

EUDIS

European Universities Diversifying Income Streams

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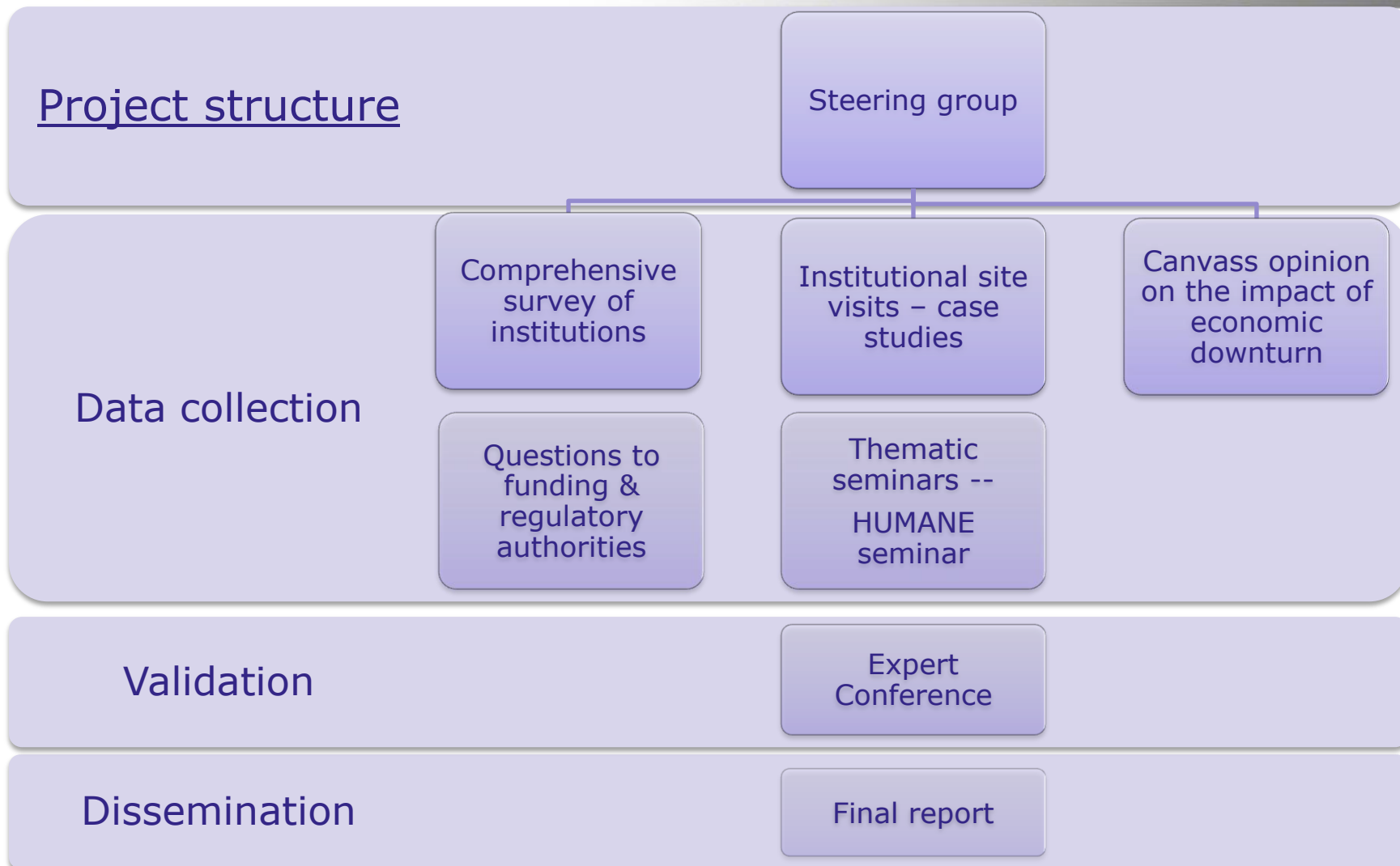
Chair of the EUDIS Steering Committee
Head of Administration and Secretary General of King's College

