

Today's Transformational Gifts

How key gifts shape campus communities in sometimes unexpected ways—and what advancement professionals can learn from “surprise” philanthropy

BY MEREDITH BARNETT

A gift to construct new residence halls.
A single scholarship that grew into a student support program.
A gift of millions that would cover emergency tuition bills.

Each of these gifts is different in scope, size, and source—but each was called “transformational” by the institution that received them.

Transformational giving is a term that comes up often in today's philanthropic landscape—particularly in 2020, when philanthropist MacKenzie Scott made US\$4.2 billion in surprise gifts to organizations across the U.S., including 35 colleges. In 2019, educational philanthropy

reached a zenith after 10 years of growth, according to CASE's Voluntary Support of Education Survey, in no small part because of transformational “megagifts” like Michael Bloomberg's \$1.8 billion gift to Johns Hopkins University in Baltimore.

But what makes a gift transformational?

Transformational gifts, as defined by the 2001 guide *High-Impact Philanthropy*, spark exponential impact and have “a unique capacity to alter the programs,

perceptions, and future of an organization.” This impact typically takes one of two forms, explains Greg Duyck, principal at WittKieffer who has spent two decades in advancement. A transformational gift can “crystallize a set of ideas” or projects that institutions have been working on under a single umbrella, he says, or “set the institution in a completely new direction. The leadership lays out a vision that aligns with what a donor is hoping to achieve.”

Plus, he adds, this kind of gift can “create a sense of community around that vision.”

Ultimately, what's transformational depends on an institution's context and needs. Here's a look at how four gifts—including Scott's surprise philanthropy—shaped four very different institutions. Advancement professionals share what made these gifts transformational: how they impacted students, alumni and donor experiences, and staff priorities.

Student Success and a National Spotlight

MacKenzie Scott's 2020 philanthropy gave more than 350 nonprofits across the U.S. immediate and unrestricted support—but also gave their work a new spotlight.

One of those recipients was Prairie View A&M University, a historically Black college in rural Texas outside Houston. The 2021 spring semester started with a surprise for hundreds of students there: \$2,000 in tuition relief, thanks to Scott's \$50 million gift to the college.

Spurred by her 2019 pledge to give away the majority of her wealth, Scott's 2020 gifts aimed to combat the



SUPPORT FOR STUDENTS: Prairie View A&M University, a historically Black college founded in 1876, used part of a \$50 million gift to fund grants for students in need.

immediate effects of COVID-19 and systemic social inequalities. According to her statement, she and her team examined data and outcomes for more than 6,000 organizations, recognizing 384 groups (including schools, food banks, community action funds, YMCAs, and more) for their “potential for great impact.”

For PVAMU’s community, “this is a life-changing gift,” says Carme Williams, the university’s vice president of development. The gift was unexpected, but PVAMU President Ruth Simmons, its CFO, and top leaders decided quickly to funnel the unrestricted funds to students in need. The COVID-19 pandemic (which has in the U.S. disproportionately impacted people of color) left some of PVAMU’s 9,000 students struggling to pay tuition. Even pre-pandemic, data indicate that PVAMU students, many of whom are first-generation, are less likely to be able to complete their education than their peers at other Texas A&M University system schools.

So, a month after receiving the gift, PVAMU’s leaders allocated \$10 million to Panther Success Grants, which give juniors and seniors up to \$4,000 per year in emergency funding to complete their degrees. The rest of the Scott funds will launch a new creative writing program named for writer Toni Morrison, support faculty, and be invested in the university’s endowment.

PVAMU’s gift made headlines amid 2020’s global conversations about racism and racial inequality, and analysis within higher education of the promise and struggles of HBCUs. *Bloomberg News*, for instance, reported that though this gift raises PVAMU’s endowment to be the second largest among HBCUs, most HBCUs are still historically underfunded compared to other institutions. The Scott gift builds

“Ignite has gone from being one scholarship for one student to really our flagship widening participation program.”

Florence Harvey, head of student success,
University of Southampton

PVAMU’s momentum—and success begets success, says Williams. Since the Scott gift, the institution has announced its new Ruth J. Simmons Center for Race and Justice and landed a grant to support Black male teachers.

“The surprise nature of the gift made individuals look at PVAMU in a new light,” Williams says. “It’s helped increase awareness of what we already knew here about the quality of our education and our students.”

Duyck has seen that effect, too.

“That’s one of the changes that happens when a transformational gift comes: [An institution] can say, ‘We’ve been recognized; this is what we’re going to do with money that’s been given to us,’” he says. “It provides a path or a channel for other folks to become involved.”

