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Colleges and Universities Raised \$43.60 Billion in 2017

Gifts from Alumni Rose 14.5 Percent and Reached \$11.37 Billion

Gifts for Capital Purposes Increased 12.3 Percent

Current Operations Gifts Inched Up 2.6 percent

Contributions to the Nation's Colleges and Universities Reached a Record \$43.60 Billion

Charitable contributions to colleges and universities in the United States increased 6.3 percent in 2017, according to the Voluntary Support of Education (VSE) survey, conducted annually by the Council for Aid to Education (CAE). At \$43.60 billion, the total is the highest level reported by CAE since the survey's inception in 1957.

Top 20 Fundraising Institutions – Less than 1 Percent of the Nation's Colleges – Raised 28.1 Percent of All 2017 Gifts. Gifts to These 20 Institutions Grew 10.5 Percent in 2017.

The Top 20 fundraising institutions together raised \$12.23 billion, 28.1 percent of the 2017 total. In 2016, the same 20 institutions raised \$11.07 billion.

Institutions that Raised the Most (and Amount Raised), 2017

1. Harvard University	(\$1.28 billion)
2. Stanford University	(\$1.13 billion)
3. Cornell University	(\$743.50 million)
4. Massachusetts Institute of Technology	(\$672.94 million)
5. University of Southern California	(\$668.33 million)
6. Johns Hopkins University	(\$636.91 million)
7. University of Pennsylvania	(\$626.49 million)
8. Columbia University	(\$603.08 million)
9. Yale University	(\$595.89 million)
10. Duke University	(\$581.05 million)
11. New York University	(\$567.12 million)
12. University of Washington	(\$553.89 million)
13. University of California-Los Angeles	(\$550.93 million)
14. University of Chicago	(\$483.47 million)
15. University of Michigan	(\$456.13 million)
16. University of Notre Dame	(\$451.43 million)

17. University of California-San Francisco	(\$422.17 million)
18. University of California-Berkeley	(\$404.59 million)
19. Ohio State University	(\$401.85 million)
20. Indiana University	(\$398.26 million)

Personal Giving Drove the 2017 Increase

Gifts from alumni increased 14.5 percent, and gifts from nonalumni individuals grew 4.5 percent. These increases came on the heels of declines of 8.5 and 6 percent, respectively, in 2016.

Corporate Support Remained at 2016 Levels. Foundation and Other Organization Contributions Rose Modestly.

Giving from corporations did not increase from 2016 levels. Contributions from foundations, however, increased 5.5 percent, and those from Other Organizations—a category that includes donor-advised funds—increased 3.1 percent.

Foundations were the largest source of support, representing 30.1 percent of the 2017 total. Alumni were the second-largest source of support, providing 26.1 percent of contributions in 2017.

Estimated Voluntary Support of Higher Education by Source and Purpose, 2016 and 2017

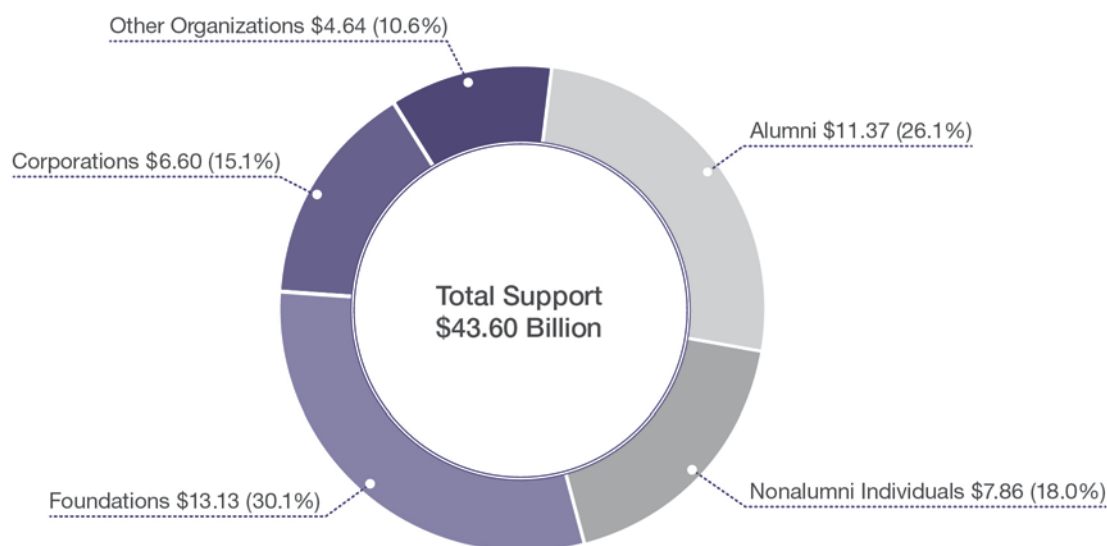
(Dollars in Millions)

