

Philanthropic News & Analysis

Advice From The Field: Building An International Program From The Ground Up

Highly successful fundraising programs of all types generally share common characteristics: careful attention to the business plan; a commitment to discipline and performance metrics of all types; and an appreciation of the value of strong, durable relationships with donors over time. Recently, the notion of international markets as a growth opportunity has taken hold across the philanthropic landscape. GG+A spoke with practitioners in Canada, the U.K., Australia, and the U.S. about their efforts to refine programs and increase yield beyond their borders.

Defining The Target Audience

According to Marc Weinstein, Vice-Principal, University Advancement, **McGill University** is among the most international institutions in the world; about half its alumni and students are from Quebec, with the remaining half divided about equally between elsewhere in Canada and internationally. The University has made choices, however, in staff deployment; a staff member in Hong

Kong supports admissions, alumni relations, and annual fund activity, and they may add a position in London. Weinstein notes, “We’re being cautious; it’s hard to manage regional staff consistently in terms of performance standards, and there can be a ‘disconnect’ in terms of institutional knowledge.” McGill is working “at the two extremes of the gift pyramid – building a pipeline of alumni support through proactive

continued on page 2

Gifts That Cross Borders: Has The Extraordinary Become Business As Usual?

When Gordon Wu of Hong Kong gave \$100 million in 1995 to **Princeton University’s** School of Engineering and Applied Science, it was the largest outright gift ever made from abroad to an American university. Twenty years later, it seems that not a month goes by without an announcement of another record-setting contribution. Many gifts that cross international boundaries have their roots in an alumni or parent affiliation. Others, such as Carlos Slim Helú’s extraordinary \$75 million gift to the **Broad Institute** in Cambridge, Massachusetts, in 2013 and the **Khalifa bin Zayed Al Nahyan Foundation’s** gift of \$150 million in 2011 to name a new building for personalized cancer care at **MD Anderson Cancer Center** in Houston, as well as fund three distinguished university chairs and a group of fellowships, are motivated by a commitment to solving global healthcare problems.

continued on page 7

In This Issue

Nota Bene

Resources for Transnational Fundraisers and Donors...3

Philanthropy

Philanthropy Down Under: Building a Stronger Pool for the Future...4

Newsworthy

Philanthropy Worldwide: A Variable Landscape...8

Advice From The Field: Building An International Program From The Ground Up

continued from page 1

annual fundraising (although the challenge of maintaining accurate contact records can be significant), and primary gifts of \$1 million and above.” Major gifts work is less effective, except in the U.S., where fundraising mirrors the full range of opportunities present in Canada.

For a number of educational institutions in the U.S., the international parent community

has emerged as a cohort of real philanthropic potential. Tim Struthers, Chief Philanthropic Officer at the **Loomis Chaffee School**, notes that international fundraising plays an “ever-increasing role,” with multiple five-figure (and some six-figure) gifts from international parents. The School anticipates that seven-figure gifts from alumni will follow before long. The School has long been strong in Hong Kong, South Korea, and Thailand, but “our focus may be shifting to mainland China,” according to Struthers. Even at the direct-mail level, the School segments international parents, who receive appeals signed by the Head of School, which are timed carefully to follow her annual visit to Asia.

“Most of our international prospects are parents,” agrees Bob Dietrich, Associate Vice President for University Advancement at **Northeastern University**. “We follow a family strategy, working with both our students (and future alumni) and their parents, who are the philanthropic decision makers. Eighteen percent of

our undergraduates come from abroad; these students bring a rich diversity to our campus, and we are committed to their success. If we do our job well, many parents welcome the opportunity to make a philanthropic investment in the University.”

Cultural institutions must also define and recruit their potential supporters one by one. The **Freer Gallery of Art and Arthur M. Sackler Gallery** of the **Smithsonian Institution** has raised \$50 million towards its \$55 million campaign goal, including multiple gifts from abroad for both special exhibitions and endowed program support. Katie Ziglar, Director of External Affairs, notes, “Some cultures are more evolved in terms of their philanthropic outlook than others.” Recent efforts to secure support in Turkey for an upcoming exhibition of historic Korans collected by the Ottomans from North Africa to Central Asia have been especially rewarding. The Galleries typically focus on prospects for gifts of \$100,000 or more, with an eye toward using limited staff

