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**CONTRIBUTIONS TO COLLEGES AND UNIVERSITIES
DOWN 11.9 PERCENT TO \$27.85 BILLION
GREATEST DECLINE EVER RECORDED**

- **Alumni giving and participation decline sharply.**
- **Giving to the top 20 institutions drops 11.8 percent.**
- **Gifts for capital purposes, including endowments, took the biggest hits. Current operations giving was affected modestly.**
- **Reported endowments down 22.3 percent.**

Contributions to the Nation's Colleges and Universities Decline in 2009

Charitable contributions to colleges and universities in the United States declined 11.9 percent, to \$27.85 billion, according to results of the annual Voluntary Support of Education (VSE) survey, released today by the Council for Aid to Education (CAE). The 2009 decline is the steepest in the survey's history. In 1975, however, the inflation-adjusted decline (11.6 percent) was slightly larger than in 2009 (11.5 percent). Over the past ten years, contributions to higher education institutions have increased an average of 4.1 percent per year.

The 20 institutions that raised the most in 2009 received \$7.28 billion—\$1.13 billion less than the top 20 institutions raised in 2008. (Note that the top 20 institutions in 2008 are not exactly the same institutions as the top 20 in 2009. The top 20 in 2009 raised \$0.97 billion less than they did in 2008.) In 2009, Stanford University raised more from private donors than any other university, followed by Harvard University and Cornell University.

The nation's top 20 fundraising universities (and dollars received) in 2009 are:

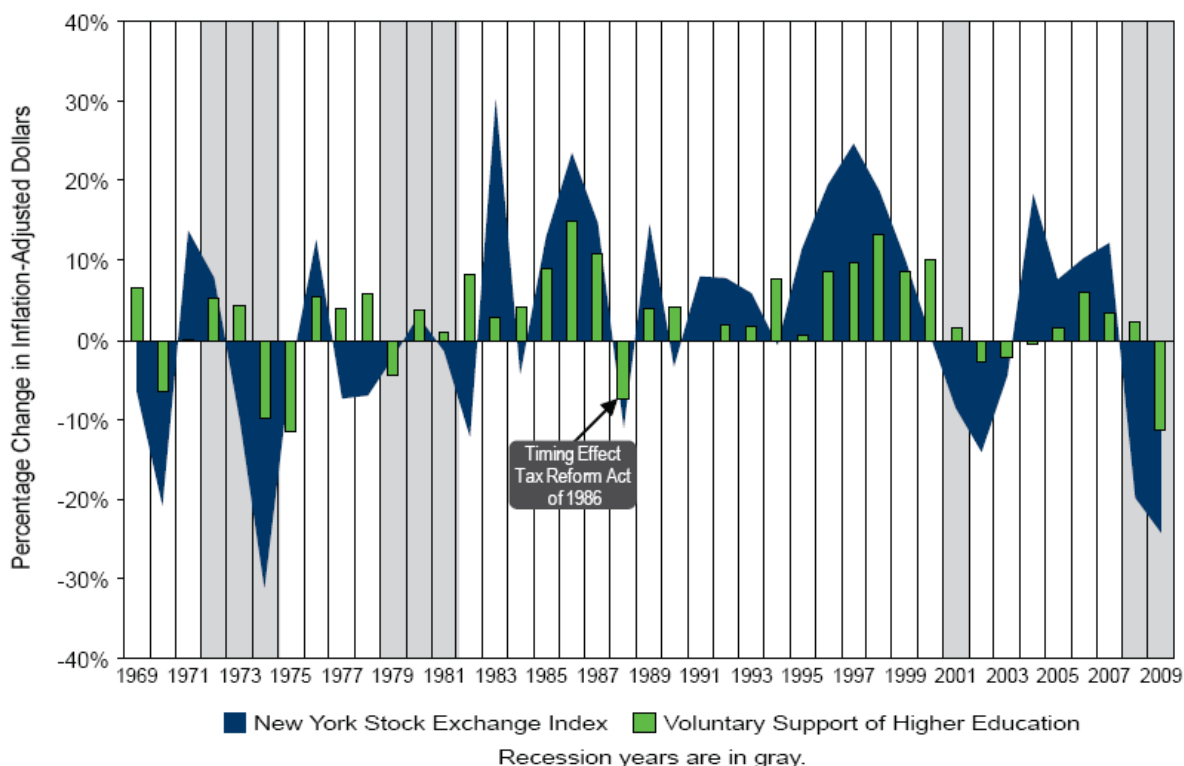
1. Stanford University (\$640.11 million)
2. Harvard University (\$601.64 million)
3. Cornell University (\$446.75 million)
4. University of Pennsylvania (\$439.77 million)
5. Johns Hopkins University (\$433.39 million)
6. Columbia University (\$413.36 million)
7. University of Southern California (\$368.98 million)
8. Yale University (\$358.15 million)
9. University of California, Los Angeles (\$351.69 million)
10. University of Wisconsin-Madison (\$341.81 million)
11. New York University (\$334.79 million)
12. University of Washington (\$323.55 million)
13. Massachusetts Institute of Technology (\$319.07 million)
14. Duke University (\$301.65 million)
15. University of California, San Francisco (\$300.42 million)
16. University of Minnesota (\$272.35 million)
17. University of North Carolina at Chapel Hill (\$270.11 million)
18. University of Michigan (\$263.33 million)
19. University of California, Berkeley (\$255.10 million)
20. University of Chicago (\$248.80 million)

