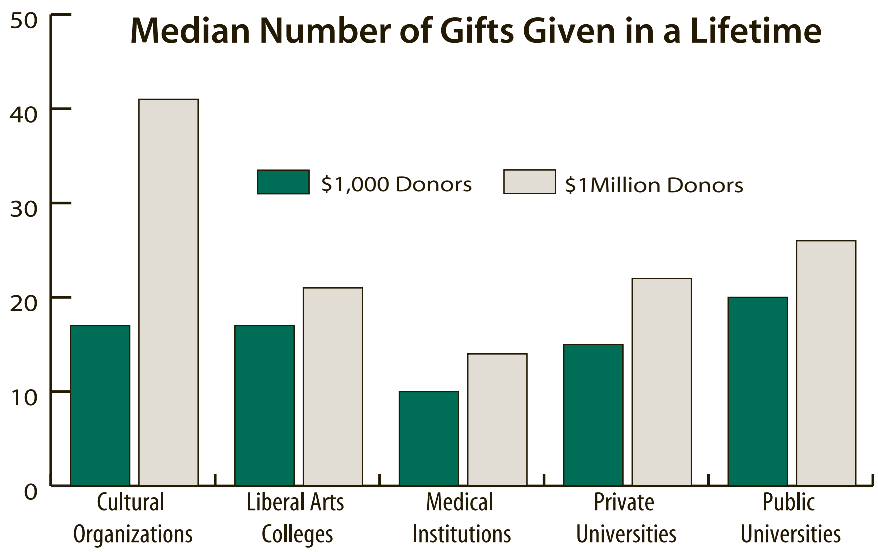
Million-Dollar Donors: What Do We Know About Them?

Median Age and Age Range of Million+ Donors Giving in the Last 5 Years

Institution Type	Median Age	Age Range
Cultural Organizations	60	40 to 94
Liberal Arts Colleges	72	51 to 96
Medical Institutions	73	38 to 86
Private Universities	67	25 to 100
Public Universities	68	46 to 95





Grenzebach Glier & Associates, Inc. recently conducted a study of 58 institutions and their major gift donors with a special focus on million dollar donors in the United States. The study is based on demographic, relationship, and past giving history data from recent and participating DonorScape™ clients since 2003. The sample data is comprised of approximately 3.56 million records and includes selected public and private comprehensive universities, liberal arts colleges, medical institutions, and cultural organizations across the U.S.

Today's Donors Want More

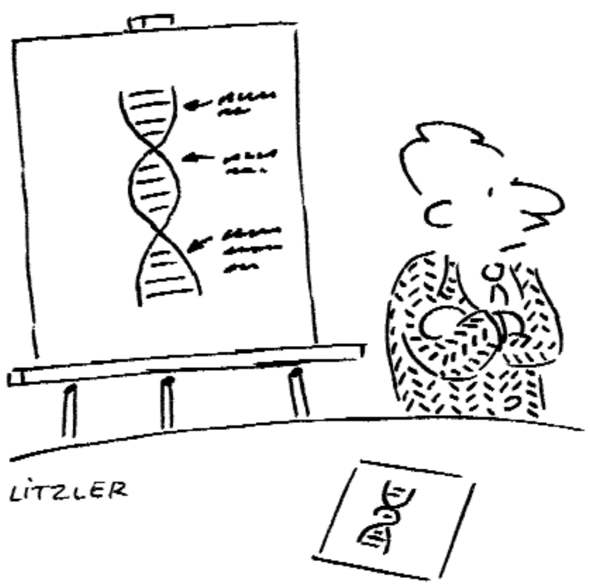
(cont. from page 8)

Be Accountable

"The key findings of the Bank of America study tie into what we are seeing," says B.J. Davisson.

"There is a direct correlation between control of dollars and level of involvement. There has always been a need to involve people, but now we have a new breed of philanthropists as our institutions look beyond their traditional donor base for gifts," he states.

He questions whether development officers are truly prepared to deal with prospects who have not grown up with an institution's culture. "These are people who for the most part did not become successful by following the prescribed way of doing things. They have taken significant risks and now they must deal with a fundraising culture that has clear chains of command and numerous board structures. They are used to doing things their own way," he describes. "This new breed of baby boomers will challenge nonprofits like never before."



"TURNS OUT THE PHILANTHROPY GENE IS IN BETWEEN THE RISK-TAKING AND THE HAPPINESS GENES."

Baby boomers Bob and Brynne Coletti emphasize the importance of accountability. "We generally have a gift agreement with a promise from the institution on how it will be used. We set a goal or performance criteria, and we expect some objective return."

In making funding decisions, Bob says, "The more specific the charity's request and the greater the accountability, the more likely we are to give money. If you are asking for a gift to build a hospital wing, we want to see the reasons. If it is for a new neonatal machine, tell us how many children's lives could be saved and how our gift will be matched or used to solicit other gifts."

As a prospective donor, Brynne notes, "If you can get me on site, it is much harder for me to say 'no.' If you are looking for support of a children's organization, have the kids there and have the staff available to talk to me."