European Forum on Philanthropy and Research Funding
2009 Stakeholders' conference

London
2-3.12.2009

Objectives of the project

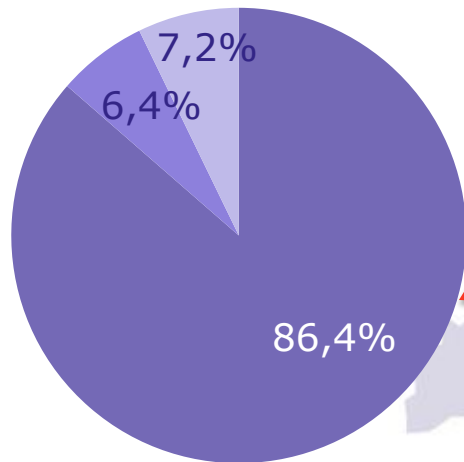
- ✓ Gauge the level of development of **institutions' strategies** to diversify the institutional funding base
- ✓ Collect evidence about **regulatory and other incentives** that enable institutions to diversify their funding base
- ✓ Investigate the **managerial and governance challenges** of funding diversification including the impact of autonomy
- ✓ Identify **innovative and transferable good practices**
- ✓ Provide universities with a set of **useful tools** to diversify their funding base in a coherent and strategic fashion



Survey participation: key figures

- 27 participating countries
- Over 100 universities
 - ✓ Over 2 million students (around 800,000 FTE)
 - ✓ 156,000 academic staff & 110,000 administrative staff
- ✓ Close to **€ 20 billion** in total income
- ✓ **€ 13 billion** in total public funding

