

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

**MINUTES OF THE MEETING OF THE
ADVANCEMENT COMMITTEE**

**Thursday, September 17, 2009; 10:00 a.m.
Lowell/Dartmouth Room
225 Franklin Street – 33rd Floor
Boston, Massachusetts**

Committee Members Present: Chair Lawton; Trustees DiBiaggio, DeSisto, Koffman, and Young; Chairman Manning; Mr. LaRock, Representative for Secretary Reville

Committee Member Absent: Trustees MacAfee and Tocco; Vice Chair Karam

University Administration: Vice President Smith; Chancellors Holub, MacCormack, Meehan and Collins

Advancement Staff: Mr. Leto, Vice Chancellor for Advancement, UMass Amherst; Mr. Byers, Vice Chancellor for Institutional Advancement, UMass Boston; Mr. Eatough Assistant Vice Chancellor for Institutional Advancement, UMass Dartmouth Foundation; Ms. Shorr, Vice Chancellor for Advancement, UMass Lowell; Mr. Pagnam, Vice Chancellor for Development, UMass Memorial Foundation

Faculty Representatives: Professor May, UMass Amherst; Ms. Gibbs, UMass Dartmouth; Professor Carter, UMass Lowell

Chair Lawton convened the meeting at 10:07 a.m. and asked for a motion to **Consider the Minutes of the February 4th Meeting of the Committee.**

It was moved, seconded and

VOTED: To approve the minutes of the February 4, 2009 meeting of the Committee.

The next item was the **President's Report.** President Wilson reported that the fundraising performance across the five campuses was remarkably good considering the economic environment. He commended and congratulated the Chancellors, Vice Chancellors, and their teams for their efforts. The five campuses raised a combined total of \$88.5M with UMass Amherst raising \$25.7M, UMass Boston \$20.8M, UMass Dartmouth \$7.3M, UMass Lowell \$9.4M, and UMass Worcester \$25.3M. The campuses have set a combined goal of \$96.6M for fiscal year 2010.

The UMass Foundation Investment Committee, chaired by UMass Lowell alumnus Roy Zuckerberg for the last ten years, continued to do extremely good work through the balance of the year despite continued volatility in the markets and uncertain progress in our economic recovery. This

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group of individuals, the vast majority of whom are UMass alumni, have worked tirelessly to protect our endowment and we owe them a debt of gratitude for their efforts—especially in these very tough markets. Roy Zuckerberg, Chair of the UMass Foundation Investment Committee has decided to step down at the end of this year. Chair Lawton will be entering a resolution in his honor later in the meeting.

At the end of the 2009 Fiscal Year, the investment performance on our endowment stood at -15.04%. Though this is far from what the Investment Committee aspires to achieve for their University, this performance puts UMass in the top quartile for performance over the last year of those endowments reporting through the Mellon and Wilshire reports on endowments and foundations. Endowment performance for the 3-year and 5-year periods is in the top third of funds reporting. We will have more robust information in December when NACUBO issues their report. The market value of the UMass Endowment as of June 30, 2009 was \$367 million.

After having been modified to respond to market conditions, asset allocation is again within policy range. Domestic Equities is 32.4% (from 24.2); Fixed Income is 40% (from 31); Alternative Investments is 18.5% (from 26.7); and Cash Equivalents is 9.1% (from 17.9).

Getting to these results, whether we are talking about fundraising or investments results, requires deeper engagement with our alumni, parents, and friends and we have several efforts underway to get more people more deeply engaged with the University. We will be hosted by the Patriots organization next week at Gillette Stadium for UMass at U2, which—through the generosity of the Patriots Foundation and the Kraft family and the 1600 young alumni who will attend—helped the University to raise a scholarship fund of almost \$100,000.

Several one day UMass events will also be held that will bring some of our most prominent and accomplished faculty members to regions where we have large cohorts of alumni. Each campus has identified at least one faculty member to deliver a mini-lecture on topical issues related to health, the economy, and culture. The events were well-attended in Florida last year and we hope to see this kind of programming that reconnects our alumni with the mission and current work of the University expand to create a greater sense of connectedness among alumni, parents and friends of the University. The first event will be in Boston in November.

Under the **Chair's Report**, Chair Lawton expressed his pleasure at being asked to serve as Chair of the Committee again this year. He then acknowledged Vice Chancellor Leto from UMass Amherst and Vice Chancellor Shorr from UMass Lowell, and welcomed the new student Trustees to the Committee, Tara DeSisto from UMass Boston, and James Young from UMass Worcester.