The top 20 institutions represent 1.9 percent of the 1,027 survey respondents. However, contributions to these 20 institutions account for 26.2 percent of all 2009 gifts to higher education institutions. Two-thirds of the institutions that replied to the survey in both 2008 and 2009 reported declines in support. As a group, private liberal arts colleges reported the largest decline in charitable giving (18.3 percent). [The survey's two responding private associate's colleges reported a larger decline, but the sample is small, and the drop may not be representative of these institutions overall.]

Decline Was Expected

The decline in contributions was expected given the recent economic conditions. Ann E. Kaplan, director of the VSE survey, stated, "Charitable contributions to education institutions facilitate the objectives of both donors and institutions in a relationship that has endured through a variety of economic circumstances. Historical patterns indicate that as the economy recovers, contributions will rise again. However, 2009 was a difficult year for colleges and universities and, indeed, also for the individuals and institutions that care about them."

Changes in Giving to Higher Education Institutions Related to the Stock Market and Recessions



Source: Council for Aid to Education, 2010

Current Operations Giving Decline Is Modest

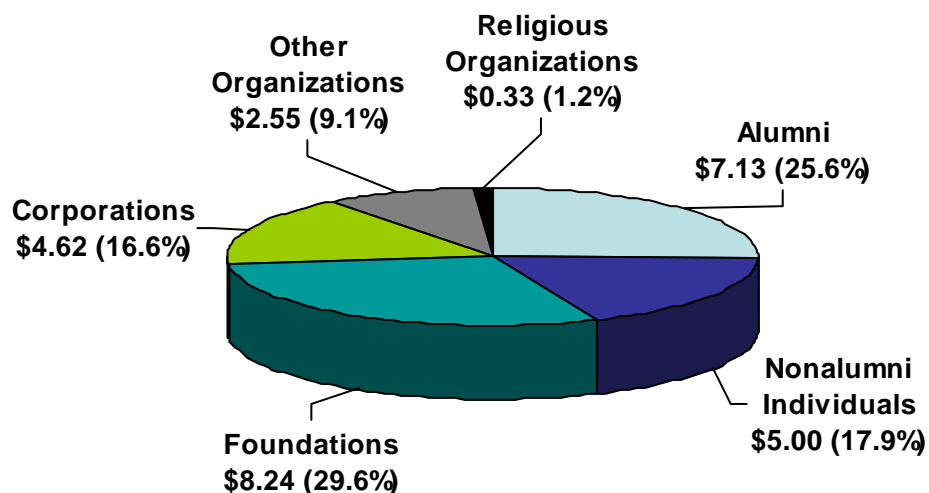
Historically, current operations giving tends to rise and fall in concert with Gross Domestic Product (GDP). GDP declined 2.4 percent between the second quarter of 2008 and the second quarter of 2009—the period that corresponds to the fiscal year of the study. Giving earmarked for current operations fell less than 1 percent (0.7 percent) over the same period, indicating that giving to annual funds was stable during the economic crisis. It accounted for 60.9 percent of the contributions in the fiscal year ending June 30, 2009. This is significantly greater than the 54 percent such contributions represented the previous year.

