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Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13

Ross-CASE Survey Report

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Commentary by the Ross Group Editorial Board

Introduction

This year's survey represents a considerable development of the approach that has been taken over the past seven years. With the goal of making the survey more useful to participating practitioners, a number of innovations have been introduced:

- Following extensive consultation with users, a number of new question areas have been introduced with the purpose of gathering more extensive data on the levels of gifts secured, the sources of gift income and the forms of solicitation employed to secure that income. Additional questions on methods of counting funds towards announced campaign totals have also been included. In recognition of the additional work involved many of the new questions were optional, but it is hoped that as practice begins to be shared in gathering this new data, more institutions will be confident in submitting findings.
- Consent has been sought from practitioners to share data from the past six years rather than the three years covered by the survey, making it possible to perform analysis and discern trends over a longer period.
- A new online environment has been created including a toolkit that will give participating institutions a quick and easy way to conduct and present benchmarking on the key variables against national and mission group medians and against each other.

The Editorial Board are very grateful to NatCen and their partner Matrix in developing the new approach and delivering the online tools that will, we hope, ensure that the Survey results can be used by individual institutions to improve their own performance.

The summary report focuses on the key headline figures for the sector as a whole and provides a guide to the variation in performance that is found. We hope that it will be useful for the general reader and observers of, and commentators on, Higher Education in the UK. But we would stress that this is a survey designed primarily for its professional participants to use in their day-to-day work and the full richness of the data now collected can only be accessed through the online benchmarking tools and analysis of the raw dataset available to data sharing participants.

Setting the context

Data in this report covers 2012/13, two years from the end of the HEFCE matched funding scheme, which encouraged fundraising by Universities and Further Education Colleges in England. During the period of the scheme participation in this survey was mandatory in order for individual institutions to claim matched funds from HEFCE. Not surprisingly, participation in the survey has dropped a little amongst English universities (down from 135 last year to 132 in this) but has improved amongst Welsh, Scottish and Northern Ireland institutions. Participation has dropped significantly amongst FE colleges (with only two participating in this year's survey). We are pleased that four international universities also participated; one from the Republic of Ireland and three from the Netherlands (where we note that there has been a considerable growth in professionally resourced fundraising activity over the past few years). In the summary report the results for these international institutions have been excluded and in many of the tables and in this commentary the results for the two FE colleges have also been omitted.

For the purposes of the survey, income is usually reported in two ways:

- **Cash income received** in a year includes new single cash gifts and cash payments received against pledges secured in previous years.¹
- **New funds secured** in a year comprises both new single cash gifts and the full value (up to five years) of new pledges (but excludes any cash payments against pledges secured in previous years).

Overview

- Cash received rose strongly by just over 23 per cent to £660 million, compared to £535 million in each of the previous two years. This is the highest figure ever recorded since the survey began
- This strong result was mirrored by a continuing rise in the number of alumni donating. In total 174,000 alumni donated in 2012/13, four per cent up on 2011/12, and just over six per cent up on 2010/11. This number is key as alumni donations form the bedrock on which future performance and a commitment to investment in fundraising is based for most institutions. It is notable that the number of alumni donating has now risen from 108,000 to 174,000 since 2006-7, a total of 60 per cent since 2006-7. However, participation expressed as a percentage of the total alumni base remains low at 1.9 per cent and raising this across the HE sector remains key to ensuring larger sustainable flows of philanthropic income in the future.
- After a particularly successful year in 2011/12 when new funds secured rose by 14 per cent to a record high of £774 million the sector as a whole saw a decline of £81 million. However new funds secured at £681 million still remains higher than was achieved in 2010/11. There does not appear to be a single cause of this decline and indeed 59 universities (out of the 132 participating) either maintained or significantly improved their individual performance on this measure during the year. However it is troubling that an equal number suffered declines of at least 20 per cent over the same period. Our analysis of the variations in performance described below suggest that the gap between Oxford and Cambridge and the next best group of performers has widened with the latter achieving less good results in terms of large gifts (though still well ahead of the rest of the sector) than in the previous year. It is possible that this downturn will be reflected in cash receipts next year since larger gift pledges, in particular, tend to be paid out over several years
- This year's survey asked a number of new questions about the sources of gifts. Although not all institutions answered these questions, donations from individuals make up 41 per cent of all philanthropic cash income with 59 per cent coming from organisations (however it needs to be noted that around two thirds of the gifts from organisations are credited to trusts and foundations, which, in some cases, may be the giving vehicles for an individual or family). Within the individual gift category alumni account for around 60 per cent of cash income. It is notable that universities continue to attract philanthropic income from non-alumni (41 per cent of individual cash income) and from companies (28 per cent of gifts from organisations) reflecting the quality and relevance of the teaching and research that they undertake and the strong and professional way in which many institutions now seek donations from outside the alumni community.
- Universities invested just over £80 million in fundraising in 2012/13. In addition a further £42 million was invested in alumni relations (including the costs of

¹ More detailed guidance is presented in the Supporting Document which can be found at <http://www.rosscasesurvey.org.uk/>

publishing and distributing alumni magazines). The fact that fundraising costs rose by nine per cent over the year is, we hope, indicative of a growing recognition that continued long term investment is key to achieving sustained and improved performance.

Variations in Performance

- This year has seen considerable flux in the traditional mission groups which have been used in previous surveys to distinguish variations in performance across the sector: most notably the Russell Group of research intensive universities expanded and the 1994 Group disbanded. A large number of institutions that participated in the survey are not aligned to any of the so-called 'mission groups'.
- Following the practice begun last year we have, therefore, used the statistical technique of 'Latent Class Analysis' (LCA) to identify communities of universities that share similar fundraising characteristics based on three years of data (2010/11 – 2012/13). The basis of this analysis is described in Appendix D of the summary report. (It is important to note that it is difficult to compare the results of this year's LCA with that in last year's survey as the composition of the communities identified by the LCA technique changes over time and depends on institutional participation).
- This analysis has identified five communities:
 - Fragile programmes (five institutions): where philanthropic income is low and less than the costs of generating it
 - Emerging programmes (77 institutions): which make a positive return on fundraising but still at low levels and with relatively small numbers of donors
 - Moderate programmes (30 institutions): with substantially higher numbers of staff and income and usually rather better returns per £ spent.
 - Established programmes (22 institutions): with substantial income (more than twice the median level of the 'moderates') higher numbers of staff and even better returns on cash spent on fundraising.
 - Elite programmes (Oxford and Cambridge): these two universities accounted for just under half of philanthropic income generated by the sector in 2012/13, and both enjoy far larger numbers of donors both in absolute terms and as an alumni participation rate. They are also supported by a very substantial investment in fundraising.
- The analysis clearly demonstrates the benefits of achieving scale in fundraising (and therefore the need for investment to achieve that momentum). Whilst median staff numbers and fundraising expenditure rise steadily across the five communities, fundraising income increases even more quickly so that Oxford and Cambridge achieve a median cost per pound of 7p compared to the 38p spent by the median institution in the 'moderate' group. However the analysis also suggests that the relationship between the length of time that an institution has been committed to fundraising and its success is less clear-cut. Whilst the highest performing institutions in the top two classes all have programmes that were established before 2000, there is much more inconsistency in the 'moderate and 'emerging' groups. It is of concern that, as Table 3.5 shows, significant numbers of programmes in these classes are at least ten years old but appear not to have yet reached 'lift off' that would take them into the next class of performance. It seems clear that commitment by the Vice Chancellor and the academic leadership of the institution to fundraising is a necessary, but not sufficient condition for success and needs to be matched by a wider institutional commitment to gradually grow investment and sustain professional fundraising teams in order to drive performance.

Conclusion

The increase in cash receipts to a new high, the sustained growth in numbers of alumni donating and the increase in investment being made by universities in fundraising bodes well for the long term philanthropic health of the sector. Whilst it is disappointing that new funds secured fell (and this may have a knock on effect next year on cash receipts) we do not see any evidence that this presages a long term reversal of the fundraising success that the sector has enjoyed for some years.

However there are still very considerable variations in performance between institutions and until this is addressed growth in fundraising for the sector as a whole will ultimately be constrained. The implementation of the 2012 Review of Philanthropy on Higher Education (chaired by Professor Dame Shirley Pearce) through the workforce development review (published in May 2014²) and the collaboration between CASE and Universities UK on embedding fundraising more firmly among the academic community will be key to this. We also hope that the steps we have taken to develop the Ross-CASE survey's usefulness as an benchmarking tool will contribute to individual institutions identifying best practice amongst peer groups and devising strategies to maximise performance in a systematic and confident way.

² More Partnership (July 2012). Review of Philanthropy in UK Higher Education: 2012 Status Report and Challenges for the Next Decade. Available at: <http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2012/philanthropyinukhe/HEFCE%20Philantropy%20Report.pdf> (Accessed 27 March 2013)

1 Introduction

1.1 The Ross Group and CASE

The Council for Advancement and Support of Education (CASE) is a professional not-for-profit association serving educational institutions and the advancement professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas. The Ross Group Development Directors' Forum is an independent support group of senior development directors involved in fundraising for higher education. Members come from higher education institutions across England, Scotland, Northern Ireland and the Republic of Ireland; membership is by invitation of the group. The Ross Group has helped fund the Ross-CASE Survey over a number of years and works closely with CASE to develop and promote the survey.

1.2 About the survey

This report presents findings from the 2012-13 Ross-CASE Survey of charitable giving to universities and further education institutions. The survey was conducted by NatCen Social Research for the Ross Group and CASE.

The first Ross-CASE Survey was carried out in 2002 and has been repeated annually since then. The methodology of the 2012-13 survey has changed substantially from its predecessors.

The survey was offered online for the first time, which is a notable landmark for the survey. Following a review which included scoping interviews with key stakeholders and development directors, the survey was further enhanced. The questionnaire now includes new and more detailed questions, which will provide additional information to help institutions benchmark and improve their development performance; all data, including the new questions, is available to participating institutions who elect to join the data sharing dataset and who have signed a confidential data sharing agreement.³ Alongside this, new guidance was developed in association with those who complete the survey.

Finally, a new online reporting tool was developed by Matrix⁴ to allow institutions easier reporting and benchmarking on key metrics, and more access to data to allow tracking of performance and benchmarking over a longer period.

For the most part the 2012-13 survey report remains unchanged and like its predecessors, is focussed on key metrics and grouping together institutions with similar fundraising performance.

In total, 139 institutions participated in the survey. The submitted data was checked by NatCen Social Research both online as part of the survey and through separate procedures. Analysis was carried out by NatCen using SPSS for Windows and Latent Gold. A detailed description of the survey methodology can be found in Appendix A. The Reporting Rules can be found at the Ross-CASE website.⁵

³ This can be found at <https://www.rosscasesurvey.org.uk/>

⁴ <http://www.matrixknowledge.com/>

⁵ *ibid*

1.2.1 Who responded to the survey?

The response rate to the Ross-CASE Survey among English higher education institutions (HEIs) remained fairly stable in 2012-13 at 86 per cent. However, this is still some way short of the 97 per cent response rate achieved in 2010-11 when participation in the Survey was mandatory for institutions participating in the English and Welsh matched funding for voluntary giving schemes. The response rate in Wales remained stable at 70 per cent compared with 2011-12. The response rate among Scottish and Northern Irish HEIs rose substantially from 52 per cent in 2011-12 to 73 per cent in 2012-13, the highest over the three year period. Positively, this included four new Scottish HEIs and one Northern Irish HEI who did not participate in the Survey in the previous year.

Table 1.1 Response rates by institution type for 2010-11 to 2012-13

<i>Ross-CASE Survey 2012-13</i>			
Number			
	2010-11	2011-12	2012-13
<u>English higher education institutions</u>			
Invited to participate	132	135	132
Number participating	128	117	113
Response rate	97%	87%	86%
<u>Welsh higher education institutions</u>			
Invited to participate	10	10	10
Number participating	10	7	7
Response rate	100%	70%	70%
<u>Scottish and Northern Irish higher education institutions⁶</u>			
Invited to participate	18	21	22
Number participating	12	11	16
Response rate	67%	52%	73%

Like the 2011-12 Survey, only those further education institutions (FEIs) that had previously participated in the survey were invited to take part in 2012-13 (23 in total). This was a departure from the three previous, matched funding scheme years, where English FEIs were approached (126 in 2010-11). Only two FEIs participated in the Survey this year.⁷

⁶ Four international universities participated in the Survey this year, one from the Republic of Ireland and three from the Netherlands. The information from these submissions has not been included in this report. However, these institutions are included in the data sharing exercise. For further information on data-sharing, please see the Ross-CASE website at <http://www.rosscasesurvey.org.uk>.

