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# Fundraising and Postsecondary Education—Have We Gone Too Far?

David Mitchell

*It wasn't that long ago that the public perception of university presidents was a gauzy composite profile of wisdom, ivory towers and preternatural composure. Now, university presidents must be, above all, entrepreneurs. The competition for the best students, the highest rankings and the most sought-after researchers hinges on the overarching competition for money.*

**P**lease don't seat me next to a university president."

This request—from private sector CEOs and senior public servants in particular—was often made of me during the years I spent convening leaders from all sectors at luncheons, dinners and special events. Their idea of more congenial company included anyone not preoccupied by the relentless pressure to fundraise and advocate for higher education.

It wasn't always this way. Business and government leaders used to relish the opportunity to meet with a university or college president. One former premier described inviting a university president to his home for dinner, not only for the benefit of stimulating conversation, but also to help persuade one of his children to consider the pursuit of an advanced education.

So how did we arrive at a place where fundraising, either of the philanthropic variety or in the form of government support, now assumes such a pre-eminent position in higher education? The answers can be found in public policy, trends in institutional governance and reputational competitiveness.

Universities and colleges are often referred to as "publicly funded" but it might be more accurate to describe them as "publicly supported."

While provincial governments remain the largest single funder of postsecondary education in Canada, most institutions receive as much or more of their total annual operating budgets from other sources, including tuition and other fees, research funding from public and private sources, and donations.

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Of course, funding varies across provinces and regions, with a patchwork of start-and-stop tuition freezes for students, unpredictable capital funding for infrastructure, and occasional salary freezes or caps for senior administrators. In this sense, there isn't really a Canadian system of higher education; rather, we have a number of provincial and territorial systems with little or no national coordination.

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One pan-Canadian trend, however, is clearly evident: all governments have struggled over the past generation, during an era of public-sector restraint, to find budgetary savings and efficiencies. This has necessarily inspired increasing resourcefulness and administrative innovations among our colleges and universities.

A good example can be found in the intensifying focus on research, spurred by the emergence of a willing partner in Ottawa. Canada is the only G7 country without a national department of education, and the federal government has been historically reluctant to tread on provincial jurisdiction, although it has provided funding for research. However, almost two decades ago, Jean Chretien's Liberal government initiated a major expansion of research funding, launching the Canada Research Chairs, creating the Canada Foundation for Innovation and the Millennium Scholarships, and significantly increasing support for federal funding councils.

This was by far the most significant education policy accomplishment of the Chretien years, with billions of dollars of new funding flowing primarily to Canadian universities. Recently, some of those federal dollars have been distributed more broadly, including to colleges focused on applied research.

This important and continuing intervention by Ottawa has had a number of consequences. Some of our larger institutions have grown exponentially, becoming powerful research-intensive machines, focused more, it seems, on research imperatives than

traditional mandates for undergraduate education.

In addition, federal research funding has often leveraged additional support from wealthy Canadians, the private sector and large global foundations. In fact, we have frequently seen a direct correlation between the momentum provided by increased research funding and a rise in philanthropic support for many postsecondary institutions in Canada.

Even as provincial governments have pulled back their funding, enrolments have generally continued to rise, along with a corresponding increase in fund development capacity. Indeed, a big part of the story of Canadian post-secondary education in recent years has been the significant increase in fundraising prowess.

A number of large Canadian universities are now attracting levels of philanthropic support similar to the big US state universities. And Canadian fundraising for advanced education is well ahead of the UK and other countries. Consider the growing number of billion-dollar fundraising campaigns, starting with the University of Toronto more than a decade ago and now including UBC, McGill, the University of Alberta and the University of Calgary.

Critics of these massive campaigns compare them to large vacuum cleaners, sucking up most of the prospective donations in their regions, leaving little support for other organizations. However, we have recently seen an impressive growth in fundraising activities by smaller, more agile institutions with significant community connections, offering

practical training and relevant skills for local labour markets. Clearly, there's room for successful fundraising at a number of different levels.

What's in it for donors? They're often motivated by the exhilaration of giving and the desire to put their money to good use. They should be roundly applauded for their inspirational support of students, academic programs, infrastructure and research.

**T**he changing nature of philanthropy, however, suggests that a reconsideration of these relationships is in order if they're to lead to successful, sustainable fund development. Many of today's donors are seeking a different kind of engagement with the institutions they support, wanting to better understand whether and how their donations are truly making a difference.

It's worth noting that fund development still makes up a relatively small percentage of the total revenue available to postsecondary educational institutions in Canada. Nevertheless, because operating budgets are largely restricted and allocated to fixed costs, fundraising often provides a small amount of crucial flexibility for stra-

tegic priorities. As a result, the impact of fundraising is disproportionately influential.

Presidents of Canadian universities and colleges are now being hired partly for their fundraising ability, now deemed an essential leadership skill. Indeed, presidents are the *de facto* chief fundraisers for their institutions, expected to cultivate and steward top donors and held accountable for overall fundraising performance, including the achievement of specific targets. Likewise, the reputation and brand of a post-secondary institution is increasingly shaped by its ability to attract philanthropic support.

**H**ave we gone too far? Has fundraising now been elevated to such an exalted status that it has effectively hijacked the mission of advanced education in Canada?

Surely, there's a better way to engage graduates of Canadian institutions.

Fundraising is obviously important—but not an end in itself. The mandates of Canadian universities and colleges are shaped by important relationships with governments, private sector partners, alumni and

others. Successful fund development is less a driver of these relationships than it is a by-product. The ambitious goals of large-scale capital campaigns are achieved not by numerous donations but, rather, by genuine, sustainable relationships designed to endure and flourish.

Presidents of post-secondary educational institutions are among the smartest and most engaging leaders in our country. Perhaps they should be less poised and prompted for the next fundraising “ask” and more sincerely interested in building lasting relationships with leaders from other sectors who have the potential to become allies in advancing strategic goals and objectives.

In the process, they just might render themselves more desirable dinner companions. **P**

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