GG+A Quarterly Review

Philanthropic News and Analysis
Summer 2015, Vol. 11 No. 3

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MAKE IT EASY FOR YOUR DONORS, NEAR AND FAR

Practical advice from Tim Struthers, **Loomis Chaffee School**, and David Flash, **Philips Academy**: “Create a ‘Ways to Give’ document specifically for international donors, including international dialing instructions to the institution and an International Securities Identification Number (ISIN) for wiring cash directly to the organizational bank account” (*Handbook of Philanthropy at Independent Schools*, Helen A. Colson (ed.), National Association of Independent Schools, 2015).

resources effectively. “We have thought of establishing Friends of the Freer|Sackler groups abroad, particularly in China and Japan, but we’re simply not able to focus on this level of the pyramid right now.”

Engagement Is Key

For some institutions, international engagement involves strategic focus on groups of alumni and parents in areas of critical mass. The **University of Washington (UW)**, with over 2,800 undergraduates from China alone, a major component of the 17% of UW students who come from abroad, “has the advantage of having been a Pacific Rim institution for some time,” according to Greg Sheridan, Senior Associate Vice President, University Advancement. UW is building a ground-up program: “We can’t focus on the top of the pyramid without working the whole region. The basic alumni relations program becomes critical to building the pipeline,” says Stephanie Doyle, Assistant Vice President, Regional Advancement. Long-established alumni clubs in Seoul, Tokyo, and elsewhere provide “an amazing infrastructure of loyal, committed supporters.”

Northeastern University is also expanding the role of its international “alumni” chapters to include parents and friends, creating an Asia Council and looking at culturally appropriate ways to engage donors and prospects in other countries and regions. Sometimes it can be challenging to find those constituents; however, when McGill

continued on page 5

Resources For Transnational Fundraisers And Donors

GG+A has compiled reference links for a range of materials regarding gifts that cross international borders that may be helpful to charitable institutions and individual donors.

U. S. Internal Revenue Service

Publication 526, Charitable Contributions, describes how contributions to charitable organizations in Mexico and Israel may be deductible for U.S. citizens. Publication 597, Information on the United States-Canada Income Tax Treaty, describes the circumstances under which contributions by U.S. citizens to Canadian charities may be deductible.

The Canada Revenue Agency

allows Canadians who have income in the U.S. to claim a tax credit for charitable contributions to U.S. charities. In addition, gifts to over 500 colleges and universities in the U.S., U.K., and elsewhere that have been identified by the Canadian government as “prescribed institutions” are deductible for all Canadians. Institutions of higher education that are not currently identified as prescribed institutions may apply for approval.

Transnational Giving Europe

(TGE) is a network of 17 national organizations that have joined together to facilitate philanthropy across Europe. Their web site provides detailed information about the tax benefits of charitable giving in 29 countries and identifies specific

charities across Europe and the U.K. that qualify for contributions through TGE.

The King Baudouin Foundation

United States (KBFUS) is a New York-based affiliate of the King Baudouin Foundation in Brussels. It operates to enable U.S. donors to support institutions and organizations in Europe and sub-Saharan Africa.

The Resource Foundation, a tax-exempt organization in New York, helps individual and organizations provide philanthropic support to regional development programs in Latin America and the Caribbean.

Give2Asia, which has offices in San Francisco, Hong Kong, and Beijing, provides U.S. and Canadian residents a means to support charitable organizations in 25 Asian countries through tax-deductible donations.

GlobalGiving and **Charities Aid Foundation America** each provide U.S. donors a means to support projects around the world, as well as due-diligence services regarding eligibility for charitable tax deductions and compliance with U.S. anti-terrorism legislation.

See www.grenzebachglier.com for additional information, including web links.