Institution type



■ University

■ University of applied sciences / polytechnics / specialised college

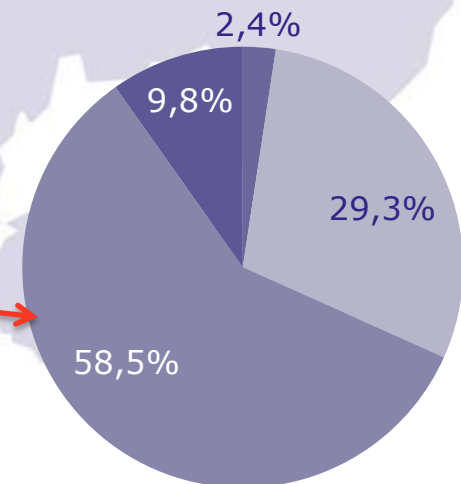
■ Other

■ Mainly teaching

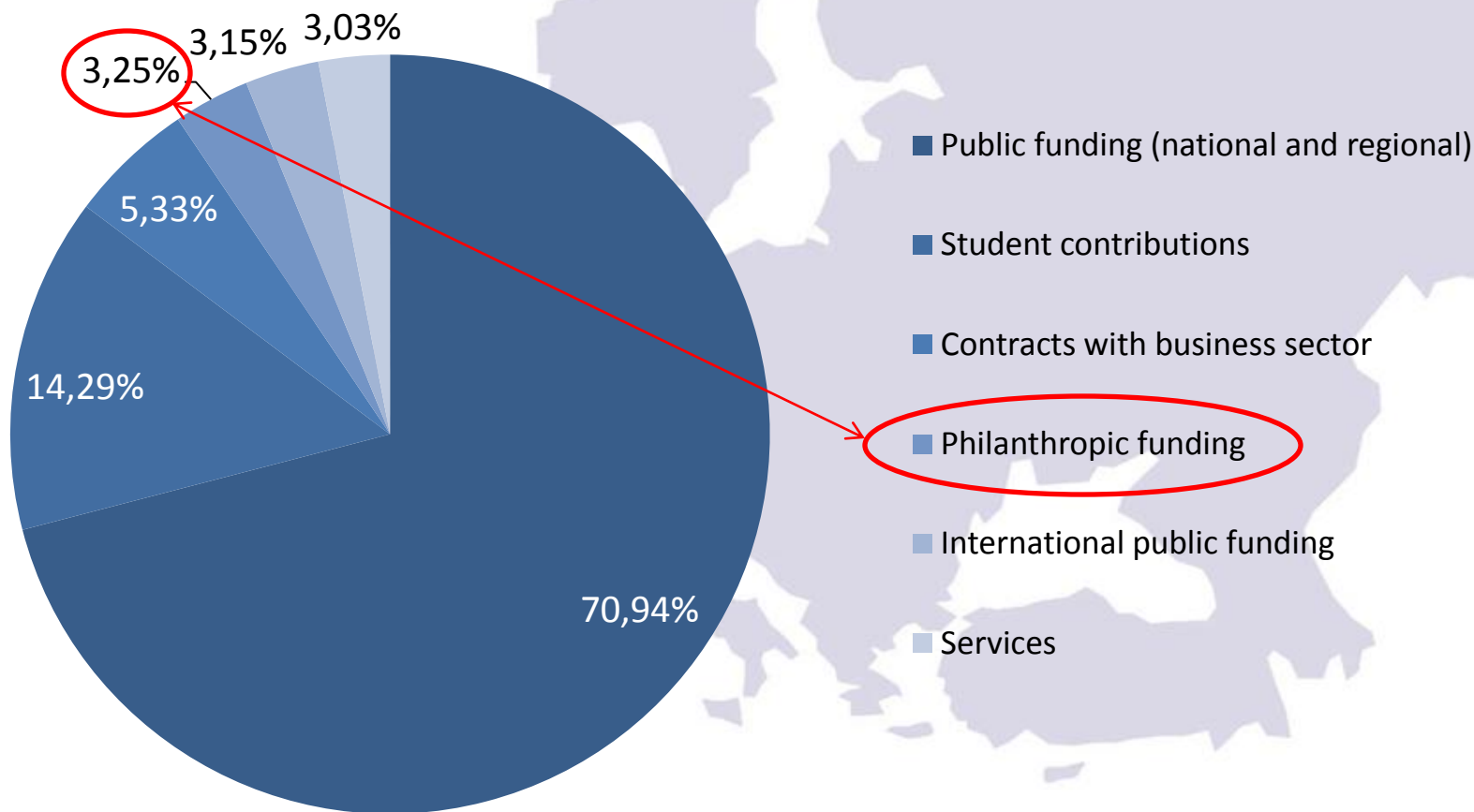
■ Combination of teaching and research with focus on teaching