Mobilizing Alumni Support for Students

At the University of Southampton, a transformational gift shifted the ways alumni support students.

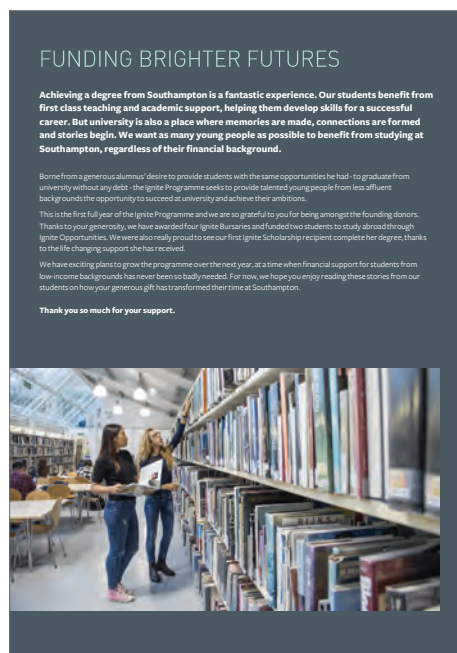
In 2017, a Southampton graduate approached Richard Wilson, development manager (major gifts and legacies), with a simple idea. This alumnus had received financial support when he studied at the 22,000-student U.K. institution and he wanted to pay that forward by helping one student in need. The donor—who asked to remain anonymous—worked with Wilson and the Southampton staff on a £37,500 donation that could help a student with tuition and living expenses.

“That’s what I loved about it: the simplicity of him saying, ‘I want this to get to where it’s needed,’” Wilson says.

The scholarship’s first recipient graduated in 2020—but that original gift’s impact didn’t end with her.

“In the next year, we started to talk to our alumni and supporters and see this was something a lot more people wanted to give to,” Wilson says.





IGNITING IMPACT: The University of Southampton's Ignite Programme supports students in need. One scholarship recipient named Bryony said Ignite "has encouraged me to persevere with my studies during some really difficult times."

Southampton has since built the Ignite Programme, a comprehensive student support initiative. According to 2017 data from the U.K.'s Universities and Colleges Admissions Service, students from disadvantaged backgrounds are four times less likely to attend a U.K. university like Southampton. In 2016, the university launched several initiatives to enroll more students from lower-participation areas of the U.K. and opened a widening participation office in 2020, which has helped shape Ignite.

"Ignite has gone from being one scholarship for one student to really our flagship widening participation program," says Florence Harvey, head of student success, explaining that Southampton staff have now built out the program to include skills webinars, mentoring, and internships. "Money can only do so much. We can't assume that just by giving people money, we are eradicating disadvantage. That's really where we wanted to build the program."

The initial gift and the resulting Ignite initiative have changed the way alumni support students,

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Greg Duyck, principal, WittKieffer

says Wilson. Prior to 2018, he explains, Southampton had pockets of scholarship activity across the university, but no central initiative for donors to support and from which students could benefit. Now, with Ignite channeling funds to students in need, alumni can give at three different levels: a full £42,000 scholarship, a bursary of £10,000 over three years, and an award of £1,000 each year for three years.

In the fall of 2020, Southampton donors supported one full scholarship, 16 bursaries, and 14 awards. Dozens of alumni also volunteer as mentors and host interns.

"We're genuinely getting to the students who need the support most and actually we found our donors have responded really well to that," Wilson says.

A Campaign Pivot

Some transformational gifts shift the course of a campaign and shape fundraising priorities. That's the case at Kenyon College.

At the Gambier, Ohio, U.S., liberal arts school, all 1,750 students live on campus for the duration of their studies—but



IMPACT ANALYSIS: To determine how to use its surprise \$15 million gift, Walla Walla Community College analyzed what would impact its students and the local southeastern Washington state community most.



that means housing can be a challenge. Trustees, according to Vice President of Advancement Colleen Garland, have called housing the college’s “Achilles’ heel.”

In 2020, as Kenyon was in the midst of a \$300 million campaign, a donor came forward to address housing. The \$100 million gift—the largest in the college’s history—would construct the new residences on South Campus. Construction will start in 2023, and the new buildings will be LEED-certified to support the college’s goal of carbon neutrality by 2040. The gift, says Garland, changed the course of the campaign. In a small virtual gathering with donors, Garland announced the gift with care.

“One of the risks when you get a gift of this magnitude is that the rest of your constituents think: ‘Well, that’s great, but you don’t need me anymore,’ ” she says. “We didn’t want that to happen.”

