

Broadening the Culture of Educational Philanthropy in Australia
Speech by Professor Don Markwell,
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at the Business/Higher Education Round Table and *Campus Review*
Summit on Philanthropy,
Sydney, Wednesday 17 May 2006

On 7 June, which will be the author's 61st wedding anniversary, an elegant and engaging book, *A Public Life: The Memoirs of Zelman Cowen*, will be launched by Justice Michael Kirby. It tells the story of Australia's most honoured Vice-Chancellor, Sir Zelman Cowen, and it reflects a career committed to the classical liberal values of the western university, and to the educational leader – especially the Vice-Chancellor - as an independent public figure. It also reflects a sustained commitment to encouraging and seeking philanthropic support for education – as Dean of the Melbourne Law School, Vice-Chancellor in New England and Queensland, and as Provost of Oriel College, Oxford.

One of the great benefactors of the University of Queensland in the 1970s – not as large a benefactor as Charles Feeney more recently, it must be said - was a grazier called Barney Joyce, and when asked as Vice-Chancellor of the University of Queensland how he wished to be painted, Sir Zelman Cowen replied: 'With my hand in Barney Joyce's pocket'.

A quarter of a century earlier, as the new Dean of the Melbourne Law School, Professor Cowen had written to the Dean of the Harvard Law School, Erwin Griswold, whom he had recently met, telling Griswold of

his efforts – his rapidly successful efforts – to raise funds to endow a chair of commercial law. Griswold replied:

‘Your account of your efforts to establish a chair in Commercial Law is most interesting. It is important for itself, and because it might help to start more of the tradition of gifts for education in Australia than has been previously found there. I hope you make a great success of it. You will also learn a bit of the problems of being a dean and an itinerant mendicant at the same time as has fallen to my lot over the past several years.’

And so it did.

What Dean Griswold of Harvard referred to as ‘starting more of the tradition of gifts for education in Australia’ is what I refer to as broadening – indeed, broadening and deepening – the culture of educational philanthropy in Australia. This, it seems to me, is one of the most important and indeed urgent challenges and – importantly – exciting opportunities in this country.

At one level, the case is obvious: Australia needs world-class higher education if it is to be socially and economically successful. Our universities and other institutions of higher education – including a college such as mine – need massively greater resources if they are to offer truly world-class education, research, and service. Governments won’t provide nearly enough, so private sources of funds must be found. And so – increasingly but very unevenly – our higher education institutions are turning again to seeking philanthropic gifts. I do not wish to suggest that philanthropy is a panacea for the problems created by long-term under-funding by governments – an instant and complete

solution – but its potential benefits for higher education – especially for creating a margin for excellence - have been widely and greatly underestimated, and it merits much greater focus as part of a range of resource strategies.

What I am urging today is, not simply the seeking of philanthropic gifts, but a deliberate and sustained effort by higher education institutions, driven vigorously by their leaders, to develop and consolidate a broad, deep, and lasting culture of educational philanthropy in this country.

Changing the culture, not simply asking for gifts, will over time transform the context in which we ask for gifts. It is so much easier to ask, and so much easier to receive and to receive far more, in a context in which it is taken for granted that people and foundations and companies will generously support education than one in which this is the exception rather than the rule.

Although of course it is the case that there is a competitive element in philanthropy, I urge institutional leaders to approach the seeking of gifts in a spirit, not of competition for particular donations but of co-operation towards creating this new context in which giving to education is a high community priority. A rising tide lifts all boats. We need educational leaders to act as champions, not only of particular gifts to their own institutions, but of educational philanthropy in general – and, ideally, business and government leaders to champion this also. All of us will benefit from a culture of philanthropy that is far broader – with far more individuals, institutions, foundations, companies, and governments involved – and far deeper – with their involvement in philanthropy far

deeper, their engagement more profound, their asking more ambitious, and their giving far greater.

What would such a profound culture of philanthropy look like?

It would mean that it was very widely accepted – by students, by their parents, by their prospective employers, by alumni, by businesses generally, by trusts and foundations, by individuals not previously connected with universities, by governments – that generous and sustained giving to higher education institutions was a necessary, natural, and noble thing to do. Businesses, for example, would see corporate philanthropy to education as a natural means of ensuring high-quality graduates for employment and of encouraging innovation.