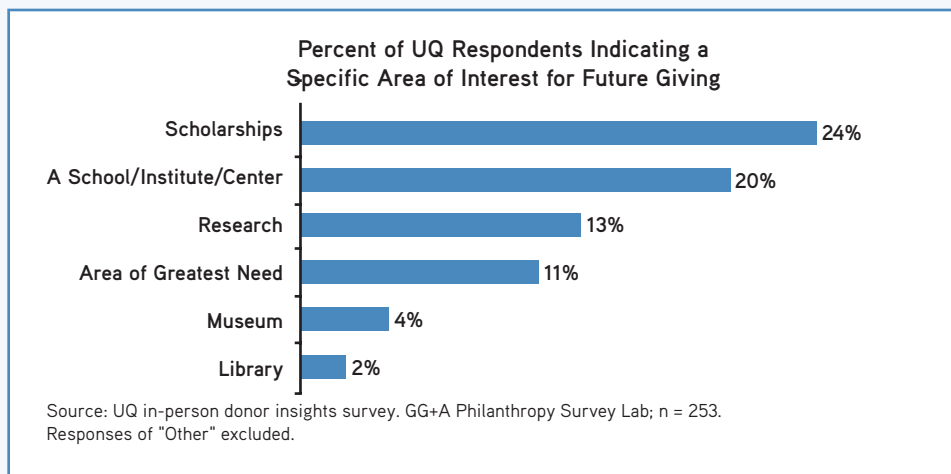
Philanthropy Down Under And Beyond: Building A Stronger Pool For The Future

Dan Lowman, Senior Vice President, Philanthropic Analytics, and Director, GG+A Philanthropy Survey Lab

The **University of Queensland (UQ)**, a public university in Australia, has not historically required substantial private philanthropy. As a result, the Advancement team has had limited experience with major and principal gifts from individuals. While a large share of UQ alumni live in Queensland and other large cities in Australia, a substantial portion live in Asia, the United Kingdom, and North America.

“If you look at our history of big gifts, they have been spectacular but sporadic,” said Clare Pullar, Pro Vice-Chancellor for Advancement. “Our challenge is to build a prospect pool that is regular and sustainable. We must engage people as our partners, which has not been our innate tendency.”

Periodic annual giving appeals produced a reasonably large pool of donors, although total dollars raised remained modest. Changes in tax-supported funding and the need for capital and program support led the University to begin planning a comprehensive



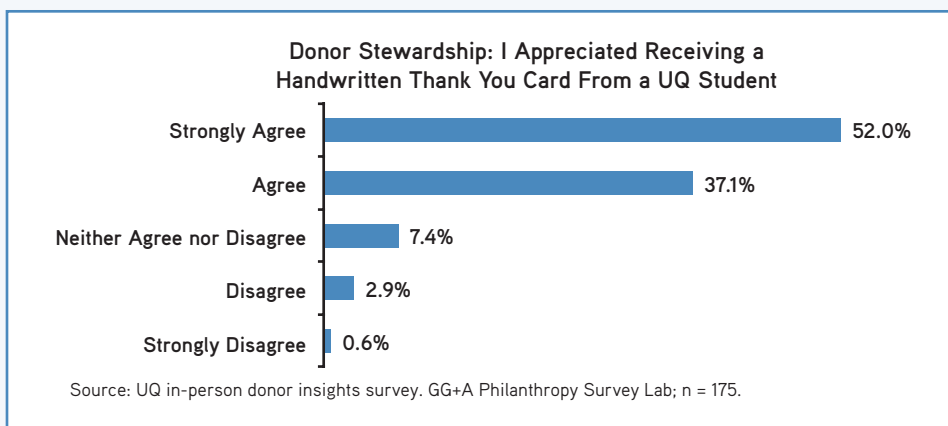
campaign, which would demand substantial alumni support.

The University engaged GG+A and the GG+A Philanthropy Survey Lab in 2014, with three objectives: first, to gauge the strength of alumni affiliation to the University, given modest engagement opportunities; second, to evaluate the quality and impact of gift stewardship; and third, to create a mechanism that would facilitate face-to-face visits by development officers.

In partnership with the University, GG+A developed two related surveys. One

would be conducted through face-to-face visits by development officers with past donors and prospects with higher gift capacity. GG+A provided training, invitation materials, survey response forms, and an online data collection tool to collate survey results. The other, a web-based survey, would reach out to the alumni as a whole.

The surveys have helped UQ to plan future fundraising programs. At a high level, the results demonstrated a positively inclined alumni base that was largely uninformed about the University today and unclear about the need for philanthropy. The UQ plan will capitalize on positive alumni attitudes, while increasing both information flow and opportunities for engagement. And at the tactical level, the survey revealed, for example, that UQ’s practice of sending handwritten thank you notes from students to donors was widely appreciated.



The survey also increased success in securing face-to-face visits. In an eight-week period, 268 “high value” prospects were visited – more than doubling the previous average total of 115 visits. More than 10 percent of visits were with prospects outside Australia.

