

# ONE TENNESSEE

*Inspiring Impact*



THE UNIVERSITY OF TENNESSEE  
**UT FOUNDATION**

2015-2016









***“All for one and one for all.”***

—ALEXANDRE DUMAS

## **CORE PURPOSE**

The University of Tennessee Foundation advances the mission of the University of Tennessee to **educate**, **connect** and **discover** by seeking and securing private gift support for its programs in service to students, faculty, staff, alumni and society.

## **VISION**

The University of Tennessee Foundation will be indispensable to the University of Tennessee and its alumni.

## **STRATEGIC MISSIONS**

To **advocate**

on the university’s behalf for the resources and support it needs to thrive.

To **enrich**

students’ experiences during and after their time at the University of Tennessee and motivate them to be lifelong champions of the university.

To **connect and engage**

alumni everywhere with each other and back to the university in meaningful ways.

To **communicate**

the value that the University of Tennessee brings globally through its students, faculty and alumni.

*This is an impact report of the system-wide achievements, accomplishments and performance of the University of Tennessee Foundation in the fiscal year 2016 from July 1, 2015 through June 30, 2016.*

[utfi.org/onetennessee](http://utfi.org/onetennessee)

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M. Steven Morris

There is nothing like having a front-row seat to the greatness that transpires at the University of Tennessee and intersects every facet of our lives.

We have been repeatedly awed by the capacity of the UT family—from students to neighbors.

The mission of enhancing the quality life of all Tennesseans is profoundly evident in the light of students' eyes when they talk about the difference a scholarship is making in their educational and career endeavors. Or the chance a professor is given to pursue an out-of-the-box solution to yesterday's problem. Or even walking through a building where students are inspiring each other to teach or become a doctor, build a safer car, or cure cancer.

It is a high calling and one in which we believe, just like you do.

Foundation Board Chair

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P. Alan Ledger

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\*Ex-officio







# One Tennessee | Doing More, Together



**61,539**  
donors invested  
**\$240,261,441**

**\$2,259,687** gifts online

**\$191.27** average online gift

**43%** increase in online giving compared to 18% growth of other four-year universities using the same online giving platform

**\$350,000**  
SCHOLARSHIPS

**\$50,000**  
FACULTY AWARDS

**\$49,000**  
LEGISLATIVE INTERNSHIPS

**AWARDED THROUGHOUT  
THE UT SYSTEM BY  
THE UT ALUMNI  
ASSOCIATION**



**364,817**  
**ALUMNI**

in **146** countries and  
all **50** states

**30%**  
have a  
**MASTER'S  
DEGREE**  
or higher

## TOP STATES WHERE ALUMNI LIVE

- TENNESSEE **225,244**
- GEORGIA **20,884**
- FLORIDA **11,469**
- NORTH CAROLINA **10,124**
- TEXAS **8,887**



## REPRESENTING ACROSS THE STATE AND BEYOND


**62,500** events hosted


**7,000** volunteer leaders


**6,000+** alumni career guides serving as mentors


**5,000** legislative advocates

## LOVES AND LIKES *combined for all campuses*

 **40,000**  
Facebook fans

 **14,000**  
LinkedIn members

 **12,000**  
Twitter followers

 **5,400**  
Instagram followers

**414,634**  
ANNUAL  
WEBSITE TRAFFIC  
*(all alumni sites)*

**24%**  
average open rate  
of email marketing



**One Tennessee** | Doing More, Together



## Alumni & Community Engagement

### ADVOCACY

The Advocacy Network is the University of Tennessee's official grassroots effort. It includes close to 5,000 alumni, employees, students and friends who believe in the university's value to all Tennesseans and share that message with elected officials.

Reaching beyond the legislature, thousands more are simply advocates for UT—ambassadors of spreading the good of the university's impact far and wide. They are all in. They stay connected, serve and share points of pride about UT.

### LEGISLATIVE COUNCIL

The Alumni Legislative Council is on the front line, leading the call to legislative action.

Sixty representatives from all UT campuses and institutes leverage their expertise and leadership to ensure UT's success for the betterment of the state. Convening at the start of the legislative session, the legislative council is schooled by the UT Office of Government Relations and Advocacy on funding priorities and greatest needs linked to increasing the capacity of educating students, producing research and providing outreach.

### UT DAY ON THE HILL

A collection of future doctors, lawyers, engineers, executives and idea-generators line the halls of the Nashville Legislative Plaza every winter. They have one thing in common: the University of Tennessee.

UT Day on the Hill highlights students and entities from throughout the UT System by bringing them to Nashville's legislative hub as representatives and storytellers of the university's mission to educate, connect and discover.