As President Wilson mentioned, members of the Advancement teams from all five campuses continue to gain momentum in mobilizing alumni. The shared online community, Network UMass, continues to register members and was the channel through which we were able to promote UMass at U2 so effectively and quickly. The campuses continue to work together on joint regional alumni events.

Chair Lawton reported that he attended a joint professional development in-service day facilitated by Vice President Smith's team last week. The topics and flow of the day were collaboratively

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developed by the President's Office and input from the Vice Chancellors in both the communications and Advancement groups. About 120 advancement and communications professionals engaged in dialogue with experts who volunteered their time to share best-practices.

The CRM—UITs staff continues to work with colleagues at each of the five campuses to begin their upgrades or conversions. UMass Worcester went live earlier this month and UMass Lowell is scheduled to go live in about 8 months.

Conversations continue with the campuses and the State Registry of Motor Vehicles about reviving the idea of a UMass license plate. This initiative would serve as a branding effort to identify alumni and as a means to raise revenue.

Chair Lawton acknowledged and thanked the Chancellors, Vice Chancellors and their teams for their diligent effort in this difficult economic environment. He looks forward to hearing reports of their progress over the course of the coming months.

As President Wilson indicated earlier, Roy Zuckerberg will be stepping down as Chair of the Investment Committee later this year. Chair Lawton then summarized a Proclamation of the University of Massachusetts Board of Trustees honoring Roy J. Zuckerberg to be voted by the full Board later this month.

It was then moved, seconded and

VOTED: To recommend that the Board accept the following Proclamation:

WHEREAS, December 24, 2009 is celebrated in honor of Roy J. Zuckerberg "The Father of the Investment Committee of the University of Massachusetts Foundation" to acknowledge the many contributions he made on behalf of the Investment Committee, the University of Massachusetts Foundation, and his beloved Alma Mater, the University of Massachusetts.

WHEREAS, Roy J. Zuckerberg by his example has clearly defined what it means to be an alumnus of the University of Massachusetts and through his actions has exemplified the meaning of the words, ideals, devotion and love of Alma Mater.

WHEREAS, Roy J. Zuckerberg came from New York to the Lowell Technological Institute in the Fall of 1954 to study textiles and to spin his magic on the hardwood and graduated from that fine institution in 1958. He served his country in the United States Army following graduation. Following his honorable discharge, he pursued his professional career in investments and a legend was born.

WHEREAS, Roy J. Zuckerberg joined the firm of Goldman Sachs in 1967 in securities sales, and over the next 30 years carved out a career that would give him great personal and professional reward. He rose to Vice Chairman in 1997, became a member of its Executive Committee and head of its Equities Division.

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WHEREAS, Roy J. Zuckerberg during his distinguished career lived by his rules of civility and set a high moral tone in all of his business dealings. His honesty, integrity and loyalty made him one of the most beloved and respected members of Goldman Sachs and the entire investment industry.

WHEREAS, Roy J. Zuckerberg worked tirelessly in his professional pursuits, he was a devoted philanthropist. He gave much of his precious time to his community. He served as Trustee of the American Red Cross in Greater New York. He served as a Trustee of Cold Spring Harbor Laboratory. He is past Chairman of the Securities Industry Association and is the former Chairman and currently a member of the Executive Committee of the North Shore-Long Island Jewish Health System. He was also a member of the Board of Governors of the Weizmann Institute of Science and current Chairman of the Ben Gurion of the Negev University.

WHEREAS, in the early 1990's Roy J. Zuckerberg began to invest his intellect, passion, financial resources and energy to the cause of his Alma Mater the University of Massachusetts Lowell. In 1998, he became a member of the Board of Directors of the University of Massachusetts Foundation and Chair of its Investment Committee. Through his strength and wisdom, he guided the Investment Committee to a new level of professionalism and commitment and to consistent outstanding performance. He has laid an excellent foundation for further growth and performance in the University's endowment for the benefit of future generations of UMass students and faculty.

WHEREAS, the University of Massachusetts has honored Roy J. Zuckerberg with several awards and honors including but not limited to the Distinguished Alumni Award from the University of Massachusetts Lowell in 1994, an Honorary Doctorate of Humane Letters from the University of Massachusetts Lowell in 1999, and the President's Medal, the University's highest award, at Symphony Hall Boston in 2002, none of these awards are sufficient thanks for the enormous contribution that Roy J. Zuckerberg has made to the University of Massachusetts Foundation and the University of Massachusetts.