“The process changed the way we do business here. Our efforts need to be on the donors with the highest potential, who must be prioritized above all else,” said Pullar. “When we introduced the survey, a staff member asked, ‘How will we do our real jobs if we are doing the survey?’ and I said to all of them, ‘This is your job. This is the strategic priority.’ For many gift officers, it changed the definition of work from being behind a computer to being in front of a donor.”

Many donors expressed gratitude for being included in the survey – and some alumni gave gifts on the spot. More importantly, the interviews opened the door to personal relationships between staff members and donors and substantially increased the qualified prospect pool for the upcoming campaign. Furthermore, the survey elicited detailed information about individual donors’ interests and priorities. Pullar added, “I did 22 interviews myself. They were incredibly valuable – by providing a script to put us in a listening mode, the process helped to fundamentally change and deepen our donor relationships.”

Advice From The Field: Building An International Program From The Ground Up

continued from page 3



“The campaign pledge card accommodates euros, riyals, and renminbi.”

University set out to invite alumni in the United Arab Emirates (UAE) to an event a few years ago, they found they had records for only 400 in their database. Through creative use of the career database LinkedIn, they found another 1,000 names – and as a result turned out 250 for a great gala celebration.

For others, donor constituencies must be built from the ground up, one prospect at a time. In 2011, Peter Taylor joined the **South Georgia Heritage Trust (SGHT)**, headquartered in Dundee, Scotland, as its first Director of Fundraising. The Trust is now on the cusp of reaching the \$12 million goal for an important project to restore nesting sites for sea birds from

around the world. Taylor describes the three main components of this jump-start effort: first, referrals from Trustees, who are Norwegian, British, and American. Second, a creative strategy to build a database that now includes over 3,000 names; SGHT has established good relations with the cruise lines, which allow a “sponsor a hectare” presentation on every ship that docks on the island. Wealth screening is helping considerably to refine that list of potential donors in the U.S., although the Trust has also secured support from Australia, Canada, and China. And third, a focus on global environmental foundations, which have provided just over half the funds raised. “It can be challenging to raise funds for a project 11,000

continued on page 6

Advice From The Field: Building An International Program From The Ground Up

continued from page 5

miles away,” quips Taylor. “Try to get in front of potential donors; use videos and PowerPoint presentations, remotely and in person, to help tell the tale. Don’t resort to appeals by letter.”

International Support And The Public Eye

In some circumstances, gifts that cross international borders may lead to questions about influence on the programs and policy of the recipient institution. Similar concerns are possible about gifts from domestic donors as well, but the level of scrutiny may escalate when high-profile donors from abroad are involved. Saudi Prince Alwaleed bin Talal has been widely celebrated for his recently announced plan to contribute his entire \$32 billion fortune to charities around the world (BBC News, July 2, 2015), yet earlier gifts to fund Islamic study centers and programs at the **University of Cambridge**, **Georgetown University**, **Harvard University**, and other leading research institutions were viewed with skepticism by some critics, who feared undue influence. Derek Cassoff, McGill’s Director of Communications, University Advancement, asserts that careful planning can help avert such concerns: “My advice is to think through every aspect of the gift strategically – who is the donor, where is the gift coming from, what

WISE COUNSEL: TAKING YOUR FUNDRAISING PROGRAM ABROAD

Start where you have the most constituents with signs of wealth.

Tim Struthers, Loomis Chaffee School,
and David Flash, Phillips Academy

You can’t simply look at the wealth in the region and assume proportionate yield.

Jeremy Barnicle, Mercy Corps

Think about your plan for a long time before you launch a new effort.

Peter Taylor, South Georgia Heritage Trust

Someone in a leadership position in the country where you are seeking funds must validate your program.

Katie Ziglar, Freer|Sackler Galleries

It can take 15 years to build a strong relationship; an occasional visit every other year won’t do the job.

Stephanie Doyle, University of Washington

It’s always essential that we be clear about the University’s control over curriculum, faculty appointments, and the like – whether the gift is made by a local donor or comes from a geopolitically sensitive part of the world.