⁷ The two FEIs that participated in the survey have not been included in this report, as it would be disclosive to report on just two institutions. However, these FEIs are included in the data sharing exercise. For further information on data-sharing, please see the Ross-CASE website at <http://www.rosscasesurvey.org.uk>.

Information about the number of universities participating by mission group is provided in Appendix B.

1.3 Reporting conventions

1.3.1 Terms used

In this report where reference is made to *universities*, this term is used to describe higher education institutions (HEIs) only. Where reference is made to *institutions*, this term is used to describe both HEIs and further education institutions (FEIs).

Where references are made to universities or institutions, this relates to those universities and/or institutions that participated in the 2012-13 survey, rather than all universities or institutions.

There have been some changes in the mission groups since the 2011-12 Ross-CASE Survey. For instance, the 1994 group has now disbanded (but has been included as a mission group for historical reference). We have retained consistent mission groups, reflecting the most recent membership groupings possible, across all the years analysed in this report: a list of which universities are included in each mission group is shown in Appendix B.

1.3.2 Comparisons across years

Where figures from previous years are used, these are derived from the data submitted or confirmed in the 2012-13 Ross-CASE Survey returns. While the 2012-13 Survey only asked for one year's worth of data, respondents were also allowed to amend any figures submitted in the 2011-12 survey for 2011-12 and 2010-11. Year-on-year comparisons were only made between variables that have remained the same across the three years, and not on new variables.

Some institutions have made improvements to their record keeping over time, and have supplied corrections to returns from previous years. Hence it is believed the historical data supplied in the 2012-13 survey is more accurate than that supplied in previous years. Another key reason for differences in the figures between survey reports is that the list of responding institutions changes between surveys.

The University of Oxford and the University of Cambridge have been excluded from several of the tables presented in the report because the amount they receive in philanthropic gifts is so much larger than other universities, that their findings can disguise trends within the rest of the sector.

Where trend data are presented, often reference is made to a percentage change between two figures. These percentage changes have been calculated on the precise figures, rather than the rounded figures used in the report. Hence they may vary slightly from calculations completed using rounded figures.

It is possible that the change in the mix of institutions responding could affect the total estimates. For most measures the change in the mix of survey respondents has not had any substantial impact on the estimates, or on the interpretation of the results.

1.3.3 Reporting percentages

For a small number of questions the results are presented as the proportions of all respondents giving certain answers. For these questions a zero indicates at least one respondent but less than half of one per cent of all respondents gave an answer. A hyphen indicates no respondents gave that answer.

1.3.4 Minimum sub-group size

NatCen place great importance on protecting the confidentiality of responses from individual institutions. Hence aggregate figures have not been presented where the group being analysed comprises fewer than six institutions. An exception to this is the Oxbridge group that consists of only two universities which have agreed to their data being presented in this manner.

1.3.5 Reporting number of base size

The number of HEIs reported in tables and figures refers to the minimum number of HEIs answering a particular set of questions rather than the total number participating in the survey.

1.3.6 Reporting averages

As a result of the large variation in fundraising between universities, the mean amounts of new funds secured were generally much higher than the median amounts. Therefore, median values are used as our preferred measure throughout the report, although some means are also provided.

1.4 Acknowledgements

First and foremost we would like to thank the university and further education institution staff who gave up their time to provide information about the philanthropic income of their institutions.

We are grateful to the Higher Education Funding Council for England (HEFCE) for funding this study and to the Ross Group for their financial contribution.

For the report of the findings of the 2012-13 survey, the Ross Group appointed a dedicated Editorial Board that has worked with NatCen on the Ross-CASE Survey report. Members of the Board currently are: current and past Ross Group members Fran Shepherd, Peter Agar, Chris Cox, Michelle Calvert and Tania Jane Rawlinson; Andy Cooper; and Executive Director of CASE Europe, Kate Hunter. We are very grateful to them all for their guidance and support. We are also grateful to Susan Robinson who was instrumental in preparing the supporting document.

We would also like to express gratitude to the gift officers and development directors that generously gave up their time to take part in the scoping exercise to inform the new survey.

Importantly, this is the final year in which the Ross Group will play an active role in survey management and CASE will take over the Survey's management from summer 2014. The survey will continue to be financially supported by the Higher Education Funding Council for England until 2017, and also with contributions from the Ross Group.

In addition, we are grateful to HEFCE for supplying us with a list of relevant UK institutions; and to CASE for their involvement in the survey. We are also grateful to the More Partnership for advising us on institution groupings used for the HEFCE Review of Philanthropy in UK Higher Education (Pearce Review).⁸

Within NatCen we are immensely grateful to Catherine O'Donnell who provided valuable administrative support. We are also grateful to our telephone interviewers who assisted us in maximising the number of questionnaires returned.

Most of all, we are grateful to the institutions who participated in the 2012-13 Ross-CASE Survey. This year participation involved a step change in commitment and the number of institutions which filled in most or all of the new questions was impressive. It is clear that institutions who are committed to fundraising value the data generated by this survey.

⁸ More Partnership (July 2012). Review of Philanthropy in UK Higher Education: 2012 Status Report and Challenges for the Next Decade. Available at <http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2012/philanthropyinukhe/HEFCE%20Philanthropy%20Report.pdf> (Accessed 27 March 2013)

2 Sector highlights

This chapter presents the key headline findings and indicators from the 2012-13 Ross-CASE Survey. Income is usually reported in two ways:

- **Cash income received** in a year includes new single cash gifts and cash payments received against pledges secured in previous years.⁹
- **New funds secured** in a year comprises both new single cash gifts and the full value (up to five years) of new pledges (but excludes any cash payments against pledges secured in previous years).

The key findings are based on cash income received, new funds secured, addressable alumni, donors and investment in fundraising.

Figure 2.1 Key findings

Cash income received by all universities rose from £535 million in 2011-12 to an all-time high of £660 million in 2012-13.

New funds secured by universities fell by £81 million to £681 million in 2012-13 compared to the previous survey year. New funds secured in 2012-13 remained higher however than in 2010-11.

While the total new funds secured was less in 2012-13 than in 2011-12, the median new funds rose slightly. The median cash income also rose during this period. This is a result of a few universities that received very large pledges in 2011-12 not repeating the same performance in 2012-13, while many other universities increased the new funds secured.

The number of addressable alumni continued to rise in 2012-13 with 9.3 million addressable alumni in total, compared to 8.5 million the previous year.

The number of alumni making donations to universities also rose: 174,000 donated in 2012-13 which is nearly 6,800 more than in 2011-12 and 10,400 more than in 2010-11.

Total donors rose again, from 209,000 in 2011-12 to an all-time high of 223,000 in 2012-13.

Median cost per pound received was 27p in 2012-13. This was a fall from 36p in 2011-12 but was still 5p higher than 2010-11's 22p.

There were 44 more FTE fundraising staff in the sector in 2012-13 than in 2011-12.

2.1 Key indicators

The key data from the 2012-13 Ross-CASE Survey are presented below (Table 2.1).

Please note that all data has been taken from the 2012-13 Survey, which allowed participants to change any data submitted for the previous two years.

⁹ More detailed guidance is presented in the Supporting Document which can be found at <http://www.rosscasesurvey.org.uk/>

Table 2.1 Key indicators

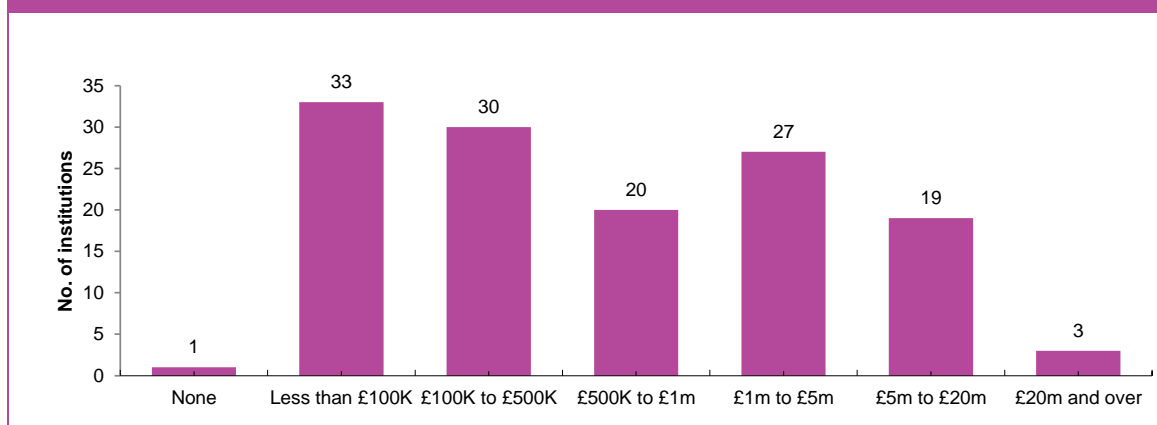
Ross-CASE Survey 2012-13

£000s	2010-11	2011-12	2012-13
<u>All HEIs</u>			
Cash income received	534,258	534,699	659,823
Mean cash income received	4,142	4,312	4,961
Median cash income received	1,060	484	592
New funds secured	665,080	761,796	680,726
Mean new funds secured	5,196	6,144	5,318
Median new funds secured	1,059	558	563
Number			
Addressable alumni	7,963,241	8,475,970	9,269,238
Mean addressable alumni	63,200	68,910	72,986
Median addressable alumni	54,125	62,488	66,634
Alumni making donations	163,945	167,576	174,370
Mean alumni making donations	1,322	1,374	1,516
Median alumni making donations	235	258	338
All donors	197,598	209,409	223,352
Mean donors	1,568	1,703	1,692
Median donors	456	406	354
<i>Number of UK higher education institutions</i>	<i>124</i>	<i>122</i>	<i>115</i>
£000s			
<u>For HEIs starting fundraising programmes pre-2010 only</u>			
Total fundraising spend	73,011	76,510	80,366
Mean fundraising spend	652	696	675
Median fundraising spend	278	299	287
Median cost per pound received	£0.22	£0.36	£0.27
<i>Number of HEIs starting fundraising programmes pre-2010</i>	<i>111</i>	<i>110</i>	<i>118</i>
Number			
Fundraising staff	1,079	1,154	1,198
<i>Number of HEIs starting fundraising programmes pre-2010</i>	<i>112</i>	<i>112</i>	<i>118</i>

