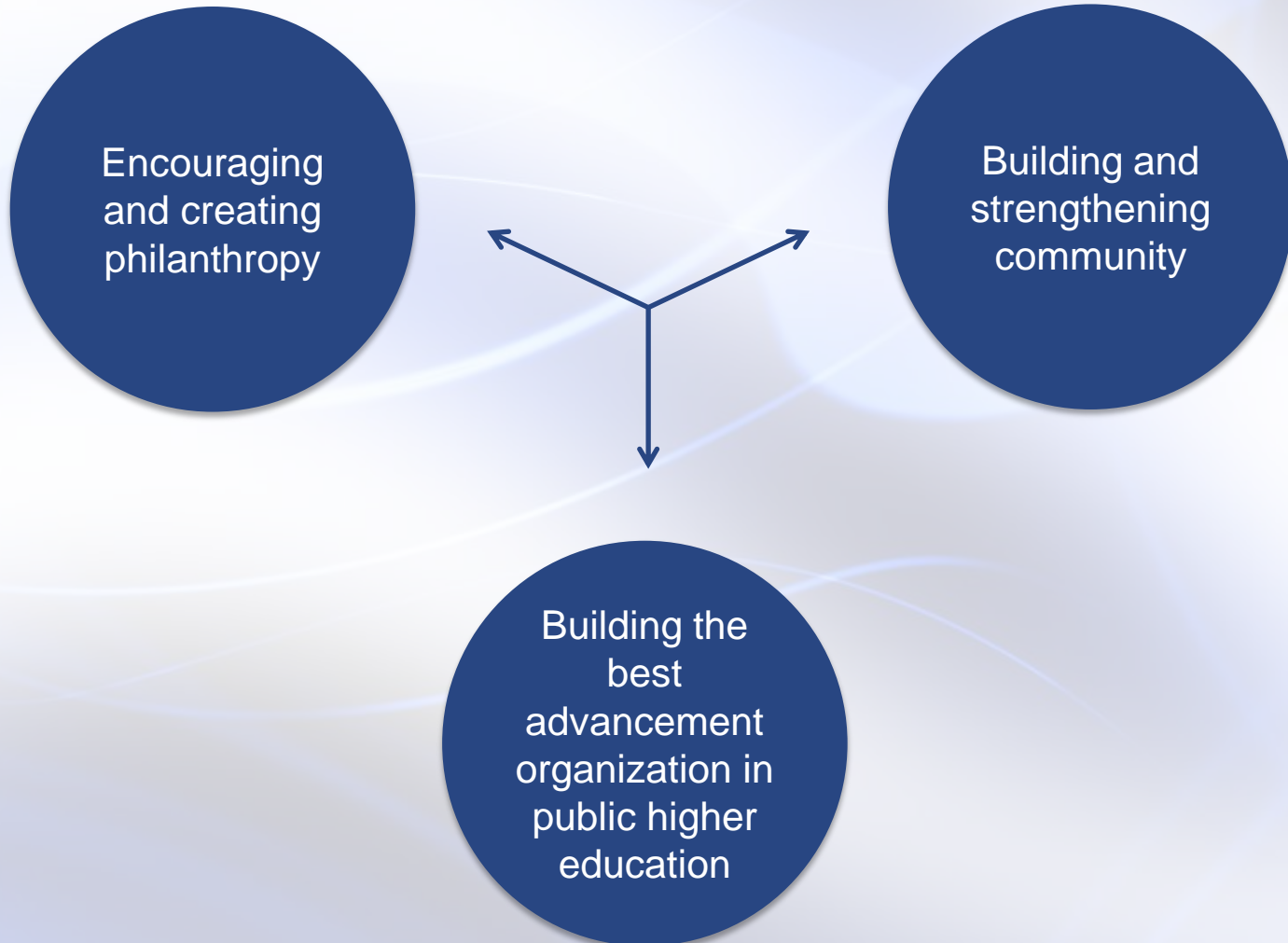


University of Illinois Board of Trustees

Road Map Strategic Plan and Development Update

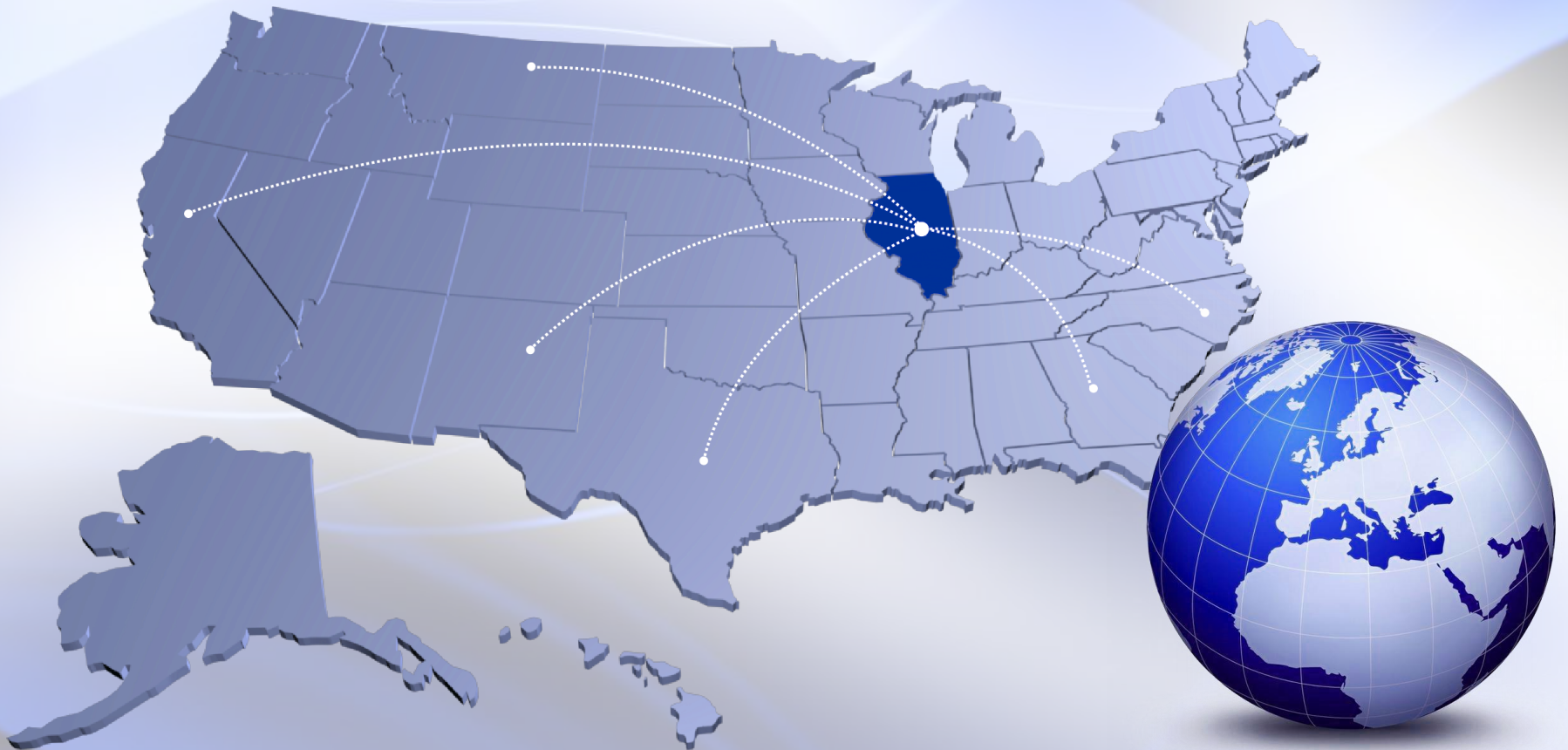
November 14, 2013

Strategic Vision



A Roadmap to a New Culture of Philanthropy and Engagement at the University of Illinois

"Built in the USA on Best Practices"



Organizational Audit

“As is”



Strategic Plan

“Desired State”

- Leadership Alignment/Culture
- Management
- Principal Gifts
- Major Gifts
- Volunteer Involvement
- Corporate and Foundation Relations
- Gift Planning
- Annual Giving
- Alumni Relations
- Communications
- Services
- Resources

Destination Framework

1. Private funding imperative
2. Doubling giving and engagement
3. Alignment
4. Best practices and investments
5. A new campaign

Improvement Principles

1. Organizational staff alignment
“University of Illinois development program”
2. Place a premium on talent and staff quality.
3. Provide resources and investment
4. Ensure accountability, metrics and measurement
5. Create and support new and enhanced programs
6. Focus on engagement strategies
7. Manage process improvement

Specific Strategies

1. Campus and unit based approach
2. Program clarity – internal staff culture and accountability
3. Talent/staff quality/investment
4. Engagement/communication/branding
5. Coordination programs
6. Regional strategies; including Chicago region
7. Launch a campaign – FY15-21 target dates

Specific Strategies

8. New programs (phased and prioritized)

- young alumni
- student development
- class programs
- affinity programs
- international fundraising and programs
- parents fundraising and engagement
- regional major gift qualifying program
- engagement and volunteer board development

Specific Strategies

9. Enhanced programs (phased and prioritized)

- annual giving and future donors
- major and principal gifts fundraising
- interdisciplinary fundraising
- development communications and brand building
- research and prospect management services
- analytics/reports
- stewardship/donor relations
- talent management and professional development