Derek Cassoff, McGill University

will the gift support? Put yourself in the shoes of the public and be prepared with answers.” Katie Ziglar agrees: “With any potential donor, domestic or international, we must always ask: ‘Would there be any potential downside to accepting this gift, in terms of reputation?’” Furthermore, says Cassoff, “Announcing an international gift follows the same principles as any other gift announcement. First, you must think about the donor’s interests” – a principle Cassoff had

the opportunity to apply in April 2015, around the announcement of a major gift from the Abu Dhabi Crown Prince Court to establish McGill UAE Fellowships in Science and Engineering. Cassoff and his colleagues worked closely with the donor to manage a simultaneous, trilingual (Arabic, English, and French) press release: “One of the biggest challenges we faced was working through the time zone differences.” ❖

Gifts That Cross Borders: Has The Extraordinary Become Business As Usual?

continued from page 1

Contributions from the U.S. to causes around the world have typically represented the largest share of transnational philanthropy, but more recent reports indicate that Chinese donors are now casting a wide net when determining recipients of their support, as well (Andrea Chen, “80 per cent of Chinese philanthropists’ donations last year went to institutions outside mainland China, says survey,” *South China Morning Post*, February 8, 2015). This is not an insignificant finding, given that the 100 top Chinese philanthropists alone donated approximately \$5 billion in 2014. Competition for those funds has escalated as established philanthropists expand their reach beyond institutions in China, the U.K., Canada, and the U.S. to support ventures elsewhere, such as Li Ka-Shing’s \$130 million commitment to the **Technion** in Israel to collaborate with **Shantou University** in China (Joshua Mitnick, *Wall Street Journal Blog*, September 29, 2013).

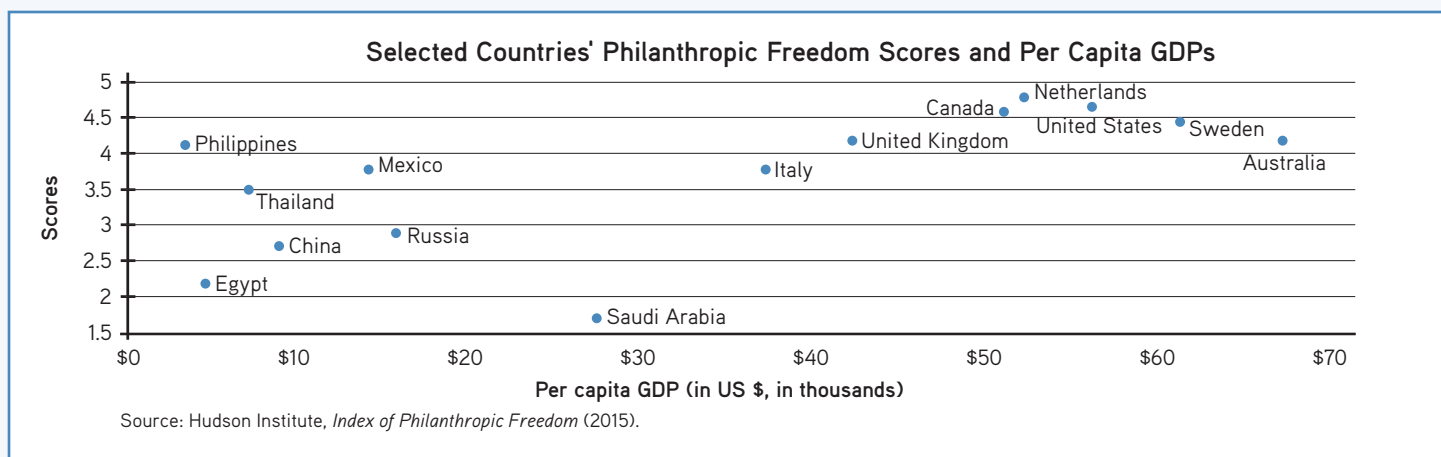
Gifts from abroad represent a rapidly growing share of total philanthropy at some institutions: for example, 10% of total funds raised at **Teachers College**, **Columbia University** (TC), in 2015, as compared with 1% a decade ago; routinely 10–25% of total

philanthropy at the Freer | Sackler Galleries of the Smithsonian Institution; and nearly 29% of new commitments for Northeastern University in 2015, a twenty-fold increase in actual dollars, to \$23.1 million, from only four years ago. President Susan Fuhrman plays a frequent and visible role in TC’s international presence, but she gives credit to the cadre of faculty members interested in working abroad and exploring areas of common concern: “If we can find a way to support local educators in ways that strengthen their own institutions in meaningful ways, that can really resonate with donors; it’s not a question of competing with local institutions, but rather about cooperation and helping them build capacity.” That interest in collaboration sparked generous support from the **Lemann Foundation** in São Paulo, which has funded graduate fellowships at TC, as well as at a range of leading institutions in the U.S. and Europe. Policy Director Camila Pereira describes how the Foundation’s overriding commitment to “developing a network of talented and committed leaders in Brazil” is undergirded by alliances around the world. “We need to build on strong partners to be able to fulfill our mission. Alignment is the top criterion.”