2.2 University fundraising performance in 2012-13

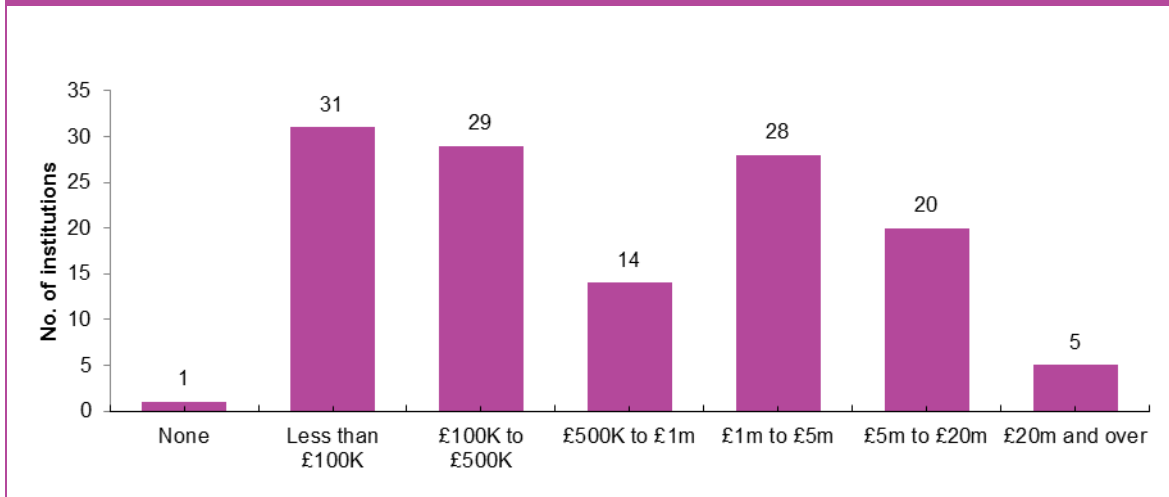
- Cash income received has increased by 23 per cent since 2011-12. The figure had previously remained stable between 2010-11 and 2011-12. UK universities received £660 million in cash income in 2012-13, up from £535 million in 2011-12.
- UK universities secured £681 million in new funds in 2012-13, an 11 per cent decrease of the £762 million secured in 2011-12. The total for 2012-13 is now closer to the £665 million secured in 2010-11. This figure for new funds secured is the sum of all new pledges, new cash gifts and gifts-in-kind, and a commonly used figure in counting campaign totals.
- However, while the mean amount of new funds secured decreased since the last survey year, the median amount of new funds secured has increased.
- For most survey measures in 2012-13 there was a very large variation in fundraising between universities, as in previous years. Very high figures continued to be reported by the largest and most established universities. For example, the University of Oxford and the University of Cambridge accounted for just under half (49 per cent) of the total new funds secured by UK universities in the year. This share has increased slightly from 46 per cent reported in 2011-12 and 2010-11. The Russell Group (excluding Oxbridge) experienced a decrease in their share of total new funds secured, falling from 38 per cent in 2011-12 to 30 per cent in 2012-13.
- Over the three year period between 2010-11 and 2012-13, the shares of total new funds secured by the former 1994 Group (four per cent in 2012-13 and 2010-11), the Million+ Group (under one per cent in 2012-13 and 2010-11) and the University Alliance (one per cent in 2012-13 and two per cent in 2011-10 and 2010-2011) all remained stable. Those HEIs not formally part of a mission group increased their share of new funds secured from ten per cent in 2011-12 to 16 per cent in 2012-13, and this is now similar to the 15 per cent share they had in 2010-11.
- The variation is further illustrated by Figure 2.2 and Figure 2.3 which show the distribution of cash income received and new funds secured. Three universities received more than £20 million in cash income and 34 received less than £100,000. The picture is similar for new funds secured with five universities securing more than £20 million in new funds, whereas 32 secured less than £100,000.

Figure 2.2 Cash income received in 2012-13 for HEIs



Number of HEIs: 133

Figure 2.3 New funds secured in 2012-13 for HEIs



Number of HEIs: 128

- Thirty-three universities experienced a decrease of 50 per cent or more in cash income received between 2011-12 and 2012-13, with 44 universities experiencing an increase of 50 per cent or more.
- A total of 46 universities saw their new funds decrease by 50 per cent or more between 2011-12 and 2012-13, whereas a total of 42 universities experienced an increase of 50 per cent or more.
- The median value of new funds secured by universities increased from £558,000 in 2011-12 to £563,000 in 2012-13, an increase of one per cent.

2.3 Alumni and donor numbers

- In total, UK universities had just over 9.3 million contactable alumni in 2012-13. This is up from 8.5 million in 2011-12, a growth of nine per cent. Alumni numbers grow in two distinct ways: through new graduates and through universities working to identify 'lost' alumni (i.e. those who are not in contact with the institution).
- Of the 9.3 million contactable alumni, 174,000 made a gift. The mean proportion of contactable alumni making a gift in 2012-13 was 1.4 per cent. Only five universities had greater than five per cent of alumni making a gift.
- The mean numbers for contactable alumni and for contactable alumni making a gift in 2012-13 were generally much higher than the median amounts. The Russell Group, including Oxbridge, made up 37 per cent of total contactable alumni and 72 per cent of the total contactable alumni making a gift in 2012-13.
- The total number of all donors who gave to universities was 223,000 in 2012-13; an increase of six per cent since 2011-12. The proportion of the total number of donations made by alumni was 78 per cent, which is comparable to 80 per cent of donations being made by alumni in 2011-12 but slightly less than the 83 per cent of donations being made by alumni in 2010-11.

2.4 University investment in fundraising in 2012-13

- The investment in fundraising figures exclude universities that started their development or fundraising programme less than three years ago (after 2010), or

did not have a programme at the time of the survey. Including these universities would give a misleading picture of the efficiency of their fundraising, as the first three years of a fundraising programme can be unpredictable and there can be a considerable period before significant benefits are forthcoming. Therefore, this section is based on the responses of 119 universities. However, it is important to note that these figures will still include a number of universities that have relatively new fundraising programmes.

- In total, just over £80 million was invested in fundraising in 2012-13. Seventy-one per cent (£57 million) was accounted for by staffing costs with the remainder spent on non-staffing costs.
- UK universities invested £33 million in alumni relations (excluding the cost of the alumni magazine, on which a further £9 million was spent).
- Fundraising expenditure by UK universities increased by nine per cent between 2010-11 and 2012-13, while the median fundraising investment per pound received increased by 19 per cent over this period.
- The median value of universities' fundraising investment per pound received in 2012-13 was 27p, a decrease from the median investment in 2011-12 (36p) but an increase from 2010-11 (22p). This figure has fluctuated between 22p and 36p since the 2006-7 Ross-CASE Survey (e.g. in 2007-08 it was 33p).

2.5 University fundraising staffing in 2012-13

- As with investment in fundraising, the data on fundraising staff also excludes those universities that started their development or fundraising programme less than three years ago (in 2010 or later) or who did not have a programme at the time of the survey.
- The universities with fundraising programmes employed 1,198 full-time equivalent (FTE) staff who worked mainly on fundraising in 2012-13; and an additional 604 staff who worked mainly on alumni relations.
- A median of five FTE staff were employed in fundraising and a median of three FTE staff on alumni relations. The range of FTE staff working on fundraising and alumni relations varied substantially across universities (zero to 158 and zero to 77, respectively).

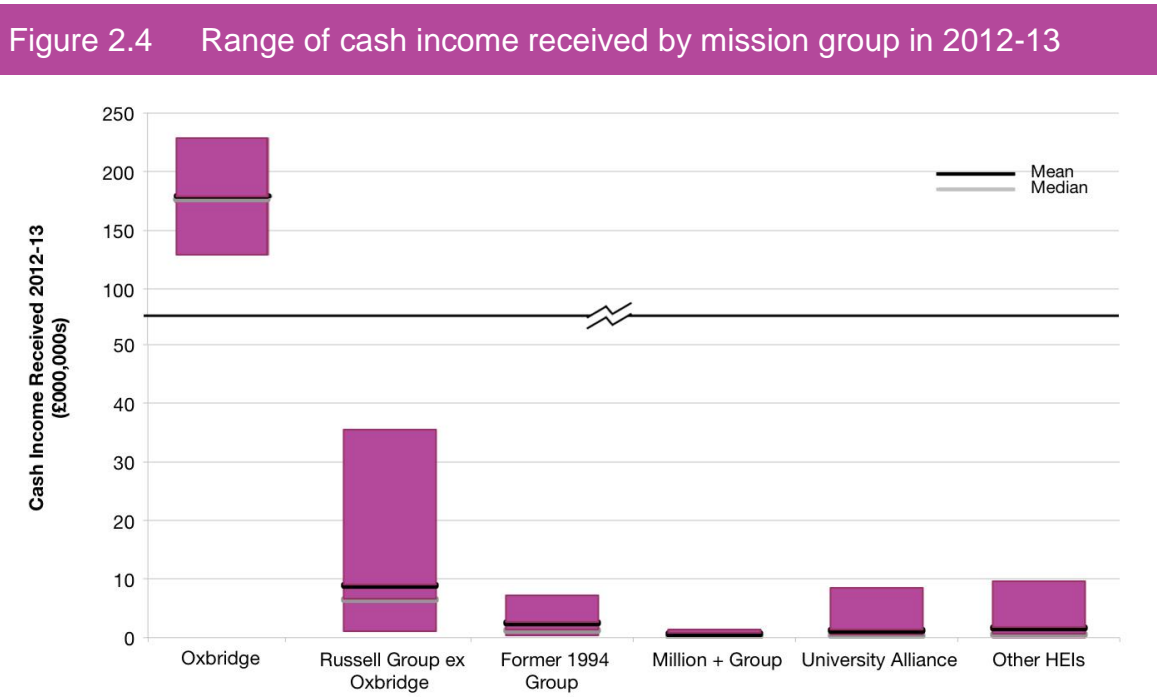
2.6 Mission groups

Table 2.2 presents key findings by universities' membership of one of six 'mission groups': the Russell Group, the former 1994 Group,¹⁰ Million+ Group, University Alliance Group and the universities not formally part of a mission group. Each institution falls into one category of mission group only, and all universities that are part of the Russell Group, former 1994 Group, Million+ Group, and University Alliance Group are categorised as higher education universities. A list of mission groups and the key characteristics for each group can be found in Appendix B.

Figure 2.4, below, shows the gap between the highest and lowest amounts of cash income received by each mission group in 2012-13. Figure 2.5 shows the gap between

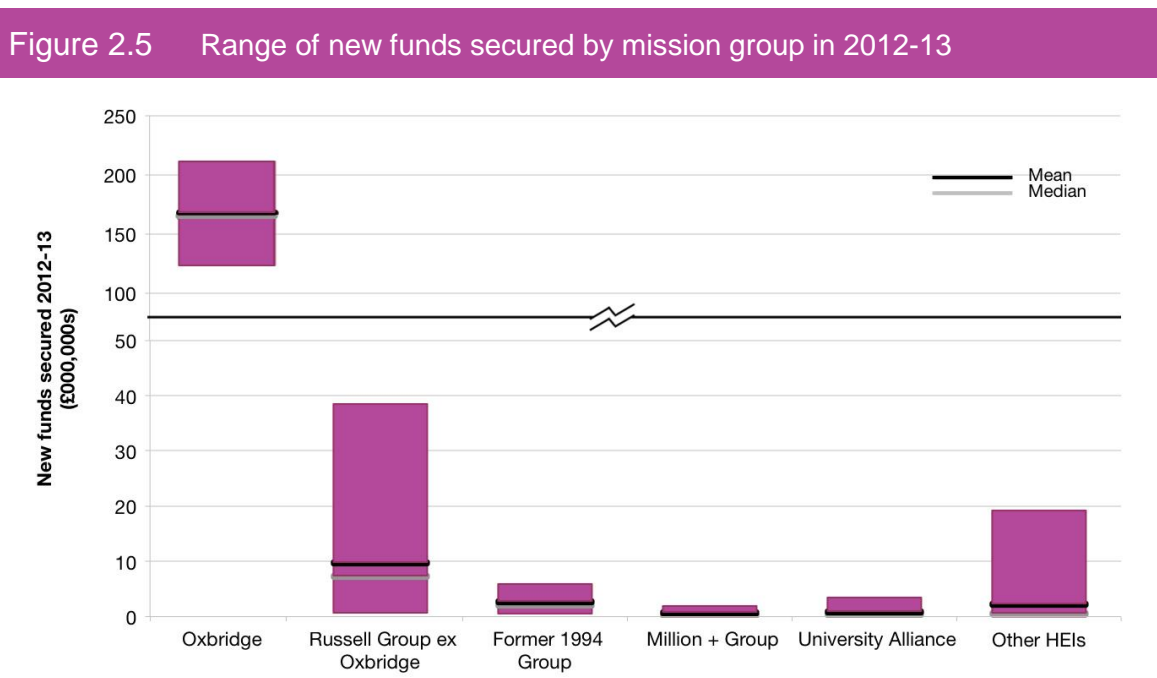
¹⁰ Please note that the 1994 Group has now disbanded, although it existed at the time of the survey. The inclusion of the former 1994 group is for historical comparisons only.

the highest and lowest amounts of new funds secured by each mission group in 2012-13.



Number of universities: 133

Please note that the Y-axis has been truncated so that Oxbridge can be included on the same figure without altering the scale for the other mission groups.



Number of universities: 128

Please note that the Y-axis has been truncated so that Oxbridge can be included on the same figure without altering the scale for the other mission groups.