It would mean that higher education institutions would regard it as a central part of their activities – an integral part, not an add-on - to be cultivating prospective donors, asking for support, thanking, recognising and stewarding donors, and serving as proud and faithful custodians of their gifts, with all of these tasks seen as an important role for the institution's leaders, most certainly, but also for academic and administrative staff at all levels throughout the institution.

It would mean that alumni and development or advancement professionals would play an honoured and very senior role in our institutions, and that the attraction of outstanding people to this honoured profession, and training in it, would be a high institutional priority.

It would mean that governments sufficiently recognised the importance of philanthropy to educational success and indeed to state and national

success that they would very actively encourage and support it – in words and deeds, from tax deductions to matching grants. Some of this, of course, we have seen, and that is very much to be commended: but not enough. One of the most powerful means to transform our culture would be a matching grants challenge by government, sustained over a number of years: experience in other countries, from Hong Kong to Canada, shows how powerful this, rather than simply sporadic individual cases of matching, can be. If this does not seem practical politics in Australia at the moment, we should work towards it. An important step towards it, already suggested at this conference, would be the commissioning by the federal government of an expert report – like that commissioned by Tony Blair in the UK – on how to encourage philanthropy towards higher education.

So – to repeat – what I see as a challenge and opportunity to us is - not simply to make our institutions ‘asking institutions’, important though this is – but to change the culture within which we operate. We can do it. And we need to do it. But we will need to be visionary, clever, systematic, energetic, determined, tireless, and very patient.

I mentioned the story of Sir Zelman Cowen with his first successful campaign for funds, for a chair of commercial law, and then with his hand in Barney Joyce’s pocket, in part to make the point that there has been major educational philanthropy in Australia before. Indeed, this was central to the foundation and development of our first universities and their colleges. I mention just a few examples – the Walter Watson Hughes benefaction which spurred the creation of the University of Adelaide in 1874, the Challis bequest of 1880 at the University of Sydney, the gift of Wilson Hall and of later buildings – bearing such

names as Baillieu and Beaurepaire – at the University of Melbourne, the Winthrop Hackett benefactions still famously remembered at the University of Western Australia, the Ralston bequest at the University of Tasmania, and the gift by the Mayne family of the site of the University of Queensland. My own college, Trinity College in the University of Melbourne, was founded in the 1870s on the basis of benefactions, and these have been essential throughout its 134 years to fund buildings, teaching positions, scholarships, and general endowment.

As government funding and control of education grew, most especially but not solely in the decades from the mid-1950s to the mid-1970s, educational philanthropy declined in importance – never entirely disappearing, as the Cowen examples show, but rarely being given central prominence in the life of institutions or the work of their leaders, and little being done to earn or maintain the interest and loyalty of alumni and other possible philanthropic supporters. As government funding (but not control) of higher education has receded over the last three decades, the need for philanthropic support has grown, but the efforts to secure it have, in general, been slow to develop. There have, of course, been major gifts to various institutions, which are truly laudable, and growing efforts to develop programs in alumni and broader community relations, communications with alumni and friends, annual giving, and bequests, as well as major gifts.

There is a tendency in Australia to imagine that educational philanthropy is a uniquely American phenomenon, to say that it is part of US culture but not part of ours, and to imply that we cannot achieve the stunning success of American institutions and so we shouldn't try. This strikes me as defeatist and self-defeating nonsense – and an excuse to do nothing.

There is very considerable wealth in this country, in individuals, foundations, and corporations. There is also, I believe, a greater willingness to give – under the right circumstances - than is often realised. The success of those institutions which have tried hard and effectively to tap it shows that there is real philanthropic potential to be tapped: forgive me for saying this, but a person well placed to know tells me that my college raises regularly in annual giving more than double what their entire Group of Eight university, several times its size, raises. There is also, of course, real scope for some of our institutions to obtain philanthropic support from outside Australia; and we know how important this has already been in some cases.