WHEREAS, Roy J. Zuckerberg will now move on to the next phase of his distinguished life, we the members of the Board of Trustees of the University of Massachusetts want him to know that Roy J. Zuckerberg will forever be remembered as a colleague, friend and mentor by all who have served or had contact with him and we ask that he keep the University, the Foundation and the numerous students, faculty and staff of the University of Massachusetts whom he has touched in his heart as he moves to his next challenge.

NOW THEREFORE, the Board of Trustees of the University of Massachusetts do hereby encourage all students, faculty, staff, board members and alumni of the University of Massachusetts to acknowledge the contributions of this great alumnus. (Doc. T09-064)

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Under the **Vice President's Report**, Vice President Smith thanked Chair Lawton for his enthusiastic support of Advancement efforts and for his leadership of the Committee.

Vice President Smith reported that the energy around the in-service day attended by Chair Lawton was terrific and commended the Vice Chancellors for their commitment to developing skills and knowledge among the members of their staffs. We have begun to find natural intersections between the work of the Vice Chancellors for Marketing and Communications and the Vice Chancellors for Advancement and with some of our publications and planned mailings, and events. This increased collaboration has been terrific in terms of building consensus around messages that can be shared across the system. She then acknowledged and thanked Leslie Granese, Carol Kelley, and Bob Connolly for their efforts to forge this integration.

The online community has begun to be used as a two-way communication channel and alumni have been surveyed about what they would like to see more of in terms of programming. We have had enthusiastic response with about 15% of the community completing the survey with suggestions for how they would like to be further engaged. This effort can certainly be an enhancement to alumni programs that are in place on the campuses.

The economy has certainly had a dampening effect on philanthropy for many organizations. Each campus has set new commitment goals that take into consideration our context, but each has also set stretch goals for growing and improving their development programs along metrics that make sense for the development of their programs.

Vice President Smith then asked the Vice Chancellors to comment on their **FY09 Q4 Fundraising Reports** and on plans for the year.

Vice Chancellor Pagnam from Worcester reported:

- Achievement for the year was over \$25M;
- New cash gifts continue to grow, reaching \$15.3M;
- Total pledges were down \$9.3M;
- Overall cash was up almost \$6M from the previous year;
- Alumni participation has increased;
- Friends giving is up \$2M from the previous year;
- Restructured the volunteer group. A Development Council was created to assist with this. Its first meeting will be held on October 5;
- The number of alumni events and participation reached new heights;
- The implementation of a new advanced software system was successful;
- Had difficulty increasing the number of major gifts prospects in part to the economic conditions;
- Had difficulty filling a couple of positions.

FY2010 outlook:

- Pursue all of the traditional constituency groups;
- Establish a focused and consistent development operation;
- Continued progress to achieve 1200 qualified gifts prospects;
- secure the required commitment to meet the \$12.5M Valley Foundation Challenge Grants;

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- Cultivate donors interested in supporting the Sherman Center;
- Work with the deans to identify large institutional initiatives;
- Grow alumni participation to over 25%;
- Continue to seek relationships with national corporations.

Vice Chancellor Shorr from Lowell reported:

- 2009 was a year of rebuilding remobilization for UMass Lowell and University Advancement;
- Kept on pace with alumni participation rate;
- Commencement eve event raised \$275K for scholarships;
- Conducted a wealth screening—33,000 alumni screened;
- Cash performed well and is up \$2M over 2007;
- Great job with alumni support in science and technology.

FY2010 outlook:

- Working on great initiatives;
- Goal of \$10.1M, a 3% increase from 2009;
- Focused on raising alumni participation with a goal of 1,000 new alumni participants;
- Lowell has a new Director of the Annual Fund;
- Looking to work with incoming students on alumni expectations;
- Alumni Relations Office is engaging in new social networking programs such as Facebook and Twitter;
- Focusing on building support from corporations and foundations;
- John Davis is the new Gifts Director;
- An Emerging Technologies Center is underway on the North campus. Expect to raise \$10M from engineering alumni over a number of years to support the Center;
- A new academic building is underway on the South campus providing opportunities for alumni, friends and corporations;
- Working on fundraising towards international partnerships;
- Two major gifts officers have been hired.