Table 2.2 Key indicators by mission group
Ross-CASE Survey 2012-13

	Oxbridge	Russell Group (excluding Oxbridge)	Former 1994 Group	Million+ Group	University Alliance Group	Other universities
Number of universities in each mission group	2	22	11	15	18	60
£000s						
Cash income received	356,698	186,419	23,346	3,287	16,219	73,853
Mean cash income received	178,349	8,474	2,122	205	772	1,211
Median cash income received*	-	6,366	1,146	66	233	378
New funds secured	333,418	204,615	24,872	3,398	7,114	107,309
Mean new funds secured	166,709	9,301	2,261	227	395	1,788
Median new funds secured*	-	7,110	1,990	64	234	411
Number						
Contactable alumni	417,855	2,966,460	594,175	909,836	1,520,484	2,860,428
Mean contactable alumni	208,928	134,839	59,418	64,988	80,025	47,674
Median contactable alumni*	-	128,900	57,485	67,167	69,881	29,800
Alumni making donations	62,132	62,933	10,271	1,495	3,851	33,688
Mean alumni making donations	31,066	2,861	934	115	241	661
Median alumni making donations*	-	2,816	995	17	154	225
All donors	80,310	75,660	11,681	1,998	4,674	49,029
Mean donors	40,155	3,439	1,062	125	246	791
Median donors*	-	3,183	1,120	38	176	244
£000s						
For HEIs starting fundraising programmes pre-2010 only						
Total fundraising spend	24,736	26,721	4,267	1,402	2,873	20,368

Table 2.2 Key indicators by mission group						
<i>Ross-CASE Survey 2012-13</i>						
	Oxbridge	Russell Group (excluding Oxbridge)	Former 1994 Group	Million+ Group	University Alliance Group	Other universities
Mean fundraising spend	12,368	1,272	388	140	151	364
Median fundraising spend*	-	1,147	387	81	133	165
Median cost per pound received	£0.07	£0.16	£0.27	£0.37	£0.48	£0.33
Number						
Fundraising staff	300	443	74	27	51	304
Mean fundraising staff	150	21	7	3	3	5
Median fundraising staff*	-	19	8	2	3	3
<i>Number of HEIs and FEIs starting fundraising programmes pre-2010</i>	2	21	11	10	18	56

* Please note that Oxbridge consists of only two universities so the mean value is the same as the median.

2.7 Gift sources

One of the new topics added to the 2012-13 Survey was a detailed breakdown of cash income by its source. Notably, not all universities were able (or elected not) to answer all of the questions included in this table: proportions are therefore recorded alongside the number of universities which were able to respond.

Figure 2.6 shows the gift sources by donor type in 2012-13. Overall, universities received slightly more of their cash income from organisations compared to individuals (59 per cent and 41 per cent respectively).

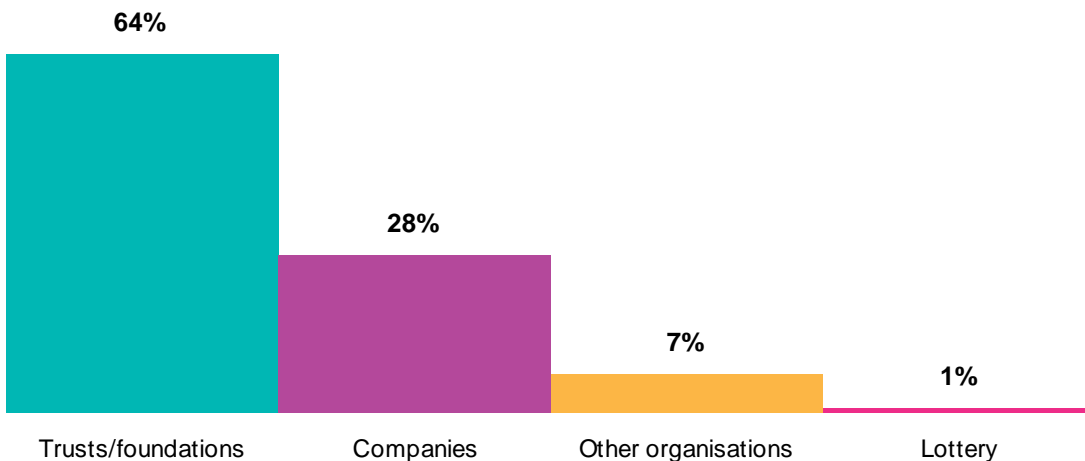
Figure 2.6 Gift sources by donor type in 2012-13



Number of universities: 129

Figure 2.7 show the gift sources by type of organisation in 2012-13. Among the organisations the most common were trusts and foundations which contributed nearly two-thirds (64 per cent) of cash income received from organisations. Companies contributed slightly more than a quarter (28 per cent). The amount of cash received from lotteries and other organisations was much lower.

Figure 2.7 Gift sources by type of organisation in 2012-13



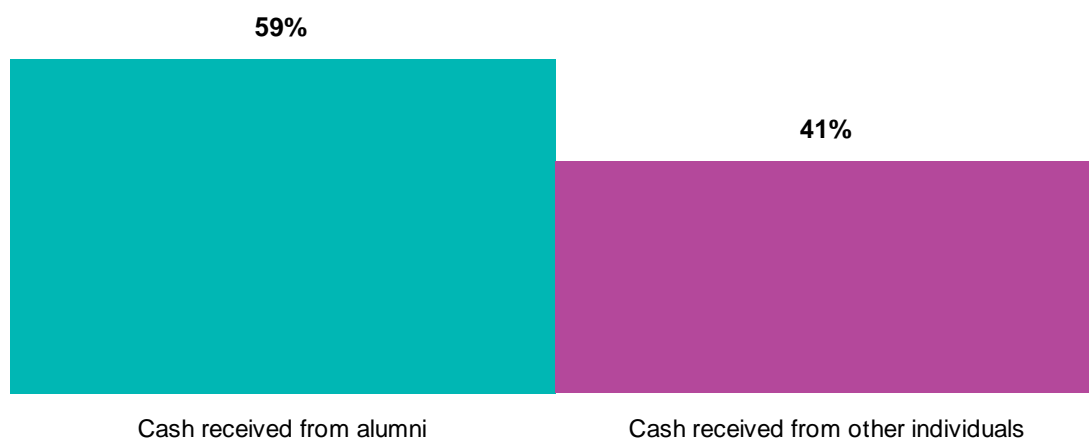
Number of universities: 115

Further information on individuals is provided in Figure 2.8, Figure 2.9 and Figure 2.10. More than half of cash received from individuals came from alumni (59 per cent). Three

quarters (76 per cent) of cash received from alumni was donated by undergraduate alumni.¹¹ Post-graduate alumni donated 14 per cent of cash received with donations from other types of alumni making up much smaller proportions. The majority of cash received from non-alumni (82 per cent) came from other types of individuals who were not staff, parents or grateful patients.

Importantly, while these proportions varied across universities, none of the universities or groups of universities affects the distribution disproportionately.

Figure 2.8 Gift sources by type of individual in 2012-13



Number of universities: 125

¹¹ More detailed guidance on the definitions of the terms used are presented in the Supporting Document which can be found at <http://www.rosscasesurvey.org.uk/>

Figure 2.9 Gift sources by type of alumni in 2012-13

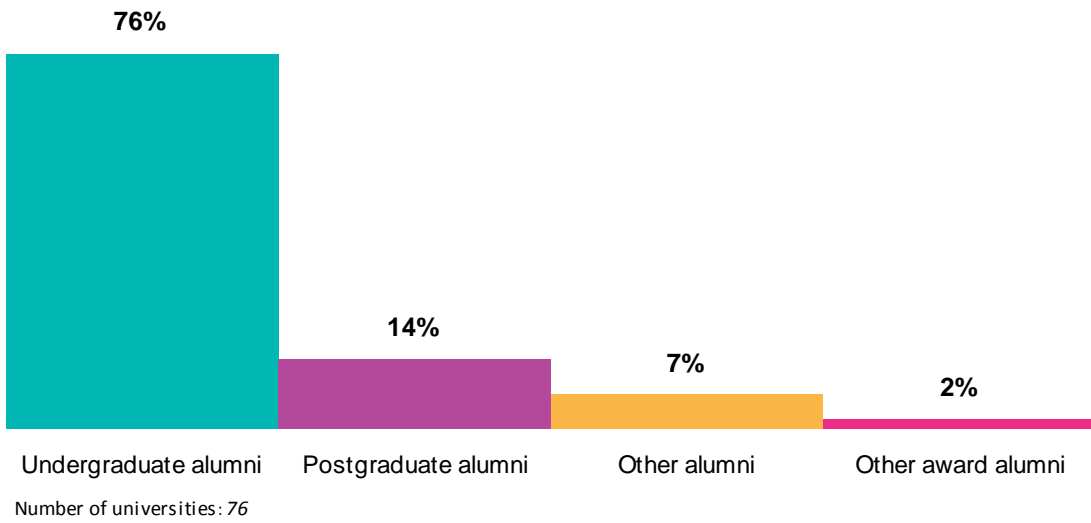
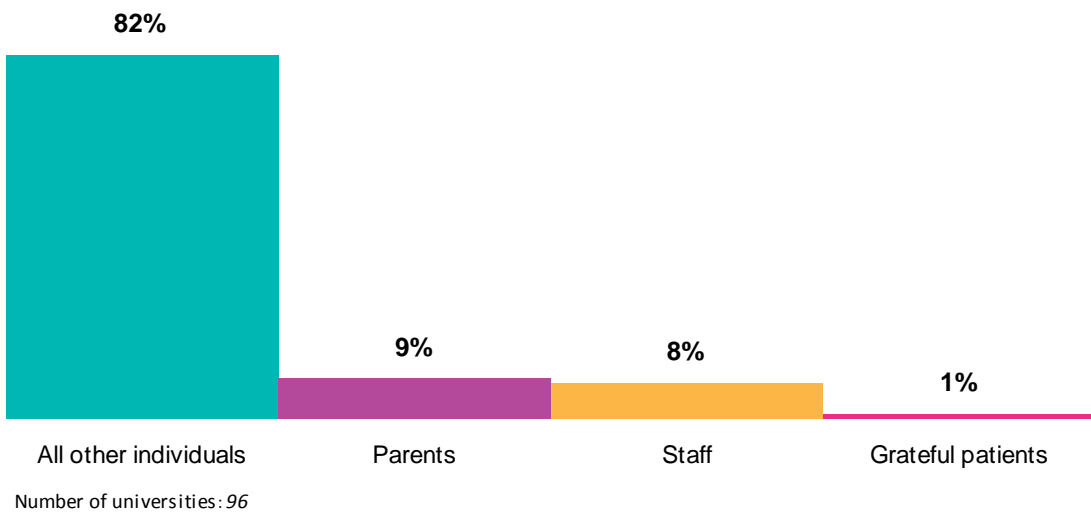


Figure 2.10 Gift sources by type of non-alumni in 2012-13



3 Communities of universities

Universities vary widely by their fundraising profile and there is a substantial degree of variation within mission groups. In recent years, membership of the mission groups has not remained static and, even more recently, we have witnessed the disbandment of the 1994 Group. Moreover, a significant number of universities are not affiliated to any mission group. In recognition of this, the Pearce Review¹² proposed a new way of grouping universities, separating out Oxbridge and specialist universities and grouping the others by year of obtaining university status. The key data is presented by these groupings in Appendix C.

Inspired by this, the 2011-12 Survey explored the possibility of uncovering 'communities' of universities that have a fundraising profile similar to each other. This analysis was conducted using Latent Class Analysis (LCA). We repeated this analysis this year.

3.1 Typology of universities

LCA is a statistical approach used to group individuals or, in this case, universities, into different Clusters according to how they answer a series of questions in the questionnaire. Each Cluster brings together universities with the most similar answers to the selected questions.

The questions listed in Figure 3.1 were chosen because they reflect the key characteristics of fundraising activities and also because they vary sufficiently between universities to use as a differentiating factor.

LCA is typically carried out on datasets which represent a large number of cases. However, the size of the Ross-CASE Survey dataset is ultimately restricted by the number of universities available to study. Given the small number of cases available, the number of questions used in the analysis was restricted to a handful that were considered to be the most informative.

The seven variables used to Cluster universities are shown in Figure 3.1. The three-year averages were used to ensure that the results reflect the overall performance and not small annual fluctuations.