Gifts for Capital Purposes Decline Sharply

Contributions for capital purposes (to endowments and for property, buildings, and equipment) rise and fall in patterns that are similar to those of the stock market. This is because such contributions are often made in the form of appreciated securities and are made possible by the assets, rather than only the income, of donors.

Between July 2008 and July 2009, the New York Stock Exchange Composite Index declined 28.5 percent. During the same period, gifts designated by donors for capital purposes declined 25 percent.

Voluntary Support of Higher Education, 2009 \$27.85 Billion



Dollar amounts include do not add to the total due to rounding.
Source: Council for Aid to Education, 2010

Estimated Voluntary Support of Higher Education by Source and Purpose, 2009

(Dollars in Millions)

	2008		2009		Percentage Change 2008 to 2009	
	Current \$	Adjusted for CPI	Current \$	Adjusted for CPI	Current \$	Adjusted for CPI
Total Voluntary Support	\$31,600	(100%)	\$27,850	(100%)	-11.9	-11.5
Sources						
Alumni	\$8,700	(27.5)	\$7,130	(25.6)	-18.0	-17.7
Nonalumni Individuals	6,120	(19.4)	4,995	(17.9)	-18.4	-18.0
Corporations	4,900	(15.5)	4,620	(16.6)	-5.7	-5.3
Foundations	9,100	(28.8)	8,235	(29.6)	-9.5	-9.1
Religious Organizations	380	(1.2)	325	(1.2)	-14.5	-14.1
Other Organizations	2,400	(7.6)	2,545	(9.1)	6.0	6.5
Purposes						
Current Operations	\$17,070	(54.0)	\$16,955	(60.9)	-0.7	-0.3
Capital Purposes	14,530	(46.0)	10,895	(39.1)	-25.0	-24.7

Source: Council for Aid to Education, 2010

Alumni Participation at Record Low

Alumni participation declined from 11 percent to 10 percent, the lowest level ever recorded on the VSE survey. The number of alumni of record increased 3 percent, but the number of contributing alumni declined by 5.6 percent. Among a group of 463 institutions that reported as a separate line item contributions from undergraduate-degreed alumni (separate from those earning only a graduate degree at the institution or merely enrolling for one or more courses), the participation rate also declined, from 13.1 percent to 11.7 percent.

Alumni Participation Rate and Average Gift, 2008 and 2009

Type of Institution	2008			2009			
	Number	Alumni Participation*	Average Gift	Number	Alumni Participation*	Average Gift	% Change in Average Gift
Research/Doctoral	218	12.1	\$1,472	218	11.1	\$1,274	-13.4
Private	76	16.2	2,258	74	15.3	1,918	-15.0
Public	142	10.6	1,044	144	9.6	924	-11.4
Master's	342	8.0	664	329	7.1	544	-18.1
Private	185	11.5	831	169	10.3	754	-9.3
Public	157	6.0	488	160	5.4	336	-31.1
Baccalaureate	268	21.3	1,182	265	19.3	1,011	-14.4
Private	232	23.9	1,203	228	22.2	1,030	-14.3
Public	36	7.5	813	37	6.1	699	-14.1
Specialized	56	11.5	834	54	8.1	671	-19.5
Private	39	12.7	941	37	10.3	769	-18.3
Public	17	9.7	642	17	6.0	512	-20.3
Associate's	168	0.9	292	161	1.0	286	-2.2
Private	4	4.7	984	2	2.6	203	-79.4
Public	164	0.8	237	159	1.0	287	21.2
Total All Institutions	1,052	11.0	\$1,259	1,027	10.0	\$1,085	-13.8

* Alumni donors as a percentage of alumni of record.

Source: Council for Aid to Education, 2010

Endowment Values Also Fall

Due to poor investment performance and a decline in new contributions, the market value of university endowments declined in 2009. A matched group of 973 institutions that provided data for 2008 and 2009 at the time of this release reported a 22.3 percent decline in the market value of their endowments.

ADDITIONAL DETAILS

Sources of Contributions

Personal Giving

Contributions from alumni and other individuals represented 43.5 percent of the gifts in 2009. Typically, such gifts comprise closer to half of all contributions to higher education institutions.