So, Kenyon raised the campaign goal to \$500 million, allowing donors to focus on financial aid for the rest of the campaign.

“This gift was transformational in two ways: because it funds this construction, but it allows us to focus our fundraising on scholarships and financial aid,” Garland explains.

“That’s what our donors want to give to. It allows them not to feel pressure to give to something they know the college needs but that doesn’t give them the same satisfaction from giving.”



Building projects are vital, but giving to scholarships or student support is often more meaningful for donors. CASE’s VSE data backs this up: in 2020, gifts to capital purposes (buildings, equipment) declined





BUILDING SUPPORT: Kenyon College's \$100 million gift will fund construction of three new, apartment-style residence halls on the Gambier, Ohio, campus.

10%. Student financial aid “remains the largest purpose” for U.S. donors’ endowment gifts, according to the VSE.

Jim Parker, a 1981 Kenyon graduate, donor, and campaign volunteer, called the housing gift “remarkable,” and is excited about the pivot to student aid.

“Raising our sights ... allows us to admit more talented and diverse students, regardless of need,” he says.

Focusing on Processes, Priorities

In addition to shaping student, alumni, and donor experiences, transformational gifts can also spark changes for staff and internal processes.



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Colleen Garland, vice president of advancement, Kenyon College

For most fundraising teams, a key gift is the product of many conversations over time to calibrate a donor’s vision and an institution’s needs.

“Typically, the vision for the transformational gift is crystallized long before the actual paperwork is signed,” says WittKieffer’s Duyck. “That’s what makes the MacKenzie Scott gifts so unique: What do you do if somebody drops a huge check in your box?”

Walla Walla Community College, recipient of \$15 million from Scott, has been navigating that in 2021. Throughout the first half of the year, a task force of board members and college leadership



at the Washington, U.S., college met to examine Scott's goals and greatest institutional needs.

WWCC serves a rural community that often struggles with educational access, says Jessica Cook, executive director of the college's foundation. A key step for the task force was to use modeling to weigh the impact of various uses for the gift—from creating scholarships to addressing childcare (an essential for student parents) to bolstering instructional programs to boost local economic development.

Amid this analysis process, the foundation board also launched a search for a new investment management firm.

"When you get a gift of this size, you need to truly examine whether or not this changes your approach. Does your strategy need to change? How will we be the best stewards of this incredible gift?" Cook asks. "It makes you stop and think about some of your processes and your philosophy, and even your mission and your vision."

WWCC also carefully weighed how it shared the news with its community (the local newspaper) and donors (emails and personal phone calls). For perspective, this \$15 million gift would cover half a year of the college's \$30 million operating budget, Cook points out.

"While it is transformational, it does not replace the need for support from our community," she says. "It was important to us that donors did not feel that the size of this gift in any way diminishes the generosity that they've been showing our students for 50 years."

The Future of Transformational Giving

Transformational gifts, like the ones at WWCC, Kenyon, Southampton, and PVAMU, impact students' trajectories, alumni and donor priorities, and staff operations. But how are gifts like these shaping philanthropy more broadly?

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Jessica Cook, executive director,
WWCC Foundation



While gifts don't have to be large to be transformational, pre-pandemic educational philanthropy was shaped by the twin trends of rising megagifts and dwindling alumni participation. The pandemic doesn't appear to have stymied giving as 2021 has already seen transformational gifts at institutions such as San Diego State University and The Orchard School in Indianapolis.

Ultimately, transformational gifts have "changed the conversation" in higher education, says Duyck, because they challenge institutional leaders to dream big.

"It frees up presidents and other leaders to think, 'Wow, what can we accomplish that capitalizes on our strengths and brings folks together to tackle problems in new ways?'" he says. "It has ushered in a new era of creativity in academia and what's possible on a university campus."

And even though surprise multimillion-dollar gifts like Scott's are rare, they hold an essential lesson for fundraisers. WWCC's Cook has been approached by friends in the nonprofit world who ask her how the college landed its \$15 million gift. How can we get a gift like that, they ask? What she tells them is that the work of advancement—marshalling support, engaging donors and alumni, supporting students—matters.

"My advice is keep doing that deep, strong, mission work that your organization was set up to do," she says. "While that may not mean Scott and her team identify your organization for a gift, it will put your organization on the map. Other philanthropy will result from that." ●

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Look at ways you can restructure your time, resources, and effort to focus on potential donors who can provide transformative gifts in the CASE book *Raising Your Organization's Largest Gifts*, available at case.org/bookstore. ➔