■ Teaching & research combined equally

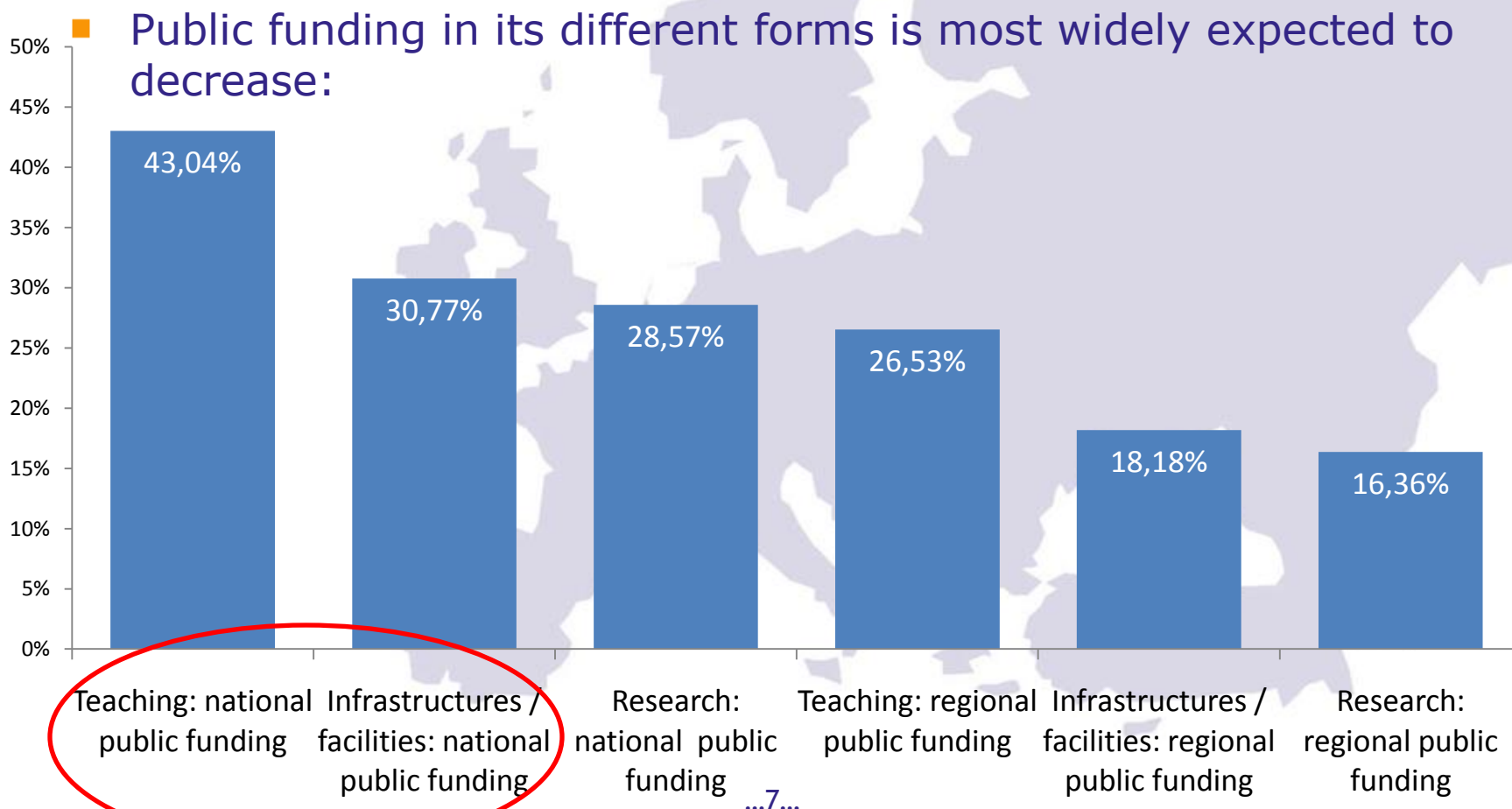
■ Combination of teaching and research with focus on research