Assistant Vice Chancellor Eatough from the Dartmouth campus reported:

- UMass Dartmouth raised \$7.35M of its \$7.5M goal;
- Had a visible increase in first time donors in spite of the economy;
- 1400 new alumni graduated this year;
- In support and to recognize the donors a scholarship luncheon was held in April. One-hundred plus people were in attendance, and positive feedback was received;
- Charlie Hoff visited the campus two weeks later and met with 15 students;
- Received a \$3.5M gift in support of scholarships in preference of women and minorities. About a \$100M was awarded across the country;
- Continue to receive significant support from the fishing fleet in New Bedford for SMAST;
- Hired the First Assistant Vice Chancellor of Corporate Foundations Relations, Wendy Skinner;
- Received a \$15M grant from the Howard Hughes Foundation;
- Have been strategic in terms of alumni engagement;
- In August about 130 people attended an event at the WaterFront Grille in New Bedford;

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- An event will be held with UMass Lowell in November at a restaurant owned by UMass Dartmouth Alum;
- In August guest from an exclusive Dartmouth community area were invited on a SMAST tour with Professor Brian House and Dean John Farrington. Great feedback was provided and a follow-up event will be held on October 20.

FY2010 outlook:

- Looking to increase alumni participation and the Annual Fund;
- A Director of the Annual Fund has been hired;
- Looking to work on an extension of the Charlton College of Business;
- The Portuguese American Archives Ribbon Cutting and Dinner Celebration will be held on September 18;
- In the process of hiring a new Major Gifts Officer;
- The Blue and Gold Gala will take place on November 14.

Vice Chancellor Byers from the Boston campus reported:

- Alumni participation down 15-17% from last year;
- Going forward will focus on cultivating approximately 2,500 alum who have made a one-time donation in the past;
- Events were held across the country in L.A., San Francisco, Washington, D.C., and with UMass Dartmouth and the Boston Red Sox;
- UMass Boston's strength lies with its mid-level donors (\$1,000+), 50-200 people;
- Had a number of Chancellor's Council events;
- An event with the co-authors of "Becoming Manny" was held at the Museum of Fine Arts;
- Finding new way of attracting alumni;
- An Event was held a month ago on Martha's Vineyard in partnership with the boat Amistad in support of international travel study abroad.

FY2010 outlook:

- The Major Gifts team is expanding;
- Several significant gifts are in place for the coming year;
- Will focus on the Corporate Foundation Program;
- Focusing on reunions, over 300 people attended last year, 700 expected next year;
- Focusing on potential 6-7 figure gifts, mid-level donors, and faculty;
- Creating a Board of Visitors;
- Have a stretched goal of \$23M;
- Making connections and conducting wealth screening.

Vice Chancellor Leto from the Amherst campus reported:

- A decrease in endowment and number of donors.

FY2010 outlook:

- Looking for an increase of \$27M next year with a particular focus on cash receipts;
- Looking to focus on activity going forward;

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- Looking for a 20% increase in faculty giving on campus;
- Increase activity for development officers and their senior staff;
- Increase face-to-face contact performance by 25% to 2,800 contacts per year;
- Increase number of Major Gifts solicitation by 25% to 281 per year;
- Increase number of donors by 10% to 29,540;
- In building a strong development team Chancellor Holub is providing funding to create three new positions which include an Associate Vice Chancellor for Constituent Programs, a Director for Principal Giving, and a Director of Development for the Boston area;
- Merging the Donor Relations and Stewardship offices;
- Placing an emphasis on Planned Giving;
- Changes made to implement new goal setting process on campus;
- Looking to work with the UMass Amherst Foundation Board on expanding membership;
- Anticipate the planning of a new campaign for UMass Amherst.

Chair Lawton thanked the Vice Chancellors for their reports and commended the goals for 2010.

Trustee DiBiaggio commented that the work being done at the campuses is encouraging and expressed disappointment with the limited number of major gifts continues. There was then a brief discussion around the potential for identifying larger gifts.

Highlights included:

- Major donors have been identified, but timing is an issue;
- It is the donors' timing that puts the vision into place; have to be careful when building lifetime relationships;
- The development of branding needs to be done along with the development of personnel;
- Would students being a part of institutional advancement and mentorship process help? Looking to work again on the role that students and alumni play in fundraising;
- Building next generation of donors/alumni and cultivating relationships over time will help the institution;
- There's a long-term cultural change from previous years and we have to focus on the process of connecting with students, alumni;
- When looking at the organization, we need to look at the professionalization in the organization and standards being set;
- The culture of the students has to change and the deans have to be held responsible for certain aspects of fundraising;
- It is difficult to meet industry standards when budget cuts have to be made;
- We are lacking a group of people to help cultivate potential donors and be advocates for the institution.

The meeting then adjourned at 11:30 a.m.

Zunilka Barrett
Assistant Secretary to the Board