Specific Strategies

10. Information technology and data governance
11. Major gift fundraising prospect pool and pipeline
12. Annual giving strategy
13. Corporate and foundation relations

A Matrix System

Strategic Leadership
Principal Gifts
Development Services
Communications
Policy
Gift Planning
Annual Giving
Alumni Relations
Volunteer Leadership
Corporations/Foundations
Major Gifts

- Central development
- Campuses, colleges, units
- Alumni relations
(Alumni Association)

University of Illinois Advancement Cost Comparison (In millions)

For Fiscal Year Ending June 30, 2012

	Illinois	Private	+/-	Public	+/-
Mean Advancement Costs (in millions)	\$47.6	\$67.8	42.4%	\$46.3	-2.7%
Advancement Costs Per Student Headcount	\$613	\$3,150	413.7%	\$839	36.9%
Advancement Costs Per Alumni of Record	\$75	\$321	330.2%	\$122	63.1%
Total Advancement Costs as a % of Inst'l Expenditures	0.95%	2.17%	128.4%	1.94%	104.3%

Private institutions include: Stanford University; Harvard University; Yale University; University of Southern California; Columbia University; John's Hopkins University; University of Pennsylvania; New York University; Massachusetts Institute of Technology; and Duke University.

Public institutions include: University of California, Berkeley; Indiana University; University of California, Los Angeles; The Ohio State University; University of Wisconsin-Madison; University of Washington; University of Michigan; University of North Carolina at Chapel Hill; University of Texas at Austin; and University of Virginia.

Growth Scenarios: Fundraising Costs (Flat Growth vs. New Investment)

Compound Annual Growth Rate (Baseline is FY10-12 Average Cash & Pledges)	Projected										Total FY14 - FY23
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	
Total Advancement Costs*	\$48.6	\$49.5	\$50.5	\$51.5	\$52.6	\$53.6	\$54.7	\$55.8	\$56.9	\$58.0	\$531.6
<i>*Includes Alumni Relations</i>											
Cash (assumes 2% Growth Rate)	\$210.7	\$214.9	\$219.2	\$223.6	\$228.1	\$232.7	\$237.3	\$242.1	\$246.9	\$251.8	\$2,307.5
Cash & Pledges (assumes 2% Growth Rate)	\$253.9	\$259.0	\$264.2	\$269.4	\$274.8	\$280.3	\$285.9	\$291.6	\$297.5	\$303.4	\$2,780.1

Assumes: Annual increase in advancement costs of 2% (inflation.)

Compound Annual Growth Rate (Baseline is FY13 Preliminary Actuals)	Projected										Total FY14 - FY23
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	
Total Advancement Costs*	\$52.6	\$65.7	\$67.0	\$68.3	\$69.7	\$71.1	\$72.5	\$73.9	\$75.4	\$76.9	\$693.0
<i>*Includes Alumni Relations</i>											
Cash (assumes 7.9% Growth Rate)	\$222.9	\$240.5	\$259.5	\$280.0	\$302.2	\$326.0	\$351.8	\$379.6	\$409.6	\$441.9	\$3,214.1
Cash & Pledges (assumes 7.9% Growth Rate)	\$268.6	\$289.8	\$312.7	\$337.4	\$364.0	\$392.8	\$423.8	\$457.3	\$493.5	\$532.4	\$3,872.4

Assumes:

FY14 advancement costs net new investment of \$5 million.

FY15 advancement costs net new investment of \$12 million and a 2% growth on existing costs (inflation.)

Growth Scenarios: Fundraising Costs (Flat Growth vs. New Investment)

Compound Annual Growth Rate (Baseline is FY10-12 Average Cash & Pledges)	Total FY14 - FY23
Total Advancement Costs - Current Investment	\$531.6
Total Advancement Costs - New Investment	\$693.0
<i>Difference</i>	\$161.4
Cash (2.0% Growth)	\$2,307.5
Cash (7.9% Growth)	\$3,214.1
<i>Difference</i>	\$906.6
Cash & Pledges (2.0% Growth)	\$2,780.1
Cash & Pledges (7.9% Growth)	\$3,872.4
<i>Difference</i>	\$1,092.3

University Fundraising Goals – FY'14 Dashboard / Metrics

1. Fundraising Progress and Production
 - New Business
 - Cash Flow
 - Annual Giving
 - Individual \$1K+ Donors
 - Alumni Donors

2. Development Activities
 - Total Visits
 - Major Gift Solicitations (\$25K+)

3. Portfolio Management (TBD)
 - Finalizing examination of current policies/procedures

Fundraising Progress and Production – FY'14

(As of October 31, 2013)