	2016		2017		Percentage Change 2016 to 2017	
	Amount Raised	Percentage of Total	Amount Raised	Percentage of Total	Current \$	Adj. for Inflation
Total Voluntary Support	\$41,000	100.0	\$43,600	100.0	6.3	3.7
Source						
Alumni	\$9,930	24.2	\$11,370	26.1	14.5	11.7
Nonalumni Individuals	7,520	18.3	7,860	18.0	4.5	2.0
Corporations	6,600	16.1	6,600	15.1	0.0	-2.4
Foundations	12,450	30.4	13,130	30.1	5.5	2.9
Other Organizations	4,500	11.0	4,640	10.6	3.1	0.6
Purpose						
Current Operations	\$25,150	61.3	\$25,800	59.2	2.6	0.1
Capital Purposes	15,850	38.7	17,800	40.8	12.3	9.6

Percentages may not add to 100, and details may not sum to totals, due to rounding.

Source: Council for Aid to Education, 2018

Voluntary Support of Higher Education by Source, 2017



Percentages may not add to 100 due to rounding.

Source: Council for Aid to Education, 2018

Strong Stock Market a Factor in Higher Personal Giving

A strong stock market buoyed personal giving in 2017. Alumni support for capital purposes, such as endowments and buildings, increased 16.7 percent in a sample of 663 institutions that provided data on that subject. Those same institutions reported alumni contributions for current operations increased 8.7 percent.

A group of 434 institutions that responded to an optional question about the form of gifts reported that the value of gifts made in the form of securities increased 26.6 percent between 2016 and 2017. The number of such contributions increased 16.9 percent.

Organizations' Donations Affected by the Weaker 2016 Market

Contributions from corporations, foundations, and other organizations are based on commitments made the previous year. Therefore, those commitments are affected by the previous year's financial environment. The stock market was weaker in 2016 than in 2017, and this is reflected in the smaller increase in gifts from organizations than from individuals.

University Assets Also Affected by Stock Market

Endowment values increased 9.1 percent at institutions that provided endowment data at the time of this release for both the 2016 and 2017 surveys. When institutions' own assets increase, so do those held by supporting organizations and individuals. Likewise, when the value of endowments decline, other sources of revenue also tend to decline. This is why drawing down on assets in robust economic climates may be deleterious to universities' long-term financial stability.

Value of Stock Indexes from Beginning to End of the 2017 Fiscal Year

	Dow Jones Industrial Average	NASDAQ Composite	New York Stock Exchange Composite	Standard & Poor's 500
1-Jul-16	17,924.24	4,837.18	10,515.80	2,099.34
30-Jun-17	21,349.63	6,140.42	11,761.70	2,423.41
Percentage Change	19.1%	26.9%	11.8%	15.4%

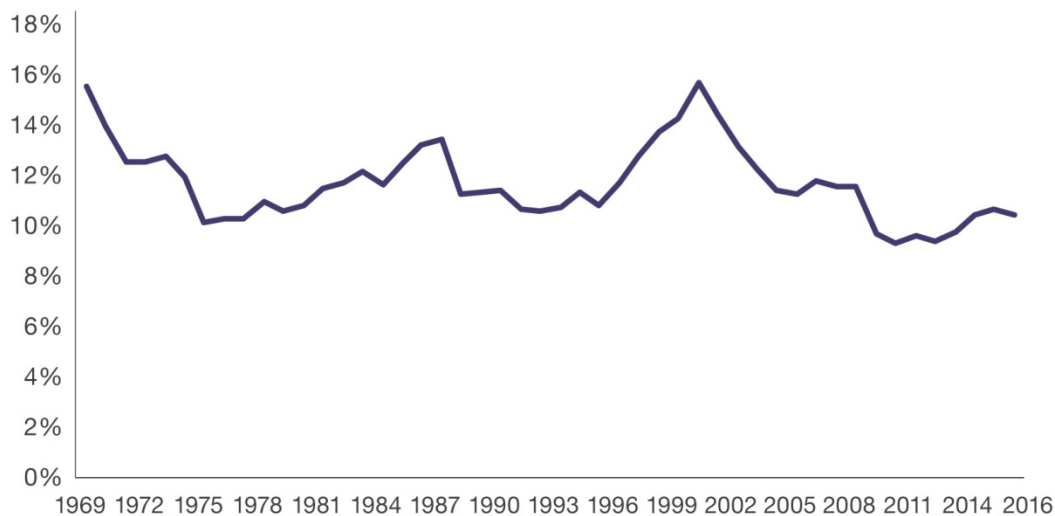
Value of Stock Indexes from Beginning of Fiscal Year to End of Calendar Year

	Dow Jones Industrial Average	NASDAQ Composite	New York Stock Exchange Composite	Standard & Poor's 500
1-Jul-16	17,924.24	4,837.18	10,515.80	2,099.34
31-Dec-16	19,762.60	5,383.12	11,056.90	2,238.83
Percentage Change	10.3%	11.3%	5.1%	6.6%

Charitable Contributions Amount to 10 Percent of Expenditures

Charitable gifts are important to programs they fund. However, philanthropic support represented only about 10 percent of responding universities' expenditures in recent years. In 2000, charitable support represented 15.7 percent of the expenditures of institutions that participated in the survey. This was the highest recorded percentage.