UT DAY ON THE HILL | NASHVILLE

MEMBERS OF THE TENNESSEE HOUSE AND SENATE DIVIDED INTO TEAMS AND COMPETED IN A FOOTBALL PASSING CONTEST TO CAP OFF 2016 UT DAY ON THE HILL, AN ANNUAL EVENT TO PROMOTE LEGISLATIVE AWARENESS OF THE UNIVERSITY'S STATEWIDE IMPACT.

## Alumni Signature Programs

**ALLIANCE OF WOMEN PHILANTHROPISTS**  
CAREER SERVICES  
NETWORKS  
TOURS & TRAVEL  
WOMEN'S COUNCIL

### INNER CIRCLE

A legacy of transformation is being created by many selfless acts of giving, one woman at a time, through the Alliance of Women Philanthropists Giving Circle.

Educating, empowering and inspiring, the Alliance Giving Circle made Michael Kidd's world that much more vast when he boarded a plane and felt beach sand between his toes for the first time as a UT Martin Percussive Arts Society ambassador to Brazil; medical technicians at the UT Health Science Center got the books they needed to excel beyond the classroom; middle school girls unlocked their coding skills with UT Knoxville's Systems: Women in Electrical Engineering and Computer Science.

Since the creation of the Alliance Giving Circle in 2007, more than 45 UT System programs have received close to half a million dollars from the collective giving of the circle's members.



## Alumni Signature Programs

ALLIANCE OF WOMEN PHILANTHROPISTS  
CAREER SERVICES  
NETWORKS  
TOURS & TRAVEL  
WOMEN'S COUNCIL

### TOP TALENT

Dexter Anoka tapped into the power of his University of Tennessee degree, and four days later he was hired as an executive recruiter.

He's been to his share of job fairs, but none opened doors quite like the multi-school, alumni-only career fair hosted in Atlanta by the UT Alumni Association in partnership with the campus career centers and a handful of other universities.

"Recruiters were looking to hire, not just promote their companies," says Anoka, who graduated from UT Martin in 2010 with a bachelor's degree in business management. "By the time I was walking out the door, I had five companies that were strongly interested in my skill set. Within days I had three phone interviews. By the end of the week, I had accepted an offer with Randstad Finance & Accounting."

UT Alumni Career Services is at the forefront of a powerful trend in which schools are leaving behind one-size-fits-all job fairs and offering alumni exclusive regional career fairs and networking workshops. Accessible to any UT graduate, online offerings include a slew of resources, including a job search engine, professional development webinars, one-on-one counseling services in conjunction with campus career centers, long-distance educational opportunities, and a career mentoring network to connect established alumni with those who are on the hunt for a job.



ALUMNI CAREER SERVICES

NETWORKING AT NEYLAND: ALUMNI LEADERS SHARE CAREER ADVICE WITH HUNDREDS OF UT STUDENTS WHO ARE PREPPING TO ENTER THE JOB MARKET.



## Alumni Signature Programs

ALLIANCE OF WOMEN PHILANTHROPISTS  
CAREER SERVICES  
NETWORKS  
**TOURS & TRAVEL**  
WOMEN'S COUNCIL

### WANDERLUST SPIRIT

Janie Bragg and Sally Shelton have never met a stranger. The McMinnville, Tenn., best friends have seen the marvels of the world—from the majestic, snowcapped Alps of Gornergrat in Switzerland, to the mythic relics of Athens and Troy, to the breathtaking architecture of Monte Carlo, seven times over with Tennessee Travelers, UT's alumni tours and travel program. And they aren't even close to finishing their bucket list of must-see places.

"Wherever we go it will always be with UT," says Bragg, who attended UT Knoxville in the early 1950s. "We wouldn't want to see the world any other way."

A shared sentiment of more than 10,000 travelers who have chosen Tennessee Travelers since 1971.





## RIVER KINSHIP

The Tennessee River is a conduit for a better tomorrow.

Connecting dozens of University of Tennessee, Knoxville, students and a community of farmers, city planners, ecologists and river system engineers, the Tennessee River is the teacher of geological evolution.

Starting the journey where the French Board and Holston rivers converge and covering more than 1,100 miles, students begin to understand the scarcity and sacredness of the river systems.

At the bedrock of understanding how the river connects us all is a five-year, \$2.5 million public-private partnership with Knoxville's College of Architecture and Design, Skidmore, Owings and Merrill, and Oak Ridge National Laboratory. The Tennessee River Studio is the second studio in the Governor's Chair for High Performance Energy Practices. Its aim is to identify creative solutions to the 21st century challenges facing the Tennessee River.