Foundation and Corporate Giving

In 2009, foundation giving became a more significant source of charitable support of education institutions. At 29.6 percent, foundations were the single largest source of support. Just under

one-third (31.1 percent) of foundation giving reported on the VSE is from family foundations and represents support caused to be given to the institutions by individuals, including alumni and other friends. Still, in 2004, family foundations represented 36.7 percent of the foundation gifts. The decline to 31.1 percent suggests an erosion of the significance of personal giving in 2009.

Corporate giving represents a smaller share of giving to higher education institutions—16.6 percent of all gifts or \$4.62 billion in 2009. In the context of a weak year for giving, corporate giving, which only declined 5.7 percent, was one of the more stable sources of support. Also, companies support colleges and universities in many ways that are not counted by the VSE survey, including sponsorships, partnerships, and clinical trials.

Donor-Advised Funds

Giving via donor-advised funds declined 8.2 percent among 353 institutions that answered an optional survey question about such gifts in both 2008 and 2009. Many donor-advised funds are included in the category called “other organizations,” although some are included in the “foundation” category.

Donor-advised fund contributions divert legal and survey credit from individuals to organizations. Alumni and other friends of the institution use donor-advised funds to manage their charitable contributions even though they do not receive IRS recognition for distributions from those funds. The charitable gift deduction is taken when the fund is established or added to, not when the fund makes distributions.

Gifts from “other organizations,” which include donor-advised funds, increased 6 percent in 2009. Other organizations were the only type of contributor that donated more in 2009 than in 2008. In 2008, as well, giving from this category grew more than giving from any other. Despite this relative strength, other organizations accounted for only 9.1 percent of the total in 2009.

Voluntary Support and Expenditures

In 2009, voluntary support amounted to 7.2 percent of university expenditures. Among survey respondents (a subset of all institutions) the percentage was higher (9.8 percent). However, in some types of institutions voluntary support has been more crucial. Historically, private liberal arts institutions raise charitable dollars equal to a fifth to a quarter of their annual expenditures. In 2008, that type of institution raised an amount equal to 22.5 percent of expenditures. But, in 2009, the percentage dropped to an historic low of 17.1 percent. Prior to 2009, the percentage had never fallen below 22 percent.

This statistic does not depict the percentage of an institution’s operating budget that is met by charitable giving; it is merely a benchmark. In most years, nearly half of all voluntary support is earmarked by donors for endowments and other capital purposes and cannot be used to offset current-year expenditures. So, for annual operating expenses, institutions must look elsewhere for revenue. Voluntary support could never grow sufficiently to become the primary solution to budgeting challenges, and those challenges will be especially significant in the future.

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The Council for Aid to Education is grateful to the **Council for Advancement and Support of Education (CASE)** for its sponsorship of the VSE survey.

About the Council for Aid to Education

The Council for Aid to Education (CAE) is a national nonprofit organization based in New York City. CAE is the nation's sole source of empirical data on private giving to education, through the annual Voluntary Support of Education (VSE) survey and its Data Miner interactive database. CAE also is committed to improving quality of and access to higher education. The Collegiate Learning Assessment (CLA) is central to that focus. CLA is a national effort to assess the quality of undergraduate education by directly measuring student learning outcomes. CAE created a performance-based assessment model and developed direct measures of critical thinking and written communications skills. University administrators and faculty use the results to guide improvements to academic programs. CAE also conducts research on and promotes policy reforms in higher education.

Published Survey Results

The results of the survey, along with a full analysis of the trends, will be published in spring 2010. *Voluntary Support of Education, 2009*, can be pre-ordered at www.cae.org/cart or by calling 212-217-0878. Price: \$100 (\$65 for survey respondents). A CD of key tables, charts, and speaking points also will be available. Price: \$100 (\$25 if ordered with a book). Shipping and handling: \$6.

Additional tables follow.