To write off or play down the importance of educational philanthropy as a purely American thing also misses a hugely important point about the global competition in higher education in which we are, whether we like it or not, unavoidably engaged. *The Economist* last September published a survey of higher education which argued, and I quote, that ‘the most important recent development in the world of higher education has been the creation of a super-league of global universities that are now engaged in a battle for intellectual talent and academic prestige’. The day that article appeared, I left for over three months visiting leading universities and colleges across the United States, Britain, and China, and my visits to American, British, and Chinese universities seemed to me to confirm this. In case it is of interest to anyone, a paper I have written about this – entitled ‘Issues in global higher education’ – can be found as a Trinity Paper on the Trinity College website. But the key point for today is that the seeking of massively greater resources through ever-increasing emphasis on philanthropy is powerfully evident not only in the United States but also in other competitors in this tri-wizard tournament of global

competition in higher education. In Britain, for example, Cambridge University has recently announced that it is seeking one billion pounds as part of its 800th anniversary celebrations. In China, to give just one example, the richest person in Asia, Li Ka Shing, has created a university in southern China. As one does. Do not imagine that educational philanthropy is a peculiarly American thing. Do not under-estimate how crucial it will be to determining which of the world's universities, and countries, will sink and which will swim.

But if, as it is rightly argued, we do not at present have in Australia the kind of culture or tradition of educational philanthropy that exists most strongly and conspicuously in the US, then my response is that we must set about creating such a culture, rather than guaranteeing our failure by not even trying.

Australians are a charitable people – giving to welfare, disaster relief, medicine - but less so to education. In the United States, people take it for granted that they will give, and that the quality of educational institutions will depend on private generosity. In Australia, we have maintained the expectation that government will provide in education, even when it has become blindingly clear that government will not provide, or will only provide inadequately. We need to create in Australia an expectation that everyone who can will give to education, that they will give as much as they can, and that they will enjoy it - learning to give until it feels good! This is at the heart of the culture we must create.

How do we create a culture of educational philanthropy?

It seems to me that several elements are needed.

First, we must ensure that students feel connected with the institution while they are at university. It is hard to feel gratitude, let alone any sense of obligation, to an institution to which one does not feel connected. Everything that appropriately enhances the sense of community within a university, and the sense of connectedness of students to that university community while they are students, will be both intrinsically desirable – a crucial part of a truly world-class university education – and will be an almost essential element in building the lifelong loyalty from which philanthropy is most likely to flow.

One of the reasons why the colleges of some universities have been more effective than their wider universities in attracting philanthropic support – certainly on a per capita basis, and sometimes on an absolute basis – is because resident students of colleges generally feel a very strong affinity for the collegiate community to which they have belonged. One of the opportunities for universities with successful residential colleges is to work with them – *with* them – to maximise the philanthropic potential of their shared alumni and friends.

An area for particular attention is ensuring that international students in Australian universities feel engaged and connected. If they feel this, rather than exploited, there is a very real chance of significant long-term philanthropy from them and from their families.

Secondly, we must develop among students from the day they arrive, if not before, the sense that they are the beneficiaries of the generosity and labour of those who have gone before them, as they are, and that they have a responsibility in turn, as soon as they are able and as much as they

are able, to do what they can to make the institution better and to create better opportunities for those who come after them. This message – you have climbed the ladder thrown down to you, now you must throw down the ladder to those who come after you – must be an unself-conscious part of the institution’s communications with its students – from Vice-Chancellor’s and Dean’s welcomes, through every opportunity through to graduation ceremonies, and beyond.

Those who receive University scholarships should be encouraged to thank those whose generosity made the scholarship possible, and should be told that they, scholarship recipients, should seek to create opportunities for later generations of students when they are able.

Voluntary service in the Development Office should be one of the community service activities encouraged among the student body – for example, as recently at the University of Melbourne, writing hand-written thank-you notes to donors to Annual Giving, or as at Trinity College students phoning donors each year to thank them.