	FY '14			FY '13		Avg. YTD '09-'13	
	Goal	YTD	% Goal	YTD	+ / -	YTD	+ / -
New Business							
Total University	\$300	\$76	25%	\$107	-29.4%	\$86	-12.1%
Urbana-Champaign	\$201	\$52	26%	\$77	-32.3%	\$57	-8.9%
Chicago	\$90	\$22	25%	\$29	-23.6%	\$27	-15.1%
Springfield	\$4.3	\$694K	16%	\$595K	+16.6%	\$974K	-28.8%
Cash Flow							
Total University	\$245	\$84	34%	\$55	+54.0%	\$65	+30.4%
Urbana-Champaign	\$164	\$67	41%	\$36	+83.4%	\$44	+51.9%
Chicago	\$70	\$16	23%	\$17	-2.9%	\$19	-13.8%
Springfield	\$4.15	\$554K	13%	\$621K	-10.9%	\$664K	-16.6%

* Dollars in millions except as indicated.

Fundraising Progress and Production – FY'14

(As of October 31, 2013)

	FY '14			FY '13		Avg. YTD '09-'13	
	Goal	YTD	% Goal	YTD	+ / -	YTD	+ / -
Annual Giving							
Total University	\$30.5	\$7.83	26%	\$7.62	+2.7%	\$7.64	+2.4%
Urbana-Champaign	\$24.2	\$6.02	25%	\$5.91	+1.8%	\$5.98	+0.6%
Chicago	\$4.9	\$1.40	29%	\$1.35	+4.0%	\$1.28	+9.6%
Springfield	\$900K	\$298K	33%	\$251K	+18.7%	\$264K	+12.9%

* Includes individually directed gifts under \$25K. Dollars in millions except as indicated.

Fundraising Progress and Production – FY'14

(As of October 31, 2013)

	FY '14			FY '13		Avg. YTD '09-'13	
	Goal	YTD	% Goal	YTD	+ / -	YTD	+ / -
Individual \$1K+ Donors							
Total University	7,600	2,315	30%	2,308	+0.3%	2,347	-1.4%
Urbana-Champaign	6,075	1,823	30%	1,787	+2.0%	1,868	-2.4%
Chicago	1,175	381	32%	408	-6.6%	386	-1.2%
Springfield	175	69	39%	62	+11.3%	59	+17.7%
Annual Alumni Donors							
Total University	42,500	14,593	34%	15,457	-5.6%	15,255	-4.3%
Urbana-Champaign	33,000	11,111	34%	11,423	-2.7%	11,498	-3.4%
Chicago	6,500	2,111	33%	2,473	-14.6%	2,310	-8.6%
Springfield	1,500	644	43%	771	-16.5%	649	-4.3%

Development Activities – FY '14

(As of October 31, 2013)

	FY '14		
	Goal	YTD	% Goal
Total Visits			
Total University	14,000	4,826	34%
Urbana-Champaign	10,000	3,813	38%
Chicago	3,500	777	22%
Springfield	450	148	33%
Major Gift Solicitations (\$25k+)			
Total University	1,400	186	13%
Urbana-Champaign	1,000	89	9%
Chicago	380	95	25%
Springfield	32	1	3%

Peer Comparison – FY '10-'12 Total Cash

Urbana-Champaign		
Institution	\$	Rank
U. California-Los Angeles	\$366.5	1
U. California-Berkeley*	\$342.9	2
U. Wisconsin-Madison	\$320.5	3
U. Washington System**	\$316.8	4
U. No. Carolina-Chapel Hill	\$279.0	5
U. Michigan System**	\$272.8	6
U. Texas-Austin*	\$254.7	7
U. Virginia-Main Campus	\$215.9	8
U. Illinois-Urbana-Champaign*	\$132.4	9
U. California-San Diego	\$119.4	10
Mean	\$262.1	--
Median	\$275.9	--

48% of Median

Chicago		
Institution	\$	Rank
U. Arizona	\$158.6	1
U. Cincinnati	\$103.4	2
U. California-Irvine	\$87.0	3
U. Alabama-Birmingham	\$76.1	4
Va. Commonwealth U.	\$68.8	5
U. Illinois-Chicago	\$67.8	6
U. New Mexico System**	\$60.2	7
U. So. Florida	\$53.8	8
Florida State U.	\$53.2	9
Wayne State U.	\$50.1	10
Temple U.	\$46.7	11
Mean	\$75.1	--
Median	\$67.8	--

100% of Median

Springfield		
Institution	\$	Rank
Sonoma State U.	\$8.1	1
Ramapo Coll. of New Jersey	\$3.4	2
U. Texas-Tyler	\$3.3	3
Truman State U.	\$3.2	4
S.U.N.Y.-Geneseo	\$3.1	5
Georgia Coll. & State U.	\$2.6	6
U. Illinois-Springfield	\$2.6	7
Northern Michigan U.	\$2.2	8
Mean	\$3.6	--
Median	\$3.1	--

82% of Median

* Institution lacks full-scale medical school.
 ** Separate data for main campus unavailable.