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From Where I Sit - Take and Give

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I have been back in Sydney this past month for the first time in seven years. One of the few non-family things I did was to visit the University of Sydney and call into its development office. It was an informative hour. I found out that this year I will be one of about 10,000 individual donors to the university. Combined, we will give approximately A$80 million (£51.2 million) for the second year straight. Half will be alumni, the rest will be "friends".

My modest contribution will go to support fundraising from US-based alumni through a small foundation that ensures gifts are tax-deductible and takes care of the paperwork. The body raises about $300,000 (£185,000) a year.

These sums seem modest, especially compared with the $4 billion the University of Pennsylvania has raised in a capital campaign over the past five years or the billions mustered by Oxbridge recently.

However, they compare favourably with the £50 million targets for 2015 set by the UK universities of Warwick and Sussex, and the hundreds of US colleges and universities that raised less in 2011 than Sydney. And the institution is well ahead of local competitors such as the University of Melbourne, which will raise half as much this year.

Raising money for Australian universities is a hard task. The nation lacks the US' philanthropic tradition and until recently had an unhelpful tax code. For 40 years the federal government has been the major university funder. Tuition was free for decades and today's income-contingent loan scheme gives students a sense that they have paid for their education and owe nothing to their almae matres.

In reality, the federal government funds only 53 per cent of university operating costs and this includes student loan payments (11 per cent of the total). But there is still a popular belief that universities are well resourced and don't need help. Yet endowments are small, and in Sydney's case generate about 6 per cent of its annual operating revenue. International fee-paying students provide three times as much. With increased competition for public funds and a volatile global market for international students, all Australian universities are looking to increase their charitable donations, especially from alumni.

The country's elite institutions have all set up development offices, often staffed with fundraising professionals recruited from the US. They have created alumni rolls and have started contacting them, building the relationships that US universities start creating at the point of enrolment. Serious fundraising units don't like to lose track of potential donors because the cost of renewing relationships through direct mail and "cold calls" is high and the success rate low. It is far better to create an ongoing relationship before graduation or as soon as possible afterwards.

So why do I give? It is not because I have money to spare, but largely because of a sense of gratitude. I benefited from my studies and my association with Sydney in ways that far exceed the direct and indirect contributions I made as a student and a taxpayer. I acquired a love of literature and learning from time spent covertly in the library "stacks" working my way through the 20th-century fiction shelves. The university exposed me to ideas and people that took me a long way from life on a small farm in an isolated community 700 miles away. It showed me that there were many ways of viewing the world and making your way in it. It gave me choices that I otherwise would not have had. All those are worth more than what I paid. So I give.