ADDITIONAL TABLES

Top 20 Fundraising Institutions, 2009	Amount Raised in Millions			Percentage Change		Rank		
	2009	2008	2004	2008-09	2004-09	2009	2008	2004
Stanford University	\$640.11	\$785.04	\$524.54	-18.5%	22.0%	1	1	2
Harvard University	\$601.64	\$650.63	\$540.33	-7.5%	11.3%	2	2	1
Cornell University	\$446.75	\$409.42	\$385.94	9.1%	15.8%	3	9	3
University of Pennsylvania	\$439.77	\$475.96	\$332.83	-7.6%	32.1%	4	5	4
Johns Hopkins University	\$433.39	\$448.96	\$311.57	-3.5%	39.1%	5	7	6
Columbia University	\$413.36	\$495.11	\$290.62	-16.5%	42.2%	6	3	7
University of Southern California	\$368.98	\$409.18	\$322.09	-9.8%	14.6%	7	10	5
Yale University	\$358.15	\$486.61	\$264.77	-26.4%	35.3%	8	4	9
University of California, Los Angeles	\$351.69	\$456.65	\$262.15	-23.0%	34.2%	9	6	10
University of Wisconsin-Madison	\$341.81	\$410.23	\$260.98	-16.7%	31.0%	10	8	11
New York University	\$334.79	\$387.61	\$214.86	-13.6%	55.8%	11	12	16
University of Washington	\$323.55	\$302.77	\$195.76	6.9%	65.3%	12	18	20
Massachusetts Institute of Technology	\$319.07	\$311.90	\$289.84	2.3%	10.1%	13	16	8
Duke University	\$301.65	\$385.67	\$255.00	-21.8%	18.3%	14	13	12
University of California, San Francisco	\$300.42	\$366.07	\$214.00	-17.9%	40.4%	15	14	17
University of Minnesota	\$272.35	\$307.61	\$245.68	-11.5%	10.9%	16	17	15
University of North Carolina at Chapel Hill	\$270.11	\$292.39	\$186.93	-7.6%	44.5%	17	19	21
University of Michigan	\$263.33	\$333.45	\$206.17	-21.0%	27.7%	18	15	18
University of California, Berkeley	\$255.10	\$285.35	\$178.01	-10.6%	43.3%	19	20	22
University of Chicago	\$248.80	\$256.90	\$156.51	-3.2%	59.0%	20	24	26

Source: Council for Aid to Education, 2010

Voluntary Support by Type of Institution, 2008 and 2009

(Dollars in Thousands)

Type of Institution	All Institutions Reporting						% Change in Average Support	Core Group	
	2008			2009				% Change in Total Support	Number
	Number	Amount	Average per Institution	Number	Amount	Average per Institution			
Research/Doctoral	218	\$20,216,048	\$92,734	218	\$17,787,241	\$81,593	-12.0	-11.4	209
Private	76	9,558,758	125,773	74	8,407,644	113,617	-9.7	-11.9	72
Public	142	10,657,290	75,051	144	9,379,597	65,136	-13.2	-10.9	137
Master's	342	2,501,020	7,313	329	2,157,936	6,559	-10.3	-9.7	316
Private	185	1,564,443	8,456	169	1,333,384	7,890	-6.7	-11.6	163
Public	157	936,577	5,965	160	824,553	5,153	-13.6	-6.5	153
Baccalaureate	268	2,874,842	10,727	265	2,322,880	8,766	-18.3	-18.3	219
Private	232	2,722,112	11,733	228	2,171,389	9,524	-18.8	-18.3	219
Public	36	152,730	4,243	37	151,492	4,094	-3.5	-11.4	51
Specialized	56	1,469,795	26,246	54	1,224,200	22,670	-13.6	-11.4	51
Private	39	450,214	11,544	37	438,458	11,850	2.7	2.8	35
Public	17	1,019,581	59,975	17	785,742	46,220	-22.9	-17.8	16
Associate's	168	261,080	1,554	161	200,513	1,245	-19.9	-11.0	149
Private	4	10,620	2,655	2	4,517	2,258	-14.9	-36.7	2
Public	164	250,460	1,527	159	195,996	1,233	-19.3	-10.0	147
Total All Institutions	1,052	\$27,322,785	\$25,972	1,027	\$23,692,771	\$23,070	-11.2	-11.9	980

This table includes only institutions that replied to the survey. The national estimate accounts for both respondents and nonrespondents. The core group represents 980 institutions that replied to both the 2008 and 2009 surveys.