"The insights gained from those with whom we met, the conditions we observed and the experiences we shared on the river tour combine to provide a rare and unique perspective for us to begin thinking about the Tennessee River of the 21st century," says Brad Collett, assistant professor in Knoxville's College of Architecture and Design and the College of Agricultural Sciences and Natural Resources.

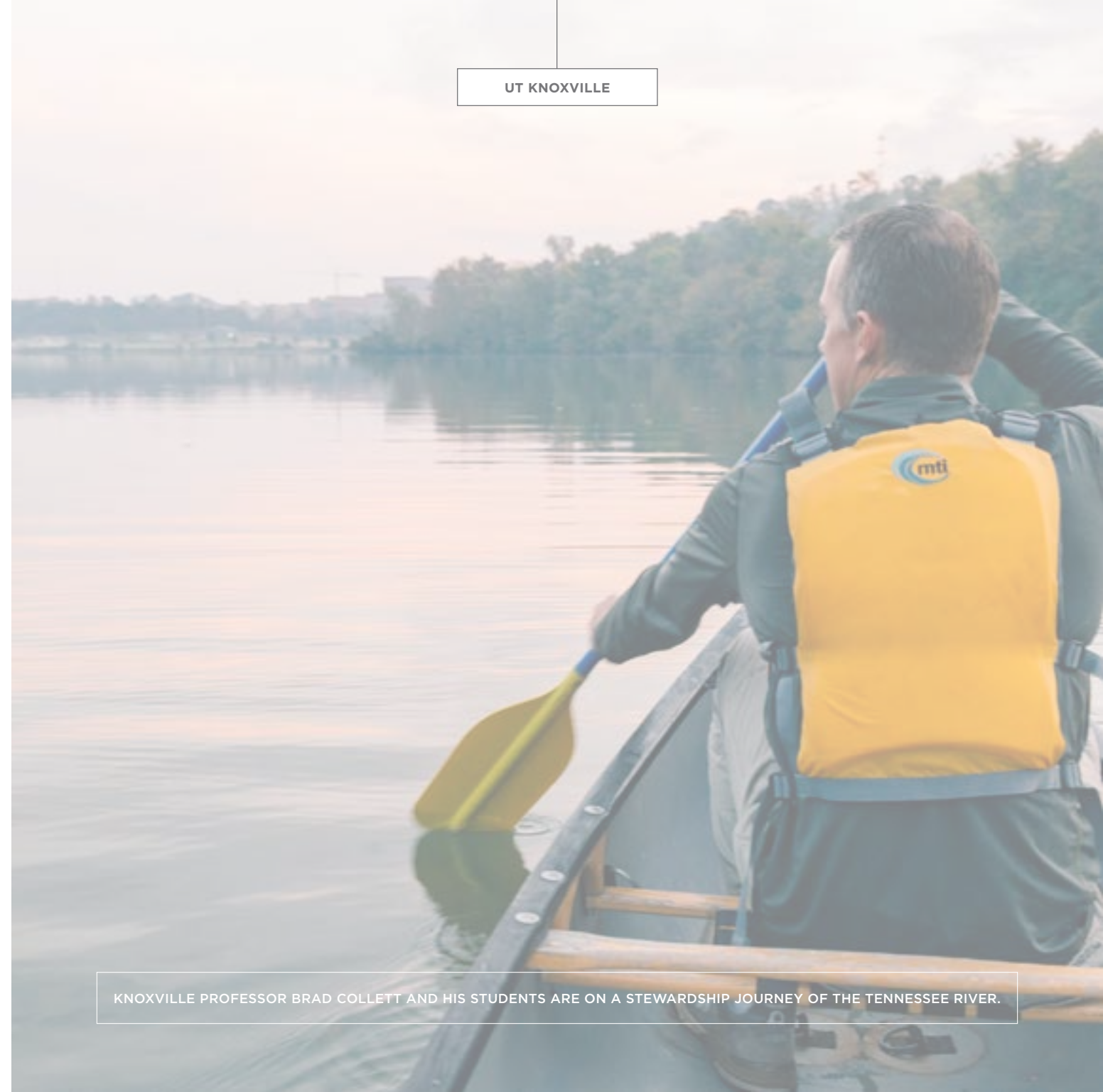
"We are working to reclaim the river as a shared space, and to steward it as a precious resource for businesses, famers, tourists, and really all Tennesseans for generations to come."



Visit [utfi.org/onetennessee](https://utfi.org/onetennessee) to learn more about how Brad Collett and his students are shaping the Tennessee River for the betterment of all.

UT KNOXVILLE

KNOXVILLE PROFESSOR BRAD COLLETT AND HIS STUDENTS ARE ON A STEWARDSHIP JOURNEY OF THE TENNESSEE RIVER.