Such alignment of interests and programming has fueled a groundbreaking partnership, announced in June 2015, among the University of Washington, **Tsinghua University** in Beijing, and Microsoft Corporation. GIX, the Global Innovation Exchange, is designed to encourage students and faculty members to collaborate in areas of technology innovation and has been fueled by an initial commitment of \$40 million from Microsoft – not precisely a “transnational” gift, but one made in recognition of exciting transnational possibilities. Jeremy Barnicle, Chief Development and Communications Officer at **Mercy Corps**, describes the motivation of a number of multinational corporations, including Orange, Shell, and Vitol, that have made generous grants in support of their relief work around the world as follows: “They want us to deliver good work on the ground that makes them proud.” Barnicle adds that encouragement from corporate employees makes an enormous difference in the ability to secure significant grant support. All signs indicate that transnational gifts are rapidly becoming a core component of total philanthropy for a wide range of institutions – tangible evidence of the porous borders that characterize global enterprise of all sorts. ❖

Philanthropy Worldwide: A Variable Landscape

Are some cultures inherently more promising in terms of philanthropic potential than others? How should fundraisers rise above anecdotal stereotypes to investigate the possibilities worldwide? How important are tax considerations, country by country? The Center for Global Prosperity of the **Hudson Institute's** *Index of Philanthropic Freedom* (2015) considers regulation of civil society, domestic tax policy, and the relative ease of cross-border flow of philanthropic funds in 64 countries, producing an aggregate Philanthropic Freedom Score, with the Netherlands at the top of the list and Saudi Arabia at the bottom. The authors note that limits on philanthropic freedom are often “impeded by the increasing prevalence of foreign exchange regulations and capital controls” – not intended to limit charitable giving, per se, but to stop illegal transfer of funds.



Experience in the field suggests that the presence or absence of direct incentives for charitable giving in the form of tax credits or deductions does not always have a direct impact on the level of fundraising opportunity. Some programs have chosen to establish counterpart entities in countries with high potential; for example, McGill University has established fiduciary partners in major markets abroad, including a registered charitable account in Hong Kong and the McGill University Trust in London. **The Friends of McGill**, a 501(c)(3) organization in New York, is approaching its 75th anniversary, and the **Friends of South Georgia Island** was founded in Colorado as a charitable partner to enable U.S. fundraising for the Habitat Restoration Project, an important wildlife conservation effort on an island near the Falklands and Antarctica. “Tax considerations are seldom immovable obstacles,” according to Katie Ziglar at the Freer|Sackler Galleries, “as so many wealthy donors have funds in the U.S.”

The more durable obstacle, in some cases, may be that of culture. Ronnie Chan, Co-Chair of the Board at **Asia Society** and Chairman of Hang Lung Group, Ltd., in Hong Kong, comments on his experience with making gifts to mainland China: “It’s not as simple as giving money. You need a lot of psychological resilience, [whereas] if you donate overseas, it’s a simple matter. In mainland China, there are so many headaches” (Juliana Liu, *China Blog*, September 19, 2014). The Chan family itself recently made international news with its \$350 million gift to name the School of Public Health at Harvard University. Sometimes the challenge is sector-specific, as Katie Ziglar explains: “We often take on the challenge of introducing cultural philanthropy to those who’ve focused more on social service and human needs.” And many agree with President Fuhrman of Teachers College, as she notes that successful fundraising abroad demands a strong understanding of local issues: “You need to understand the context of the country in which you are working. From meeting with educators, government and university officials, and other partners, my TC colleagues and I acquire valuable knowledge about a country or a region, which leads to very productive discussions with potential funders.” Concludes Bob Dietrich of Northeastern University: “I believe that philanthropy is a universal value. Taking care of people and working for the greater good is a part of every culture and religion around the world.” ❖