¹² More Partnership (July 2012). Review of Philanthropy in UK Higher Education: 2012 Status Report and Challenges for the Next Decade. Available at <http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2012/philanthropyinukhe/HEFCE%20Philantropy%20Report.pdf> (Accessed 27 March 2013)

Figure 3.1 Questions used to group universities into ‘communities’

Average cash income received over last three years
Average new funds secured over last three years
Average largest cash gift received, as a percentage of total cash income received over last three years
Average number of donors over last three years
Average proportion of alumni making a gift over last three years
Average fundraising investment per pound received over last three years
Average number of fundraising staff over last three years (FT equivalent) ¹³

The resulting five Cluster solution offered both the best statistical fit with the data and made substantive sense. This solution did result in a very small class size for two Clusters (five and two universities), although this was not surprising due to the nature of the study and the small total sample size. However, it should also be noted that the uniqueness of the University of Oxford and the University Cambridge in terms of fundraising makes the identification of just those universities as a Cluster appropriate.

Figure 3.2 below presents the key findings of the Cluster analysis.

Figure 3.2 Key findings

The LCA revealed five different groups of universities.
Universities fell into the following Clusters based on their fundraising performance: Cluster 1 (Fragile fundraising programmes); Cluster 2 (Emerging fundraising programmes); Cluster 3 (Moderate fundraising programmes); Cluster 4 (Established fundraising programmes) and Cluster 5 (Elite fundraising programmes), which consisted of the University of Oxford and the University of Cambridge.
A clear progression of fundraising performance was evident across the five Clusters. Cluster 1 (Fragile fundraising programmes) had the poorest level of performance and Cluster 5 (Elite fundraising programmes) the best.
Mean new funds secured, average cash income received, the average largest gifts, the average proportion of alumni making a gift and the average number of donors increased across the five Clusters.
The average largest cash gift received as a percentage of total cash income received, and the average fundraising investment per pound received, decreased across the five Clusters.

The size of the Clusters are presented next in Table 3.1 followed by a short description of each Cluster.

¹³ The 2011-12 Ross-CASE Survey included average number of gifts over £500,000 over three years. This question was removed for the 2012-13 Survey. Therefore, this was replaced with the average number of fundraising staff over the last three years to determine whether this had an effect on the communities.

Table 3.1 Number of universities per Cluster	
<i>Ross-CASE Survey 2012-13</i>	
Cluster	Cluster size
Cluster 1: Fragile fundraising programmes	5 (4%)
Cluster 2: Emerging fundraising programmes	77 (57%)
Cluster 3: Moderate fundraising programmes	30 (22%)
Cluster 4: Established fundraising programmes	22 (16%)
Cluster 5: Elite fundraising programmes	2 (2%)
<i>Total</i>	<i>136 (100%)</i>

3.1.1 Cluster 1: Fragile fundraising programmes

Universities in this fundraising group stood out as being the only group that spent more on fundraising activities than they received as funds. The new funds secured and cash income received by these universities were low compared to all other groups. They also had few donors and alumni that made donations. A substantial majority of their income came from their largest gift. This Cluster together with Cluster 2 also had the lowest number of fundraising staff.

This Cluster included five universities.

3.1.2 Cluster 2: Emerging fundraising programmes

Clusters 2 (Emerging fundraising programmes), 3 (Moderate fundraising programmes) and 4 (Established fundraising programmes) can be seen as forming a continuum with the universities having less developed fundraising programmes falling into Cluster 2 (Emerging fundraising programmes) and those with a more developed programme into Cluster 3 (Moderate fundraising programmes) or 4 (Established fundraising programmes).

The majority of universities fell into Cluster 2 (Emerging fundraising programmes). The universities in this Cluster had a similar return on their fundraising investment compared with Cluster 3 but only a minority of the universities in this Cluster experienced a loss, unlike the universities in Cluster 1. These universities had lower levels of new funds secured and cash income received, with low value largest gifts in each of the three years. These universities also had a small number of donors and only a small proportion of alumni made donations. Their largest gift made up a large proportion of their income. These universities had only a small number of staff engaged in fundraising.

This was the largest Cluster consisting of 77 universities.

3.1.3 Cluster 3: Moderate fundraising programmes

Cluster 3 (Moderate fundraising programmes) had a similarly healthy ratio of fundraising investment per pound received, like Cluster 2. These universities had moderate levels of funds secured and cash received. These universities had larger gifts, a higher number of donors and a higher number of alumni making donations than Cluster 2 (Emerging fundraising programmes). A reasonable proportion of their income came from their largest gift, although less so than Cluster 2 (Emerging fundraising programmes). This group had a substantially higher number of staff involved in fundraising than Clusters 1 and 2.

Thirty universities belong to this group.

3.1.4 Cluster 4: Established fundraising programmes

Cluster 4 (Established fundraising programmes) consisted of universities that had substantial levels of new funds secured and cash income received. These universities invested little in relation to the amount of money they secured. The universities in this group tended to receive large gifts (in each of the three years) and also had a higher number of donors and a higher number of alumni that made donations. A substantial proportion of their income came from their largest gift but less so than in Cluster 3 (Moderate fundraising programmes). The number of staff dedicated to fundraising activities was higher than in Clusters 1, 2 and 3, but not as high as in Cluster 5.

This Cluster consisted of 22 universities.

3.1.5 Cluster 5: Elite fundraising programmes

Cluster 5 (Elite fundraising programmes) consisted of two universities (the University of Oxford and the University of Cambridge), which had elite fundraising programmes that were performing very well. Universities in this Cluster performed significantly better than those in other Clusters and represent a step change in fundraising. These universities had a much better ratio of fundraising investment per pound received than Cluster 4 (Established fundraising programmes). They had substantial levels of new funds secured and cash income received. They clearly outperformed all other Clusters both in terms of their average largest gift and in overall donor numbers. It is notable that when comparing this Cluster to the other four Clusters, two subtly different points hold true: a higher proportion of their donors were alumni, and a higher proportion of their alumni were donors. They also had by far the largest number of staff involved in fundraising activities.

3.2 Analysis of Clusters

This section provides a more detailed analysis of how the Clusters differ from each other.

Table 3.2 illustrates the fundraising income and expenditure of universities, by Clusters. Cluster 1 had the lowest amount of median cash income received (£8,400) and median new funds secured (£5,700). Cluster 5 had the highest median cash income received (£178 million) and median new funds secured (£167 million). Cluster 5 had the lowest median cost per pound received (7p) and this figure increased through the lower Clusters. Having a low median cost per pound received did not necessarily reflect total fundraising expenditure. Universities in Cluster 5 spent a median of £12 million despite having the lowest median cost per pound received. Conversely,

universities in Cluster 2 spent the least on fundraising with a median cost of £97,000.¹⁴ Universities in Cluster 2 had a median fundraising staff of two, compared with 8, 21 and 150 (in Clusters 3 to 5).

Table 3.2 Key indicators by Cluster					
<i>Ross-CASE Survey 2012-13</i>					
	Clusters				
	1: Fragile fundraising programmes	2: Emerging fundraising programmes	3: Moderate fundraising programmes	4: Established fundraising programmes	5: Elite fundraising programmes
Number of universities in each Cluster	5	77	30	22	2
Key data by Cluster in 2012-13					
£000s					
<u>All universities</u>					
Cash income received	32	28,665	80,070	194,358	356,698
Mean cash income received	6	387	2,669	8,834	178,349
Median cash income received*	8	170	1,624	6,584	-
New funds secured	23	27,910	82,440	236,936	333,418
Mean new funds secured	6	393	2,843	10,770	166,709
Median new funds secured*	6	167	2,461	7,884	-
Number					
Addressable alumni	120,022	3,749,147	2,100,630	2,881,584	417,855
Mean addressable alumni	30,006	52,805	72,436	137,218	208,928
Median addressable alumni*	21,305	45,667	74,488	132,676	-

¹⁴ Please note that figures shown for the fundraising spend and cost per pound are only shown for those institutions that started their fundraising programme before 2010.

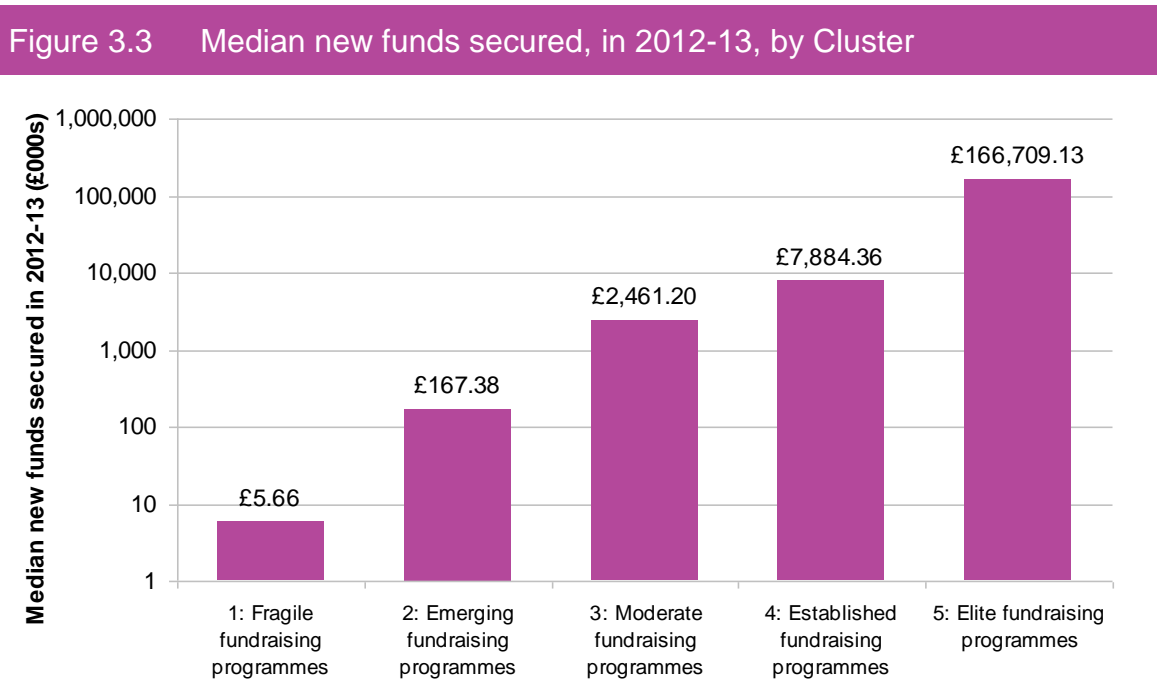
Table 3.2 Key indicators by Cluster

<i>Ross-CASE Survey 2012-13</i>					
	Clusters				
	1: Fragile fundraising programmes	2: Emerging fundraising programmes	3: Moderate fundraising programmes	4: Established fundraising programmes	5: Elite fundraising programmes
Alumni making donations	28	10,561	30,903	70,746	62,132
Mean alumni making donations	9	176	1,066	3,369	31,066
Median alumni making donations*	9	100	1,098	3,100	-
All donors	79	14,514	40,860	87,589	80,310
Mean donors	16	196	1,409	3,981	40,155
Median donors*	21	114	1,214	3,933	-
£000s					
<u>For universities starting fundraising programmes pre-2010 only</u>					
Total fundraising spend**	-	8,654	13,300	33,468	24,736
Mean fundraising spend**	-	135	459	1,521	12,368
Median fundraising spend** *	-	97	444	1,313	-
Median cost per pound received**	-	£0.33	£0.33	£0.17	£0.07
Number					
Fundraising staff**	-	155	232	507	300
Mean fundraising staff**	-	2	8	23	150
Median fundraising staff* *	-	2	8	21	-
<i>Number HEIs and FEIs starting fundraising programmes pre-2010</i>	2	64	28	22	2

* Please note that Cluster 5 (Elite fundraising programmes) consists of only two universities so the mean value is the same as the median.

**These fundraising indicators only apply to two universities in Cluster 1 and therefore the data cannot be shown to protect their anonymity.