Average financial structure

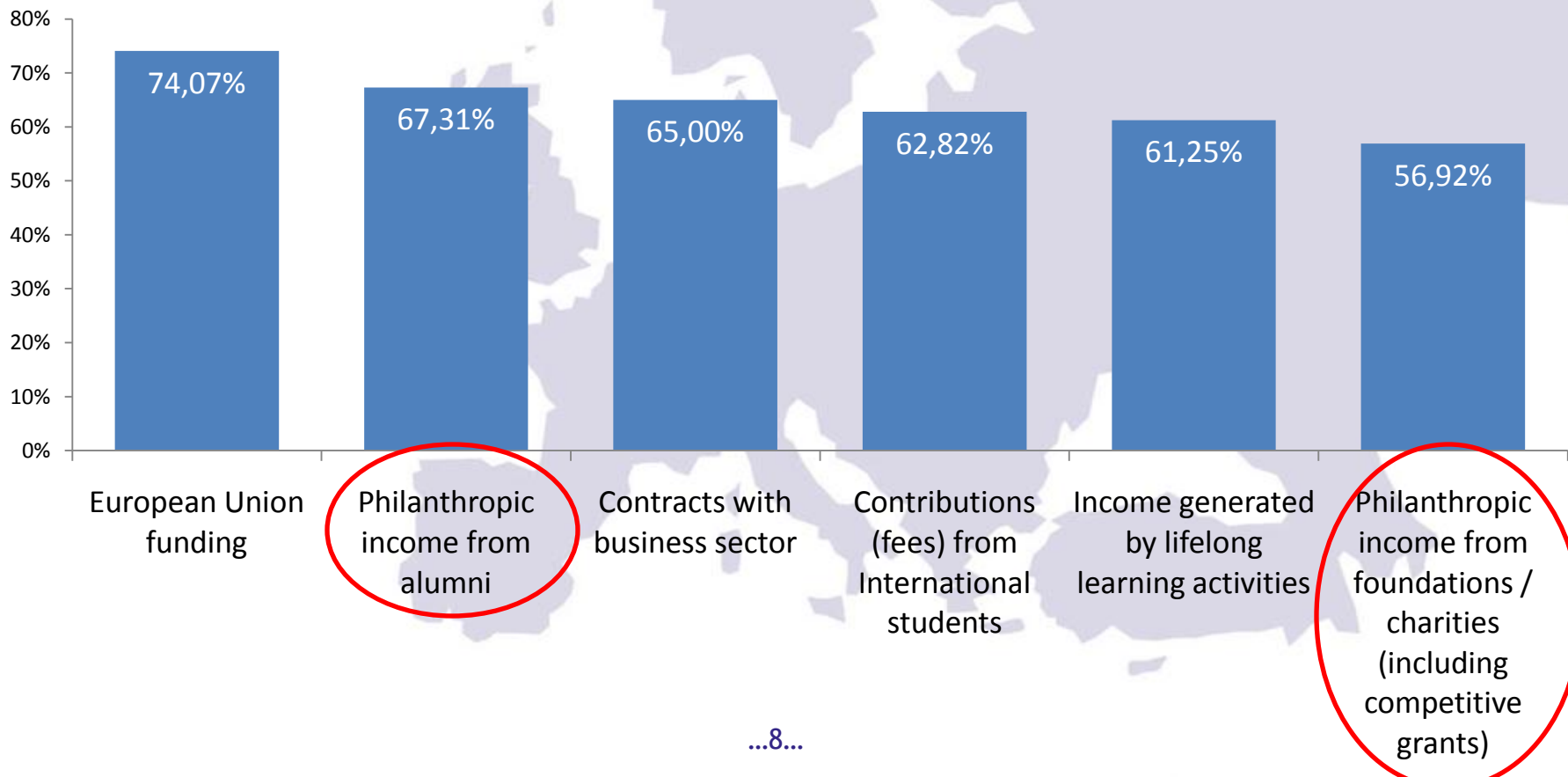


Sector's expectations on income streams evolution



Sector's expectations on income streams evolution

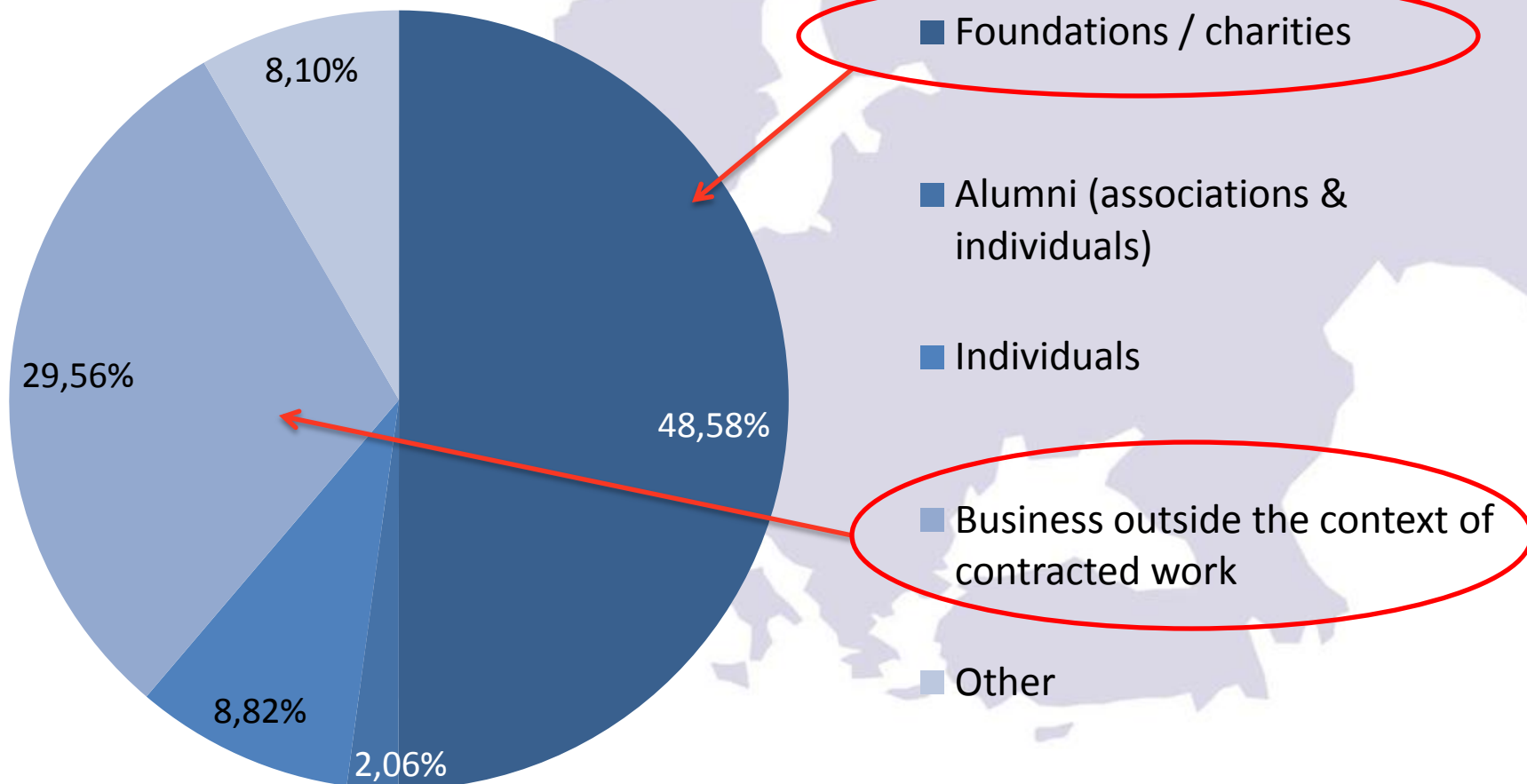
- The sources that are most widely expected to increase are:



Funding sources & complexity

- Precision about institutional funding programmes in some national domains – difficult (some have reported **100 sources**)
- Main public funding sources -- have **similar** accountability / reporting requirements
- Significant **variation** with smaller public funders, especially targeted / project-based funding
- Variations include different accounting/auditing requirement, reporting frequency, volume of documentation needed = high transaction costs
- Institutions report that they expect no. Of funding sources to remain **stable** (in 44% of the cases) or **increase** slightly (42%).