Thirdly, flowing on as seamlessly as possible from connectedness of current students with the university community, we need far more intentional and effective connection with alumni – regular and engaging communication with alumni, events and activities for alumni, recognition of alumni, and so on. Alumni engagement must be from the most recent to the oldest alumni – from those recent graduates whose annual giving may be extremely modest but which should be encouraged nonetheless as training for greater philanthropy later, through to those whose bequest pledges are soon to mature, giving them the immortality that their name on a building or a chair or a scholarship or a prize can give them. How

much better, of course, for them to see the effects of their giving in their lifetimes. Well-chosen alumni need to be engaged, and managed, as volunteers working for the institution – for example, encouraging their peers to give, in annual giving or in major gifts. We must think carefully about the intended outcomes of every alumni event, so they are not simply reunions but move alumni along the path of engagement purposefully. In my view, engagement with alumni is best done by the institution directly with them as individuals, and not through the unnecessary and often distorting intermediary – indeed, too often the loose cannon - of an alumni organisation.

Fourthly, we need to cast our net widely for people to engage in the life of the university more broadly than alumni. Staff is an important category: people who devote their careers to education will in many cases be willing to give to support it. Many American and some Australian institutions gain considerable support from the parents of current or past students. Various issues needing careful attention arise from this – such as needing to ensure that the students, their children, are treated as independent adults by the institution, and also ensuring that the admissions process is not corrupted. But it is possible to safeguard against these dangers, and the philanthropic potential from appropriately engaging parents is immense. And then there are those individuals, foundations, and companies who have no prior link with an institution but somehow become involved with it and come to believe that its activities are worthy of their support. It has been said that one of the differences between successful and unsuccessful fundraising institutions is how open they are to people without prior connection with the institution.

Fifthly, we need to *make the case* for philanthropic support. People need to be able to see how their generosity can make a difference. They need to see that it is central to the success of the institution. Publications need to highlight the difference philanthropy makes. In education, it seems, people respond to a vision of excellence. Donors respond to a clear vision articulated and enacted by people in whom they have confidence. They respond to human stories of need, and the possibility of transforming lives and having positive social impact – for example, through educational opportunities for Indigenous students. They respond to values which fit with theirs. They respond to opportunities for teaching and research which seem to them likely to have positive impact. And they need to be confident of competent management.

Sixthly, we need to thank, recognise, and stay close to our donors. There is, of course, the standard cycle for major gift donors – from identification to cultivation to solicitation to recognition to stewardship. Out of good stewardship will come the chance for further asks and further gifts. And we must never neglect to encourage participation by small donors, and to thank and value them: great oaks from little acorns grow.

Recognition of donors, from published lists to articles in alumni magazines to honour boards to names on spaces and buildings, and more – such recognition simultaneously thanks the donor and encourages the generosity of others. One of the most powerful recognitions is the individual intentional thank-you event for a major donor. The exemplary effect of well-publicized philanthropy and the buzz of excitement about generous philanthropists is very powerful, and is a crucial element of creating a culture of philanthropy – creating an environment in which it is

taken for granted that one will give, and those with the means will compete to be the most generous.

Crucially, finally, we must be good custodians of the gifts we receive. People will not give, or give again, to an institution which they do not see as faithfully and fittingly giving effect to past benefactions. Too many prizes and scholarships given to institutions have been allowed to wither on the vine – in some cases of which I know, simply not awarded for years on end even though the funds for them remained plentiful. This is a great discouragement to donors. Instead, we must do what we have undertaken to do, and report to donors, and their heirs and successors, on the outcomes of their giving – not just once, but continually.

What does doing all of this require?

Achieving it requires a very serious institutional commitment to seeking philanthropic support, not just in the short or medium term but over the long-term.

Of the many aspects of this, let me highlight four.

First, it requires the investment of considerable resources. We need to think of this as an investment and not just as a cost. Development or advancement work, especially ‘moves management’ in the major gifts area, is sophisticated and demanding, and institutions need a sufficient team of highly professional people. Those people need to operate within an environment that supports what they are doing – from adequate databases and IT support, to first-rate research capacity, to really good professional development opportunities which expose them to the

practice of the world's most successful fund-raising institutions, to realistic, if ambitious, KPIs. The sorts of communications, events and activities that are needed will also require very considerable resources. And, if we are serious about philanthropy, all this needs to be a long-term sustained investment.