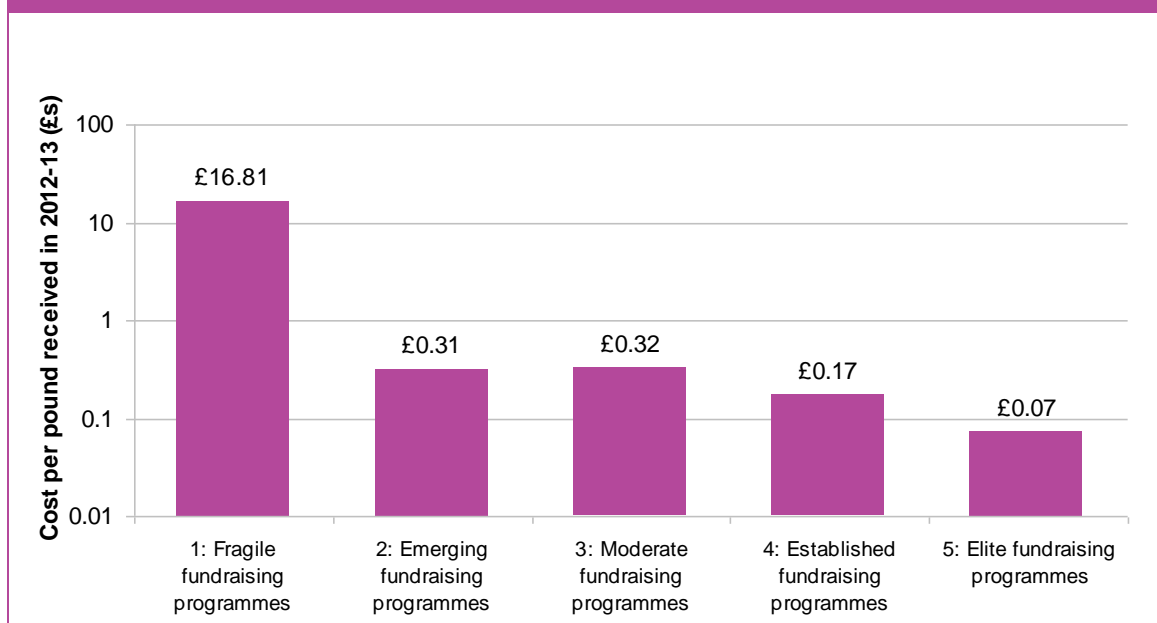
There was a clear trend of improvement between Clusters 1 and 5 across all fundraising income and expenditure variables (see Figure 3.3 and Figure 3.4¹⁵). However, Cluster 1 and Cluster 5 sat outside the fundraising continuum, with a gradual improvement being evident across Clusters 2 to 4.



Number of universities: 128

¹⁵ Please note that because of the large variation that exists between clusters, Figure 3.3 and Figure 3.4 both use a logarithmic scale.

Figure 3.4 Median fundraising investment per pound received in 2012-13, by Cluster



Number of universities: 132

Table 3.3 presents information about largest gifts made to universities in 2012-13, by Cluster. The universities in Cluster 1 were the most reliant on their largest gifts, with a large proportion of their income coming from one gift (67 per cent). This reliance decreased across Clusters 1 and 5 (67 per cent to 11 per cent). This is not surprising given the large number of gifts received in Cluster 5. However, this was not a reflection of the size of the largest gift, with those in Cluster 1 receiving the lowest median largest cash gift (£5,500) and Cluster 5 receiving the highest (£19.5 million).

Table 3.3 Largest gifts made to universities in 2012-13, by Cluster

Ross-CASE Survey 2012-13

	Clusters				
	1: Fragile fundraising programmes	2: Emerging fundraising programmes	3: Moderate fundraising programmes	4: Established fundraising programmes	5: Elite fundraising programmes
£000s					
Mean largest cash gift	6	177	872	1,575	19,500
Median largest cash gift*	5	77	324	1,012	-
Percent					
Mean largest gifts as percentage of income	69	43	27	18	11
Median largest gifts as percentage of income*	67	37	19	15	-

Table 3.3 Largest gifts made to universities in 2012-13, by Cluster

<i>Number of universities</i>	3	72	30	22	2

* Please note that Cluster 5 (Elite fundraising programmes) consists of only two universities so the mean value is the same as the median.

Table 3.4 presents information about donors by Cluster. The median number of donors increased between Clusters 1 and 5. Cluster 1 had a median of 21 donors in 2012-13 and Cluster 5 had a median of 40,155 donors. The median proportion of alumni making donations increased between Clusters 1 and 5 (zero per cent to 15 per cent).

Table 3.4 Donors, by Cluster

<i>Ross-CASE Survey 2012-13</i>					
	Clusters				
	1: Fragile fundraising programmes	2: Emerging fundraising programmes	3: Moderate fundraising programmes	4: Established fundraising programmes	5: Elite fundraising programmes
Number					
Mean number of donors	16	196	1,409	3,981	40,155
Median number of donors*	21	114	1,214	3,933	-
Percent					
Mean percentage of alumni that made a gift	0	0.4	2	3	15
Median percentage of alumni that made a gift	0	0.1	1	3	-
<i>Number of universities</i>	3	57	29	21	2

* Please note that Cluster 5 (Elite fundraising programmes) consists of only two universities so the mean value is the same as the median.

Table 3.5 shows the breakdown of mission groups by Cluster. The Russell Group universities, including Oxbridge, generally fall in to the Clusters that performed better (3-5). Nine universities from the former 1994 group fell into Cluster 3. The majority of University Alliance Universities (96 per cent) fell into Cluster 2, although one fell into Cluster 3. Those universities from the Million+ Group generally fell into Cluster 2 (94 per cent), although one university fell into Cluster 1. Those universities not formally part of a mission group were the most scattered, cutting across four Clusters.

Table 3.5 Mission groups, by Cluster

<i>Ross-CASE Survey 2012-13</i>					
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Table 3.5 Mission groups, by Cluster					
	Clusters				
	1: Fragile fundraising programmes	2: Emerging fundraising programmes	3: Moderate fundraising programmes	4: Established fundraising programmes	5: Elite fundraising programmes
Mission groups					
Oxbridge	0	0	0	0	2
Russell Group ex Oxbridge	0	0	7	15	0
Former 1994 Group	0	2	9	0	0
Million + Group	1	15	0	0	0
University Alliance	0	20	1	0	0
Other HEIs	4	40	13	7	0
<i>Number of universities</i>	5	77	30	22	2

Table 3.6 presents the information on the length of fundraising programme by Cluster. Eleven per cent of universities had fundraising programmes that were established in 2010 or later.

Most Clusters contained a mixture of more recent and longer running development programmes. However, there was a tendency for the programmes in universities in the more advanced Clusters to have been in operation for longer.

Table 3.6 Length of fundraising programme, by Cluster					
<i>Ross-CASE Survey 2012-13</i>					
	Clusters				
	1: Fragile fundraising programmes	2: Emerging fundraising programmes	3: Moderate fundraising programmes	4: Established fundraising programmes	5: Elite fundraising programmes
Establishment of fundraising programme					
1989 or earlier	-	1%	13%	27%	100%
1990 to 1999	-	22%	23%	59%	-
2000 to 2004	20%	20%	43%	9%	-
2005 to 2009	20%	43%	17%	5%	-
2010 and onwards	60%	14%	3%	-	-
<i>Number of universities</i>	5	74	30	22	2

3.3 Comparisons with 2011-12

Before any comparisons are made between the 2012-13 and 2011-12 Clusters, it is important to note that the two are not directly comparable for the following reasons:

- The Clusters in 2012-13 and 2011-12 are mutually exclusive and are based on probability of membership. Therefore a university can perform better in 2012-13 than 2011-12 and still perform worse than other universities. In this sense they could stay in the same Cluster or even move to a lower Cluster.
- The university population between the two years varies as not all universities who participated in 2011-12 participated this year and vice versa.
- The fundraising indicators are not consistent across both Clusters. No information was collected on gifts over £500,000 in the 2012-13 Survey. Therefore, it was replaced with average fundraising staff over three years.
- The sample sizes are so small that a Cluster can be easily influenced by extreme values.
- Three-year average data is used, so there is a two year overlap between the Clusters, which suggests that university figures will only be majorly influenced by extreme figures.

With this in mind comparisons can be made between the two groups qualitatively.

3.3.1 Cluster 1: Fragile fundraising programmes

Although Cluster 1 is the poorest performing Cluster, there has been some improvement in the income figures reported between 2011-12 and 2012-13. There have been increases in the median cash income received and in new funds secured in 2012-13. The median largest gift has also increased, with the largest cash gift as a percentage of cash income received also rising in 2012-13.

The median number of alumni donors also increased over this period.

3.3.2 Cluster 2: Emerging fundraising programmes

Cluster 2 generally improved their fundraising performance between 2011-12 and 2012-13.

Cluster 2 saw an increase in median cash income received but saw a decrease in median new funds secured between 2011-12 and 2012-13. The median largest gift rose in 2012-13 but the largest cash gift as a percentage of cash income received stayed relatively stable.

There were also increases in the median number of alumni donors and the median number of donors over the same period.

The median fundraising investment per pound received decreased substantially, which can be attributed to the increase in cash income received and the decrease of fundraising expenditure.

3.3.3 Cluster 3: Moderate fundraising programmes

Cluster 3 did not do as well in 2012-13, with universities generally performing worse on fundraising in terms of income and expenditure.

Cluster 3 experienced a decrease in median cash income received and new funds secured between 2011-12 and 2012-13. The median largest gift also fell over this

period, with percentage of the largest cash gift as a percentage of cash income also increasing.

Cluster 3 also experienced a decrease in the median number of donors and alumni donors between 2012-13 and 2011-12.

The median fundraising investment per pound received rose, although the median fundraising expenditure fell.

3.3.4 Cluster 4: Established fundraising programmes

Cluster 4 experienced substantial changes between 2011-12 and 2012-13, with the number of universities almost tripling. Their fundraising performance also worsened over this period.

Median cash income received and median new funds secured both fell substantially between 2011-12 and 2012-13. The median largest gift also fell between 2011-12 and 2012-13. However, the median largest cash gift as a percentage of cash income also fell during this period.

The median number of donors remained stable between 2011-12 and 2012-13 but the median number of alumni donors fell.

The median fundraising investment per pound received increased between 2011-12 and 2012-13, but median fundraising expenditure remained stable reflecting the lower fundraising income received in 2012-13.

3.3.5 Cluster 5: Elite fundraising programmes

Cluster 5 continued to consist of Oxbridge, and generally improved their fundraising performance.

Median cash income received rose between 2011-12 and 2012-13, although median new funds secured fell during this period. The median largest cash gift received rose dramatically between 2011-12 and 2012-13, with the median largest cash gift as a percentage of cash income received between 2011-12 and 2012-13 also rising substantially.

Cluster 5 experienced increases in both total donors and alumni donors between 2011-12 and 2012-13.

The median fundraising investment per pound received fell between 2011-12 and 2012-13, despite the median fundraising expenditure remaining stable which reflects the sharp increase in cash income received.

Appendix A. Survey methodology

- The 2012-13 Survey underwent radical changes and was dissimilar to any of its predecessors. The survey was offered online for the first time. A scoping phase was conducted, which included interviews with development directors and key stakeholders, to inform the development of the Survey. A scoping report was produced, detailing key recommendations. As a result, the questionnaire now includes new and more detailed questions which will provide new information to help institutions benchmark and improve their development performance. A phone number and email address were provided by NatCen to provide answers to queries.
- A new website was produced to accompany the survey. This included a new online reporting tool that was developed by Matrix to allow institutions easier reporting and benchmarking on key metrics, and more access to data to facilitate tracking of performance and benchmarking over a longer period. The data sharing exercise was again offered to participants so that they can undertake their own benchmarking analysis using the data directly. The dataset will be included as part of the reporting tool. Due to these changes and longevity of data offered, institutions were asked to consent to sharing their data since 2006-07. Institutions have their own account on the reporting tool and are able to login securely.
- After discussions with gift officers, a new Supporting Document¹⁶ was produced to accompany the Survey. This document replaced the previous guidance document provided by the Ross Group.
- HEFCE provided NatCen with a list of UK institutions that should be approached for the study. We approached 132 English HEIs, 11 Welsh HEIs, 22 other HEIs and 24 FEIs. Only those FEIs that had participated in a previous Ross-CASE Survey were approached.
- The Vice-Chancellors of institutions were sent an advance letter signed by Professor Eric Thomas, the Chair of CASE Europe, inviting their institutions to participate. This included early information on the survey changes. Those individuals who submitted a return on behalf of their institution for the 2011-12 survey were also emailed directly by NatCen to draw their attention to the survey. Two emails were sent to Ross-CASE leads providing a link to the survey and login details. Both the letter and the emails provided the address of the Ross-CASE Survey website (www.rosscasesurvey.org.uk) from which the Survey could be accessed. The website also included background information about the survey, a hard copy of the questionnaire, a Supporting Document, and a Data Release Protocol.
- Reminder calls and emails were used to encourage participation. Fieldwork took place between October 2013 and January 2014.
- A total of 137 questionnaires were returned in time to be included in the analysis (six less than for the 2011-12 survey). A list of participating institutions can be found in Appendix B.
- Data processing was carried out by NatCen. Data checks were included in the in the Online Survey. A further data management procedure was carried out to distinguish between zero returns and missing data, to check outliers and to resolve observable errors. Where possible, missing or inconsistent data were queried with the institutions to check that they were correct before analysis was performed.