Total Support as a Percentage of Expenditures Among Survey Respondents, 1969–2016



Source: Council for Aid to Education, 2018

Economic and Public-Policy Environments for 2018 Contributions

Ann E. Kaplan, Vice President at CAE and Executive Director of the VSE survey, stated, “Charitable support for colleges and universities is likely to increase in 2018 if the stock market continues to gain ground through June 30, 2018—the end of the fiscal year. In addition, some individuals may have pre-paid intentions and pledges in December of 2017 to take advantage of elements of the tax law that were more favorable for certain donors and types of gifts.”

Tax policy will affect not only the timing of philanthropy, but its level. The new tax legislation has several provisions that could affect charitable contributions. Half the time span that will be covered in the next VSE study—for the 2018 fiscal year— fell in 2017, before H.R.1 became law. Half the study period will fall in 2018, after the bill became law.

Factors in the law that may affect colleges and universities fundraising outcomes are:

The Higher Standard Deduction

The increase in the standard deduction, the loss of deductions for a portion of state and local taxes, and the mortgage interest deductibility cap will lead fewer households to itemize. That reduces the tax incentive for charitable giving for those households. That said, the tax incentive is only one incentive for philanthropy. Also, there was sufficient notice for some individuals to prepay their intentions and pledges in 2017, before the law took effect.

In addition, the charitable tax deduction remains in place, and itemizing households will benefit from increasing their charitable contributions, especially those paid in the form of stock.

Athletic Seating

In 2017, 80 percent of the value of contributions that were counted toward preferred seating at athletic events was tax-deductible. H.R.1 completely eliminates the deduction for such gifts. Starting in 2018, those athletic seating gifts cannot be counted on the VSE survey. Again, donors may have pushed those donations into 2017 and were likely advised to do so. Therefore, the effect of this provision in the law will be more salient in FY2019 than in FY2018.

Donor-Advised Funds to Pay Personal Pledges

Starting in 2018, donor-advised funds may be used to pay personal pledges. This will not affect how gifts from donor-advised funds appear on the VSE survey, as the survey will continue to count those gifts as coming from the fund, not the individual. The change could affect the relative levels of donor-advised-fund contributions as compared to personal gifts when some individuals begin to use donor-advised funds to pay their personal pledges.

Excise Tax on Endowments

The excise tax on university endowments may affect about 3 percent of VSE survey respondents. The tax and the response to it are complex and not directly related to gift income.

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

About CAE

CAE is a national nonprofit organization based in New York City that provides assessment and research services to higher education institutions, K–12 schools, state and local education agencies, and credentialing bodies. It is the nation’s sole source of empirical data on private giving to education, through the annual VSE survey and its Data Minter interactive database.

Additionally, CAE has a dedicated mission to improve the overall quality of the educational system with a focus on improving teaching and cultivating critical thinkers in elementary, secondary, and post-secondary education. Since 2002, CAE has developed and administered its flagship assessments, the Collegiate Learning Assessment (CLA+) and the College and Work Readiness Assessment (CWRA+), which are performance-based assessments that measure critical-thinking and written-communication skills through application to real-life problems. CLA+ and CWRA+ are administered to hundreds of thousands of students domestically and internationally. Results are used by school administrators, faculty, students, parents, employers, and policy makers to evaluate student performance, student-learning gains, and academic programs. CAE also develops customized assessments for clients in K-12 and higher education with a focus on high-quality authentic assessments measuring 21st century skills.

Published Survey Results

The comprehensive results of the VSE survey will be published in spring 2018. *Voluntary Support of Education, 2017*, can be ordered in advance at <https://shop.cae.org> or by calling 212-217-0878. Price: \$121 (\$86 for survey respondents). The 2017 VSE PowerPoint Presentation featuring all the figures and numbered tables (but not tables of institution-specific data) from the report, along with speaking points, can also be ordered in advance. Price: \$78 (\$28 when ordered with the report). An online Executive Summary is available in advance of the book publication date. The password to this summary will be provided after purchase. Please go to <http://cae.org/vsepublication> for information on our other research products and tools.