Secondly, it requires the commitment of a large amount of the CEO's time – the time of Vice-Chancellors of universities, Deans of faculties, heads of colleges, and so on. It is the CEO who can most effectively expound the importance of philanthropy to the institutional mission. It is the CEO alone who can ensure that philanthropy is integrally connected with the overall strategy of the institution, guided by that strategy in its identification of needs but also fully integral to the achievement of that strategy. The reality appears to be that major donors cannot be adequately cultivated and solicited without the direct involvement of the head of the institution. It is the CEO, above all, who can make the big ask – and one of our jobs is learning to make big asks, raising the sights of our donors as well as ourselves. It is the CEO alone who can ensure that the institutional calendar – major public events, visits by its leaders, and so on – is appropriately focussed on friend-raising and fund-raising.

It is also the CEO alone who can give the chief development officer and her team the conspicuous centrality and support which they need if they are to be able to do their jobs properly. The working partnership between the CEO and the chief development office must be first-rate, and the relationship must be close, direct, and unambiguous. Bad reporting structures, with the chief development officer too distantly and indirectly connected with the CEO, are one of the greatest single causes of failure of philanthropic programs.

For the CEO to give the time commitment I am suggesting requires that the leadership of the institution be organised so that some kind of chief operating officer – say, a Senior Deputy Vice-Chancellor or a Provost – frees the chief executive officer of very many of the incessant demands of internal responsibility. This, of course, is the model that enables the presidents of so many American universities and colleges to devote, say, 25% to 30% of their time to development work ordinarily, and perhaps even 50% during a major gifts campaign. An institution and a CEO unwilling to make the major adjustments that this involves are an institution and a CEO unlikely to achieve anything but a fraction of the philanthropic potential of the institution.

But thinking this through and actually doing it, with all it entails, is a big and, for some, too radical an ask.

Thirdly, it requires a willingness to learn from the experience of others, and especially from those who are in this field the most experienced and the most effective in the world, which are especially but not solely the leading institutions in North America. North Americans are not cleverer or more virtuous than us: they are just some decades ahead of us in experience.

One of the problems for some Australian universities is that they are not learning organisations: through hubris or parochialism or some other impairment, they are resistant rather than open to what can be learnt from others who have been learning the lessons of experience, and reaping its rich rewards, far longer. Forgive the Rumsfeldian nature of this, but I think that leaders of some of our institutions need a clearer understanding

of the things they know they don't know, and the things they don't yet know they don't know – and also the things they think they know but which are either wrong or will become wrong as the situation evolves! Professional development in philanthropy, not only for the development professionals but – perhaps above all - for the most senior institutional leaders, seems to me very important, as is genuine openness to the expertise of others.

One way of learning from best practice is through encouraging and supporting the profession of development officers and the professional bodies in this field – from ADAPE to CASE to, somewhat differently, Philanthropy Australia.

Fourthly, it requires time and patience. Developing the right relationships with alumni and with other potential friends of an institution so that they will give generously takes time – often years. It does not happen overnight. People react adversely to their first approach from an institution after years of silence being a request for money. If the development of lasting and full philanthropic relationships between institution and donor has many of the characteristics of marriage, it cannot be approached like a one night stand. Never ask on the first date!

It seems to me a common mistake for institutions to make to expect too quick a return on their investment. The sustained investment of a substantial resources over several years in development work is *unlikely* to generate a quick return. Seeking too quick a return risks losing everything. But when the returns start coming, if the investment has been well made, those returns will be well worth it.

Australian institutions often set their sights too high in the short-term, and are too readily discouraged by those unreal expectations not being met. And at the same time many Australian institutions seem to me to set their sights too low over the medium and, especially, long term. There is a far greater philanthropic potential in this country than many of our educational leaders appear to realise.

And so, I conclude where I began: the task before us is not simply the seeking of donations, it is the creation of a culture of educational philanthropy in this country. The predictors of success will include:

- first, the quality of student experience,
- secondly, community understanding of the importance of world-class higher education,
- thirdly, how well we make – to government, corporations, foundations, and individuals – the case for philanthropy to achieve world-class education, and
- fourthly, how well our institutional leaders learn to ask for gifts.

On the success or failure of this, more than on *almost* anything else, will rest the success or failure of Australian universities in meeting the challenge of global competition, and the needs of our own society and a wider world, in this century and beyond.