¹⁶ The Supporting Document can be found on the Ross-CASE website at <http://www.rosscasesurvey.org.uk/>

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- Analysis was carried out by NatCen using SPSS for Windows and Latent Gold.

Data quality

We acknowledge that some HEIs and FEIs may have struggled to complete the survey this year, particularly due to the added detail being requested in the survey. Some institutions may have found it difficult to collect the appropriate data for submission or may have misinterpreted some of the guidelines for completion. Therefore, NatCen made calls to institutions whose data raised some issues and in many cases the data were improved.

For the 2012-13 survey, a systematic checking process was agreed with the Ross Group and CASE. The number of checks increased this year due to the increase in the number of questions.

Institutions were allowed the opportunity to correct their previous two years' data. Their previous data was fed forward into the survey, so that the institution could view this data and make the necessary changes. It is important to note that all comparative figures between 2010-11, 2011-12 and 2012-13 presented in this report were compiled using this method – making the year-on-year comparisons consistent in standard for each participating institution.

Appendix B. Participating universities, by mission group membership

Appendix Table B. 1 provides a summary of the number of universities in each mission group, the number that participated in the survey and the length of fundraising programmes of group members. Since the 2011-12 Ross-CASE Survey report a number of universities have moved between mission groups. The mission groups used in this report reflect these changes.

Mission group membership by establishment of fundraising programme

Appendix Table B. 1		Mission group membership by establishment of fundraising programme					
<i>Ross-CASE Survey 2012-13</i>							
				Establishment of fundraising			
	Total Members	Participated in survey 2012-13	1989 or earlier	1990 to 1999	2000 to 2004	2005 to 2009	2010 and onwards
Russell Group	24	24	5	11	5	2	1
Former 1994 Group	11	11	-	5	5	1	-
Million+ Group	21	16	-	3	2	5	6
University Alliance Group	22	21	-	4	3	12	2
Other HEIs	98	64	8	13	16	19	5

The participating universities for the 2012-13 Ross-CASE Survey are listed below by mission group. Those universities that also participated in the 2011-12 survey are denoted by an asterisk.

The Russell Group

Universities that are members of the Russell Group and participated in the 2012-13 Ross-CASE Survey are as follows:

Cardiff University*

Durham University*

Imperial College London*

King's College London*

London School of Economics & Political Science*

Newcastle University*

Queen Mary, University of London*

Queen's University Belfast*

University College London*
University of Birmingham*
University of Bristol*
University of Cambridge*
University of Edinburgh*
University of Exeter*
University of Glasgow*
University of Leeds*
University of Liverpool*
University of Manchester*
University of Nottingham*
University of Oxford*
University of Sheffield*
University of Southampton*
University of Warwick*
University of York*

The Russell Group is an Association of 24 research-intensive universities in the UK (<http://www.russellgroup.ac.uk/>).

Most of the participating universities from this mission group are English HEIs (83 per cent) while the others are from Northern Ireland, Scotland and Wales. About a fifth (21 per cent) of the universities have fundraising programmes which were established in 1989 or earlier; 46 per cent established their programmes between 1990 and 1999; 21 per cent established the programme between 2000 and 2004; and 13 per cent in 2005 or later.

The former 1994 Group

All universities that are members of the former 1994 Group participated in the 2012-13 Ross–CASE Survey. The member universities are as follows:

Birkbeck, University of London*
Goldsmiths, University of London*
Institute of Education, University of London*
Lancaster University*
Loughborough University*
Royal Holloway, University of London*
School of Oriental and African Studies*
University of East Anglia*
University of Essex*
University of Leicester*
University of Sussex*

The former 1994 Group has 11 member universities that share common aims, standards and values and was founded in 1994 (www.1994group.ac.uk).

All of the former 1994 Group are English HEIs. Forty-six per cent of the universities have fundraising programmes which were established between 1990 and 1999 and a further 46 per cent which were established between 2000 and 2004. Nine per cent of the former 1994 group universities established their programmes between 2005 and 2009.

The Million+ Group

Universities that are members of the Million+ Group and participated in the 2012-13 Ross–CASE Survey are as follows:

Anglia Ruskin University*
Bath Spa University*
Canterbury Christ Church University*
Edinburgh Napier University*
Leeds Metropolitan University*
London Metropolitan University*
Middlesex University*
Staffordshire University*
University of Abertay Dundee
University of Bedfordshire*
University of Bolton*
University of Cumbria*
University of East London*
University of Sunderland*
The University of West London*
University of the West of Scotland*

The Million+ Group, formerly known as Campaigning for Mainstream Universities (CMU) is a university think tank which aims to help solve complex problems in higher education (www.millionplus.ac.uk).

Those responding from the Million+ Group comprised mostly English HEIs (81 per cent). The majority of Million+ Group members began their fundraising programmes in 2005 or after (69 per cent).

The University Alliance Group

Universities that are members of the University Alliance Group and participated in the 2012-13 Ross–CASE Survey are as follows:

Bournemouth University*

Cardiff Metropolitan University*
Coventry University*
Glasgow Caledonian University*
Kingston University*
Liverpool John Moores University*
Manchester Metropolitan University*
Nottingham Trent University*
Oxford Brookes University*
Plymouth University*
Teesside University*
University of Glamorgan*
University of Greenwich*
University of Hertfordshire*
University of Huddersfield*
University of Lincoln*
University of Northumbria at Newcastle*
University of Portsmouth*
University of Salford*
University of the West of England, Bristol*
University of Wales, Newport*

The University Alliance Group was formed in 2006 and comprises mostly of post 1992 universities. Member universities have a balanced portfolio of research, teaching, enterprise and innovation.

Eighty-six per cent of participating University Alliance Group members are English HEIs. Nineteen per cent of universities began their fundraising programmes between 1990 and 1999, with a further 14 per cent beginning programmes between 2000 and 2004. The majority of University Alliance Group universities established their programme between 2005 and 2009 (57 per cent).

Other HEIs

This group comprises of all HEIs that participated in the 2012-13 survey and are not members of the Russell, former 1994, Million+ or University Alliance mission groups.¹⁷ The HEIs included in this group are as follows:

Aberystwyth University*
Arts University Bournemouth*
Aston University*
Bishop Grosseteste University*

¹⁷ It is worth noting that some 1994 group members will now fall into this group. For the purposes of the 2012-13 Survey, these universities are included in the former 1994 group.

Brunel University*
Buckinghamshire New University*
City University, London*
Courtauld Institute of Art*
Cranfield University*
Edge Hill University*
Glasgow School of Art*
Glyndwr University
Guildhall School of Music & Drama*
Harper Adams University*
Heriot-Watt University
Institute of Cancer Research*
Keele University*
Leeds College of Music*
Leeds Trinity University*
Liverpool Hope University*
Liverpool Institute for Performing Arts*
Liverpool School of Tropical Medicine
London Business School*
London School of Hygiene & Tropical Medicine*
London South Bank University*
Newman University*
Open University*
Queen Margaret University Edinburgh
Robert Gordon University
Roehampton University*
Rose Bruford College*
Royal Agricultural University
Royal Central School of Speech and Drama*
Royal Northern College of Music*
Royal Veterinary College*
St George's Hospital Medical School*
St Mary's University, Twickenham*
Swansea University*
Trinity Laban Conservatoire of Music and Dance*
University Campus Suffolk*
University College Birmingham*
University of Aberdeen*

University of the Arts London*
University of Bath*
University of Brighton*
University of Chester*
University of Derby*
University of Dundee*
University of Hull*
University of Kent*
University of London*
University of Reading*
University of St Andrews*
University of St Mark and St John
University of Stirling
University of Strathclyde*
University of Surrey*
University of the Highlands and Islands*
University of Ulster
University of Wales Trinity Saint David
University of Westminster*
University of Wolverhampton*
University of Worcester*
York St John University*

Appendix C. Pearce Review groupings

In 2012, the Higher Education Funding Council for England (HEFCE) commissioned the More Partnership to undertake a review of philanthropy in UK higher education.¹⁸ One suggestion made by the More Partnership in their Pearce Review was to group universities' fundraising performance by institutional age, rather than by mission group as is currently used. Review authors believed that this would provide a more meaningful comparison of fundraising performance that would take into account differences between universities. They described there being more similarities in characteristics between universities of the same age than there are between universities in the same mission group. The age groupings decided upon in the Pearce Review and examples of the universities included in each group (provided in the Appendices of the More Partnership report) are:

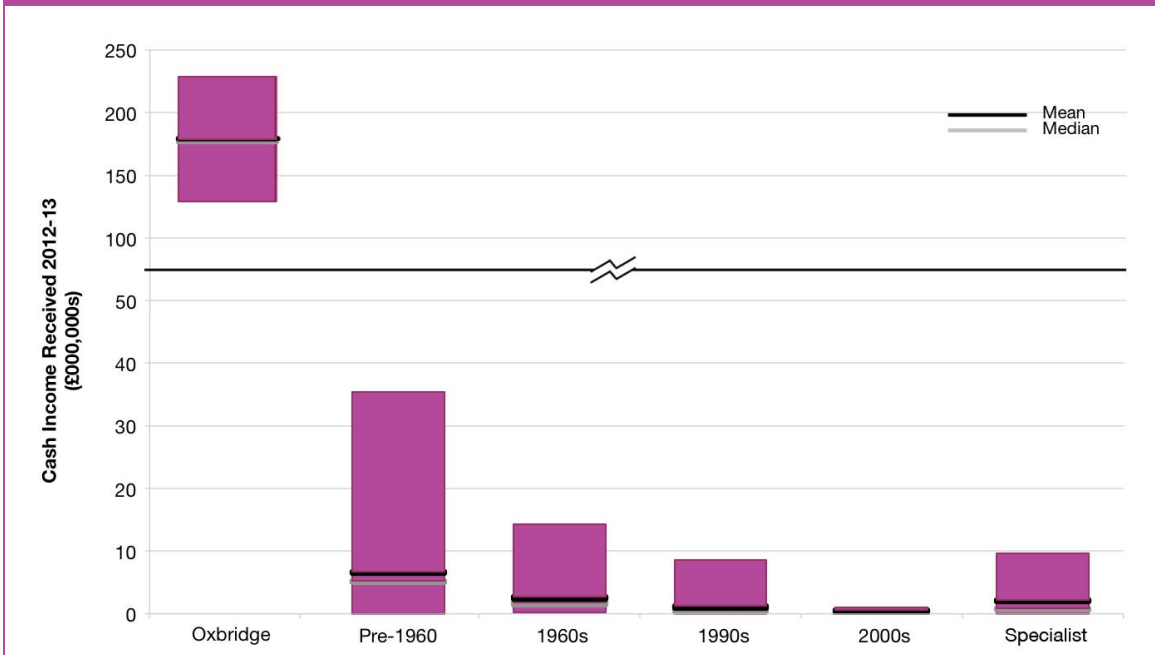
- **Pre 1960s universities:** examples include Aberdeen, Manchester, Cardiff, Reading and Newcastle.
- **1960s universities:** examples include Sussex, Essex, Ulster and Stirling.
- **1990s universities;** examples include Oxford Brookes, Hertfordshire, Napier, Glasgow Caledonian, Glamorgan.
- **Universities started in the 2000s,** examples of which include Chester, Chichester, Winchester and Northampton.
- **'Specialist' universities,** which include the School of Pharmacy, Institute of Education, the Courtauld, and the Glasgow School of Art.