Philanthropic funding: distribution



Philanthropic funding & financial sustainability

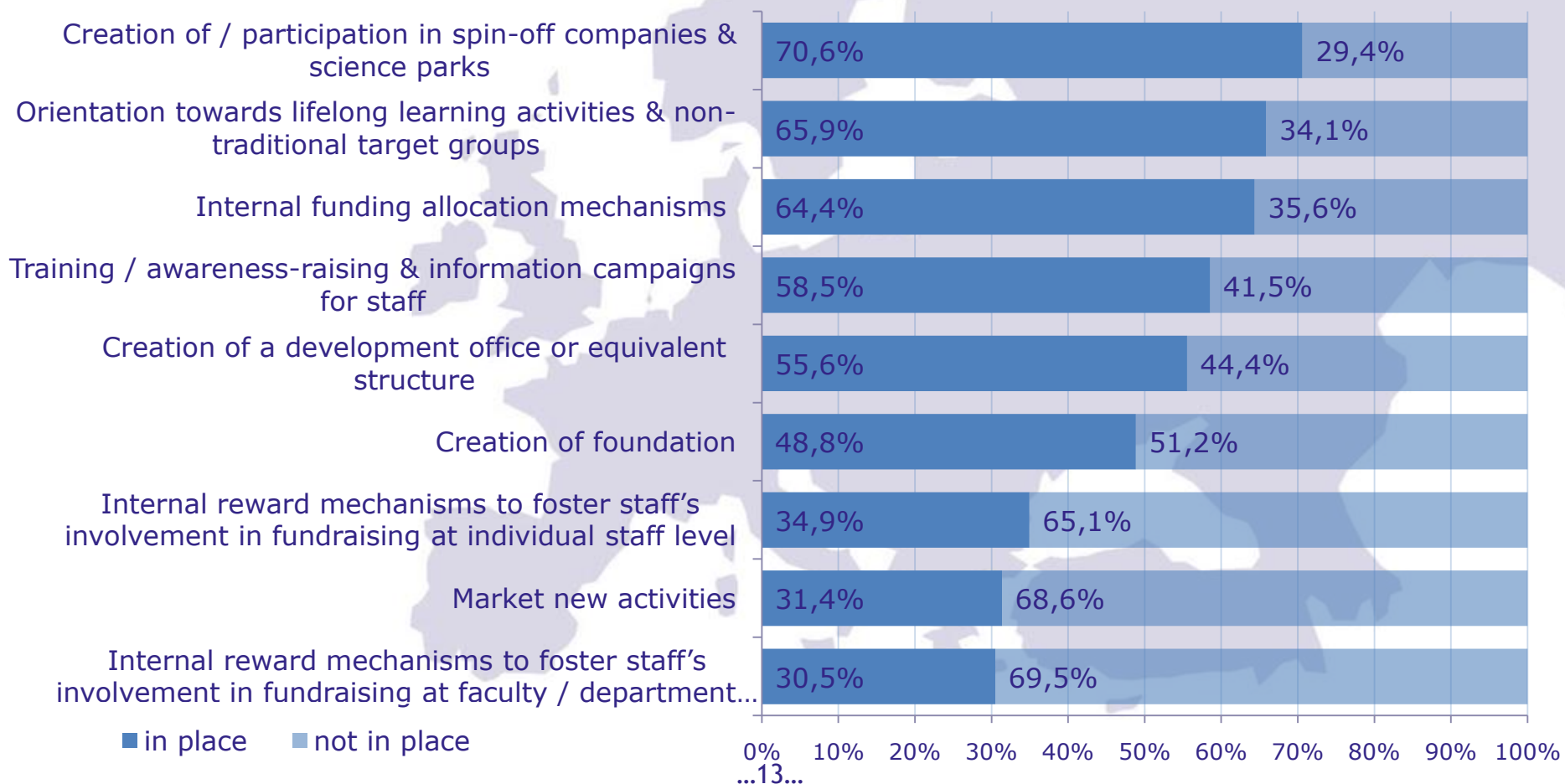
- Philanthropic income generally represents a small part of institutions' total income
- Although helpful, it is often considered as having no real impact on the institution's financial sustainability
- But, can serve as key indicator of state of relationships with other stakeholders (social recognition)

Philanthropic funding & financial sustainability

- Challenges linked to financial sustainability:
 - ✓ Possibility to lose funding on short notice
 - ✓ Short-lived funding
 - ✓ Difficulty to match the objectives & priorities of the donors and of the institution
 - ✓ Most often targeted for specific purposes, may go directly to the beneficiaries (students/academics) with no steering possibility for the institution

- Role of the public authorities:
 - ✓ Framework impeding development of philanthropic activity (i.e. « apprenticeship tax » in France)
 - ✓ Incentives such as matched funding schemes (i.e. UK and Norway)

Internal strategies & mechanisms to foster income diversification



Which actions?

