



Gifts to Colleges Fall After Record Highs

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Gifts to colleges and universities broke all records in 2008, but began to decline as the recession deepened, and will most likely continue to do so for the next two years, according to a survey by the Council for Aid to Education.

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Giving to Top Schools
Donations to the top 10 universities, generally increased from 2007 to 2008, reported the beginning of a decline this year.

TOP 10 FUND-RAISING INSTITUTIONS, 2008

Graphic

[Giving to Top Schools](#)

Donations for the 2008 fiscal year, which ended in July, grew 6.2 percent, with universities pulling in a total of \$31.6 billion, the highest amount ever recorded, according to the survey.

The survey includes only anecdotal reports about giving since the end of the fiscal year, when the economy began its dive. But Ann E. Kaplan, the survey director, said several institutions had "hit a wall" this January, with a sharp drop in the number and amount of donations.

"It's vastly different now than it was then," Ms. Kaplan said.

Every institution she spoke to, Ms. Kaplan said, reported that donors who had made multiyear pledges had asked to renegotiate those gifts, to allow more time to complete them.

And last year's increase mostly reflected the rich getting richer. The 20 universities at the top of the list reported big gains, but gifts to the remaining 1,032 institutions responding to the survey were down 4.2 percent.

The top 20 institutions raised a total of \$8.41 billion, \$745.3 million more than the top 20 in 2007. While those universities make up just 1.9 percent of the institutions, their donations accounted for 26.6 percent of all gifts.

Stanford ranked first for donations with \$785 million, followed by [Harvard](#), at \$650.6 million. Columbia moved from fifth ranked in 2007 to third, raising \$495.1 million in 2008. [Yale](#) moved from eighth in 2007 to fourth, raising \$486.6 million in 2008.

The University of California, Los Angeles, raised the most of any public institution, coming in sixth on the list, with \$456.6 million, followed by the [University of Wisconsin-Madison](#), ranked eighth with \$410.2 million.

The richest institutions have been cutting their budgets as they suffer sharp declines in the value of their endowments and predict a drop in donations because of the slumping

stock market. Harvard recently announced that it would seek 1,600 buyouts and slow a campus expansion.

Yale's president, [Richard C. Levin](#), announced Tuesday that the university was postponing \$2 billion in building projects and that layoffs were possible.

Many of the public universities in the top 20 are also paring budgets as states reduce their support.

The survey warns that the big donations are unlikely to solve immediate budget concerns, because about half of all gifts are earmarked by donors to be used for endowments or other capital investments, and cannot be used for current expenses.

The best way to forecast the effect of the recession on donations, Ms. Kaplan said, is to look at past trends. The report, known as the Voluntary Support of Education survey, argues that three factors have historically affected donations: the strength of the stock market, the overall health of the economy as measured by gross domestic product, and tax law.

The best comparison, Ms. Kaplan said, is the mid 1970s, when a recession combined with declines in the stock market, and donations to higher education fell sharply. Based on that lesson, the report expects that donations will decline in 2009, and even more so in 2010, then rebound.

"The only thing that makes this period possibly somewhat better is that inflation is low," Ms. Kaplan said.

The largest percentage of overall donations, 28.8 percent, came from foundations, and the second largest, 27.5 percent, coming from alumni. Non-alumni individuals accounted for 19.4 percent of donations, and corporations, for 15.5 percent.

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