To provide a comparison with the rest of the report, the figures below detail the range of new funds secured, and cash income received, by Pearce Review (age) group. The range of cash income received and new funds secured by the universities in the different age groups in 2012-13 is detailed in Appendix C.

¹⁸ More Partnership (July 2012). Review of Philanthropy in UK Higher Education: 2012 Status Report and Challenges for the Next Decade. Available at: <http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2012/philanthropyinukhe/HEFCE%20Philantropy%20Report.pdf> (Accessed 27 March 2013)

Appendix Figure C. 1

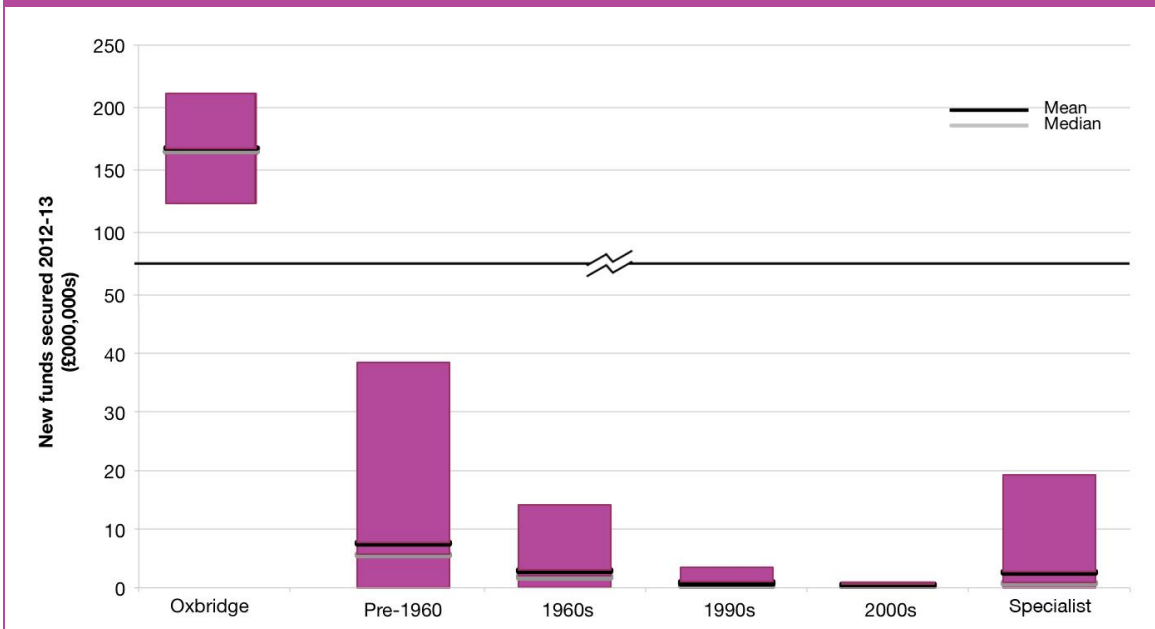
Range of cash income received by Pearce Review groupings in 2012-13



Number of universities: 128

Appendix Figure C. 2

Range of new funds secured by Pearce Review groupings in 2012-13



Number of universities: 126

Table C.1 below presents key fundraising performance data (collected by the Ross-CASE Survey) by Pearce Review age group, that is for new funds secured; cash income received; contactable alumni; number of alumni who made donations, and; total alumni numbers.

For those universities starting a fundraising programme before 2010, data are additionally presented for fundraising spend, median cost per pound received and number of full-time equivalent staff working on fundraising.

Appendix Table C. 1 Key indicators from Ross-CASE Survey 2012-13 by Pearce Review groupings						
<i>Ross-CASE Survey 2012-13</i>						
	Oxbridge	Pre-1960	1960s	1990s	2000s	Specialist
Number of universities in each group	2	33	21	37	22	19
£000s						
Cash income received	356,698	202,681	44,367	23,661	941.44	31,473
Mean cash income received	178,349	6,142	2,113	639	44.83	1,656
Median cash income received*	-	4,988	1,468	307	20.597	615
Cash income received	333,418	237,464	52,594	13,929	867.48	42,454
Mean cash income received	166,709	7,196	2,504	410	45.657	2,234
Median cash income received*	-	5,435	1,704	206	13.31	608
Number						
Addressable alumni	417,855	3,496,947	1,877,893	2,709,998	494,697	271,848
Mean addressable alumni	208,928	105,968	93,895	77,429	24,735	15,991
Median addressable alumni*	-	106,103	78,448	73,123	24,308	8,216
Alumni making donations	62,132	73,178	29,145	5,963	793	3,159
Mean alumni making donations	31,066	2,361	1,388	192	61	186
Median alumni making donations*	-	1,793	847	127	9	106
All donors	80,310	88,407	33,250	7,478	1,536	12,371

Appendix Table C. 1 Key indicators from Ross-CASE Survey 2012-13 by Pearce Review groupings

<i>Ross-CASE Survey 2012-13</i>						
	Oxbridge	Pre-1960	1960s	1990s	2000s	Specialist
Mean donors	40,155	2,763	1,583	208	70	651
Median donors*	-	2,250	977	135	12	242
£000s						
For HEIs starting fundraising programmes pre-2010 only						
Total fundraising spend	24,736	31,402	11,339	5,508	6,976	6,976
Mean fundraising spend	12,368	981	540	184	24	410
Median fundraising spend*	-	980	387	190	6	130
Median cost per pound received	£0.07	£0.21	£0.33	£0.48	£0.17	£0.25
Number						
Fundraising staff	300	517	190	88	11	92
Mean fundraising staff	150	16	9	3	1	5
Median fundraising staff*	-	17	8	3	1	3
<i>Number of higher education universities and further education universities starting fundraising programmes pre-2010</i>	2	32	21	29	17	17

* Please note that Oxbridge consists of only two universities so the mean value is the same as the median.

The universities that took part in the Ross-CASE Survey 2012-13 are provided below, according to their Pearce Review grouping.¹⁹

Oxbridge

University of Cambridge

University of Oxford

Pre-1960

University of Birmingham

University of Bristol

University of Durham

University of Exeter

University of Hull

University of Leeds

University of Leicester

University of Liverpool

Birkbeck College

Goldsmiths' College

Imperial College London

King's College London

London School of Economics and Political Science

Queen Mary, University of London

Royal Holloway, University of London

SOAS, University of London

University College London

University of London

University of Newcastle upon Tyne

University of Nottingham

University of Reading

University of Sheffield

University of Southampton

University of Edinburgh

University of Glasgow

University of Aberdeen

University of St Andrews

University of Wales Trinity Saint David

¹⁹ Some universities that participated in the 2012-13 Ross-CASE Survey were not included in the HEFCE review. Where this was the case, the authors of the report were contacted to ascertain which groups these universities would have fallen into.

Aberystwyth University
Cardiff University
Swansea University
Queen's University Belfast
University of Manchester

1960s

Open University
Cranfield University
Aston University
University of Bath
Brunel University
City University, London
University of East Anglia
University of Essex
Keele University
University of Kent
Lancaster University
Loughborough University
University of Salford
University of Surrey
University of Sussex
University of Warwick
University of York
University of Strathclyde
Heriot-Watt University
University of Dundee
University of Stirling

1990s

Anglia Ruskin University
Bath Spa University
Bournemouth University
University of Brighton
Coventry University
University of Derby
University of East London
University of Glamorgan Group

University of Greenwich
University of Hertfordshire
University of Huddersfield
University of Lincoln
Kingston University
Leeds Metropolitan University
Liverpool John Moores University
Manchester Metropolitan University
Middlesex University
University of Northumbria at Newcastle
Nottingham Trent University
Oxford Brookes University
Plymouth University
University of Portsmouth
London South Bank University
Staffordshire University
University of Sunderland
Teesside University
The University of West London
University of the West of England, Bristol
University of Westminster
University of Wolverhampton
Cardiff Metropolitan University
University of Abertay Dundee
Queen Margaret University Edinburgh
Robert Gordon University
University of the West of Scotland
Glasgow Caledonian University
Edinburgh Napier University
University of Ulster
London Metropolitan University

2000s

Bishop Grosseteste University
Buckinghamshire New University
University of Chester
Canterbury Christ Church University
York St John University

University of St Mark and St John
Edge Hill University
Liverpool Hope University
University of Bedfordshire
Newman University
Roehampton University
University of Cumbria
St Mary's University, Twickenham
Leeds Trinity University
University of Worcester
University of Bolton
University of Wales, Newport
Glyndwr University
University of the Highlands and Islands
Arts University Bournemouth
University College Birmingham
University Campus Suffolk

Specialist

Royal Central School of Speech and Drama
Harper Adams University
University of the Arts London
Rose Bruford College
Royal Northern College of Music
Trinity Laban Conservatoire of Music and Dance
Glasgow School of Art
Institute of Education
London Business School
London School of Hygiene & Tropical Medicine
Royal Veterinary College
St George's Hospital Medical School
Institute of Cancer Research
Royal Agricultural University
Courtauld Institute of Art
Leeds College of Music
Guildhall School of Music & Drama
Liverpool Institute for Performing Arts
Liverpool School of Tropical Medicine

Appendix D. Latent Class Analysis

Essentially, LCA consists of: a) identifying the number of classes that best fit the data and; b) generating probabilities, per case, of class membership. An institution is then assigned to the class for which they have the highest probability. Latent Gold version 4.0 (http://www.statisticalinnovations.com/products/latentgold_v4.html) was the software used to carry out the analysis.

As LCA is usually carried out on larger datasets with many more cases, the number of variables entered in the model was limited to the handful of factors thought to be most informative. Where possible, further variables were derived so as to maximise the data used in the analysis. For example, the fundraising investment per pound received was used instead of fundraising expenditure.

Furthermore, given the limited number of cases there was a possibility that LCA might not result in a Clustering solution that was meaningful. While the measures of statistical fit were taken into account in the selection of the final model, more emphasis was placed on the requirement for the results to make substantive sense based on universities' responses to the questions entered into the model as well as other contextual information

The final number of groups was not pre-determined and a number of possible solutions were available to consider. One crucial aspect of LCA is to identify the number of latent classes that best fits the data. In order to do so, we examined a range of models with different numbers of classes (from two to six). In order to select the most appropriate model we looked at both statistical and substantive considerations.

Firstly, to assess the goodness of fit we used several statistical tests (see Appendix Table D. 1): BIC (Bayesian Information Criterion), AIC (Akaike Information Criterion), AIC3 (Akaike Information Criterion 3). The recommended guidelines for good fitting models indicate that small values of BIC, AIC and AIC3 correspond to a good fit. This suggested that the number of Clusters should be five or six.

Appendix Table D. 1 Latent class models and goodness of fit statistics

	BIC(LL)	AIC(LL)	AIC3(LL)
Model 2 Clusters	14289.33	14204.86	14233.86
Model 3 Clusters	13696.04	13567.88	13611.88
Model 4 Clusters	13534.41	13362.56	13421.56
Model 5 Clusters	13407.12	13191.58	13265.58
Model 6 Clusters	13379.52	13120.29	13209.29

Secondly, we examined class size, probabilities of class membership and parsimony. The size of the Clusters showed that all models had some Clusters with very few cases (17 cases or less). Although the model with five Clusters had one Cluster with a small size (only two cases), we believed this was the best solution because universities within each class were reasonably homogenous in terms of their responses.

The probabilities of class membership suggested that a five or six-Cluster model was the best model. Ideally, each institution should have a probability of one of being in one class and zero of being in other classes, showing that the model assigns cases to their designated class with accuracy. An examination of the average membership

probabilities indicated that for all models, the probability of being assigned to the class for which they have the highest probability was very high (over 0.98). The highest average membership probability was for the models with five (1) and six Clusters (1). When viewed alongside the BIC goodness of fit statistic for this model solution, this suggests that a model with five Clusters fits the data well.

The principle of parsimony, which suggests that a model with fewer parameters that fits the data well should be preferred over one with more parameters, indicated that a model with five Clusters was the best solution for our data.

Finally, the classes within the five-Cluster model were examined to ensure they had a meaningful interpretation on the basis of the seven fundraising variables used. We observed that each class was distinctive from the rest and had a meaningful interpretation. Thus, based on all these considerations we chose a model with five latent classes.