- Human resources: specialised recruitment to reinforce existing / establish new structures dedicated to fundraising
- Typical structures (model): centralised office within the institution and foundations outside
- However in a number of cases still no dedicated structures, decentralised activity for which departments or faculties may be responsible / or too many structures with little coordination (PPP, alumni, etc)

Obstacles to income diversification

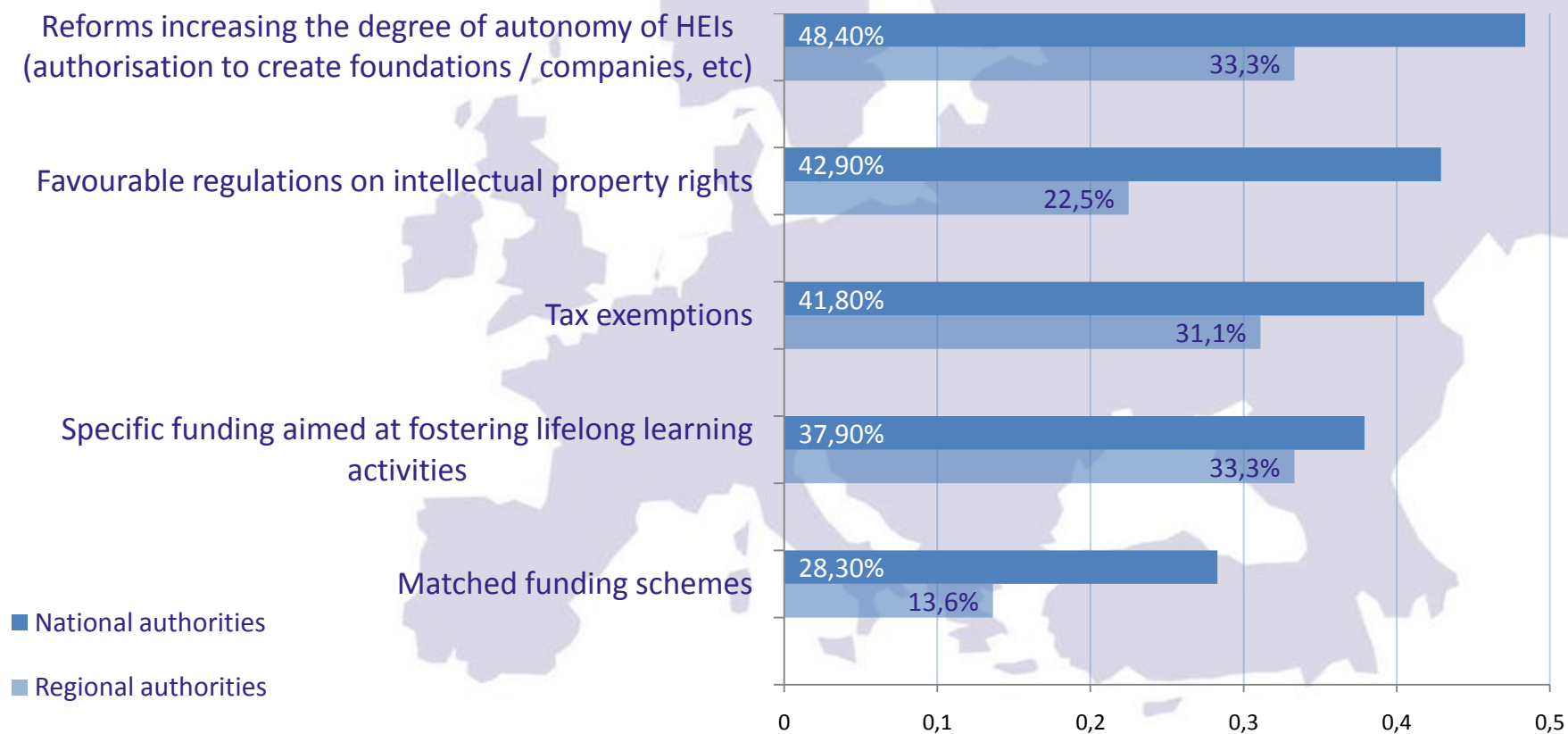
■ **Common internal obstacles:**

- Lack of information and awareness among academics
- Concern that academics may be diverted from their core missions and activities
- Unsuitable organisational structure

■ **Common external obstacles:**

- Limitations set by law
- Lack of support & incentive mechanisms by public authorities

External incentive mechanisms to foster income diversification



More information:

www.eua.be/eudis