Concentrate the Effort

As one of Scotland's most generous philanthropists, Lord Laidlaw of Rothiemay has found, "It is harder to give money away well than it is to make it."

Lord Laidlaw, who founded the Institute for International Research and is one of the largest financial backers of the UK's Conservative Party, firmly believes it is not enough to provide money and leadership to organizations. "You must have influence, and you will not have it if your support is scattered too widely over too many areas." A product of a middle class background, Lord Laidlaw feels fortunate that his parents could provide him with a good education, and he concentrates most of his efforts on aiding disadvantaged young people through the Laidlaw Youth Trust, which supports a range of activities across Scotland.

He also expects the charities he funds to "do what is promised. In all cases, a plan must be presented for a new or continuing initiative." His trust frequently audits organizations, conducting 360-feedback evaluations to gauge program effectiveness from all members of the organization. "I want to know if my expenditure has improved outcomes and how it has affected clients."

Keep it Personal

With a better return on investment comes a certain level of expected stewardship.

An anonymous philanthropist in the Midwest comments, "It is much easier to say please when you have said thank you four or five times." At the very least, solicitations must be personalized.

She recalls, "I made an annual gift of $20,000 to an organization for which I had served as board president, and which my children also supported. Later, I received a form letter—a generic annual appeal letter—personalized on a computer and signed by my successor as president. The exact same letter went to my children—and all three letters were mailed in the same manila envelope. The letter did not ask me to continue giving at my current level or to consider an increase. I look at that type of communication and say, 'they must not need my money.'"

As Roy Disney notes, the solicitations and thank yous need not be elaborate. "Do not give me an honorary degree or some special award. It is flattering, but over the years these things have become more transparent." He adds, "Just send your request for money and we can skip the party."

Characteristics of Today's Donor

- Issue-driven
- Independent
- Less trusting, more skeptical
- Wants to make a specific difference
- Questions established way of doing things
- Impatient with complexity in fundraising
- Insists on accountability and integrity
- Self-disciplined
- Approaches philanthropic decisions like business decisions
- Wants information yesterday
- Looks for partnerships

B.J. Davisson

Building Staff and Resources

Strengthening the UK Development Infrastructure

Within the last decade, as power in the UK has shifted from a central governing body to the Scottish Parliament, National Assembly of Wales, and Northern Ireland Assembly, administrations across the country are reviewing the nature of higher education funding and potential philanthropic support of colleges and universities.

While some universities across the UK have been involved in fundraising for almost 20 years, university leaders are more focused than ever on ways to generate additional income.

Earlier this year, building on one of the recommendations of the Thomas Report—increasing voluntary giving to higher education—the government initiated a special program in England to further develop a culture of philanthropy within and toward higher education institutions.

The UK Department for Education and Skills has committed up to £7.5 million in grants over three years to help universities and colleges build their development operations.

Setting Goals and Priorities

The **Royal Northern College of Music** (RNCM), a conservatory and arts center based in Manchester, is using its grant monies to hire its first development director, who began working last fall, along with two database managers, a development and alumni assistant, and a trust and legacy officer.

The development director is the college's only direct report to Principal Edward Gregson, who is working closely with the entire development team to develop a three-year strategic plan and fundraising targets. "We know development is a long, slow burn so we are being relatively conservative in setting our goals," says Gregson.

Gregson acknowledges that the leadership role in UK higher education has changed dramatically. "We are more like chief executives running a business." In speaking with his counterparts, Gregson notes a common theme. "They all say that their time spent on external fundraising has gone through the roof, and many say they spend one-half to one-third of their time on it now. Ten years ago, these same people would probably have said they spent 10 percent of their time on fundraising."

Baroness Tessa Blackstone, vice chancellor of the **University of Greenwich**, says the grant program is an indication of how government leaders are now thinking of universities. "There is a tendency to look at the U.S. and compare it to the UK. If their universities can secure substantial amounts of private money, why can't we do more in the UK?"

A Culture Change

Phil Chambers, former head of major gifts for the **British Heart Foundation** who joined the University of Greenwich in April 2005 as director of development and communications, points out that Greenwich received university status in 1992 and is only now beginning to build a relationship with past students.

"We do not have a culture of obtaining private support. We concentrated on getting students in, getting them degrees, and graduating them," says Chambers, whose efforts are concentrated on engaging alumni, the business community, and local residents. "We have established a donor club to build a core group of support from which we can launch a moderate capital campaign." Greenwich secured one of the larger grants under the government's scheme and has recruited staff to carry out its increased levels of activity.

As institutions compete for experienced development staff and the role of vice-chancellor in the fundraising process becomes more clearly defined, those institutions with solid development infrastructures are best positioned for change.

Despite government support Blackstone believes UK residents will remain steadfast in their long-time belief that "universities are for the public good with a rate of return for the individual and the nation, and they will never be quite as committed to donating large sums of money to universities as U.S. residents."