## MAKING MAGIC

When Knoxville resident Stephanie Corby enjoys a night out with her husband she sees the countless farms represented on her dinner plate, the lumber that built the table, and the cotton fields that contributed to her dress.

These are her “magic moments.”

TN Magic Moments is a statewide agricultural awareness campaign that showcases how agriculture’s impact on our lives can be seen everywhere.

This social media grassroots effort is a response to Governor Bill Haslam’s 10-year Rural Strategic Challenge. It charged the Tennessee Department of Agriculture, Tennessee Farm Bureau Federation, and the University of Tennessee Institute of Agriculture to develop a strategy for ensuring growth and prosperity of agriculture and forestry over the next decade. While this challenge highlights a number of important initiatives, the underlying message is a need to increase the awareness of the industry’s contributions to the health, welfare and economy of Tennessee. Agriculture provides \$66 billion in economic impact and 338,000 jobs. Agriculture and forestry make up 13 percent of Tennessee’s economy.

TN Magic Moments is a unified voice representing numerous agriculture companies and associations across the state on social media and through its podcast.

No matter who you are, what you do, or where you live, agriculture provides the “magic” that makes up your life.



## SOLID FOUNDATION

Legend dreams turn into steel bridges, concrete canoes and cars for an interdisciplinary team of engineering students at UT Chattanooga.

Channeling investments from Volkswagen Chattanooga, students in the College of Engineering and Computer Science apply what they learn in the classroom to tackle real-world engineering problems. Their awareness and knowledge of fabrication and erection processes, spatial constraints, strength, serviceability and safety make them market-prepared, collaborative students while enhancing UT Chattanooga's reputation for excellence in engineering.

Competing in the American Society of Civil Engineers Steel Bridge Competition, Elliott Thaxton says, "You grow respect for everyone's discipline because projects require input from different engineering disciplines. Everyone involved looks at the project from a different perspective."



UT CHATTANOOGA

UT CHATTANOOGA STUDENTS PUT THEIR ENGINEERING MINDS TO WORK WHILE COMPETING AT A STEEL BRIDGE COMPETITION.





HEALTH SCIENCE CENTER

MEETING THE NEEDS OF CHILDREN WITH DISABILITIES, THE RACHEL KAY STEVENS THERAPY CENTER REACHES 300-500 FAMILIES ANNUALLY.

# One Tennessee | Inspiring Impact

## LOVE THERAPY

The only pro bono, pediatric occupational therapy center of its kind in the state of Tennessee is a memorial to a daughter who died too young, a tribute to a student and classmate who is missed, and a gift to hundreds of families in need.

The Rachel Kay Stevens Therapy Center at the University of Tennessee Health Science Center is a tangible sign of the commitment of the Department of Occupational Therapy and the College of Health Professions to be change agents for greater good, all in the name of a young woman who had looked forward to helping others, and is now doing so, more than a year after her death.

The student-run, faculty supervised OT center for children of families who are uninsured or underinsured fills a pressing community need, and is a fitting memorial for Rachel, who dreamed of becoming a pediatric occupational therapist. She died at age 22 in January 2015, shortly after starting her OT training at the Health Science Center.

Managed and staffed primarily by OT students as volunteers under the direct supervision of Health Science Center faculty, the center provides developmental screenings, evaluations and occupational therapy treatment for children, as well as parenting education classes. Students also perform outreach initiatives to improve the lives of children and families in the community.

*“Every parent wants their daughter to be remembered. We know if Rachel were here, she would be working in this clinic, and that just gives us hope her story will continue.”*

—KATRINA STEVENS

## DOCTOR'S ORDERS

From observing surgeries to witnessing childbirth, UT Martin students who think they want to don a white coat are testing out their “when I grow up” doctor dreams.

The UT Martin Pre-Med Scholars program intersects the lives of practicing physicians with students aspiring to go to medical school. Two years of pre-medical experiences, including physician-led mentoring and job shadowing along with rigorous Medical College Admission Test (MCAT) preparation, puts pre-selected students in touch with the reality of a medical career and enhances their chances for medical school admission.

“I first found my passion for science when I was in high school,” says Catrina White, a second-year Pre-Med Scholar. “Once I become a physician my learning never stops because science is always changing and discoveries are always being made.”

“It’s not so much about learning the science, it’s about visualizing what your future is going to be and deciding whether you like it or not,” says Dr. Nikhil Patel, a gastroenterologist and one of the program’s founding physicians. “(The students) get to see us in the office; they get to see us behind the office. We can involve them in medical records and the nursing side, the front desk, hospital rounds and surgeries, so they really get first-hand experience that would be difficult for them to get otherwise.”

***“I first found my passion for science when I was in high school”***

—CATRINA WHITE



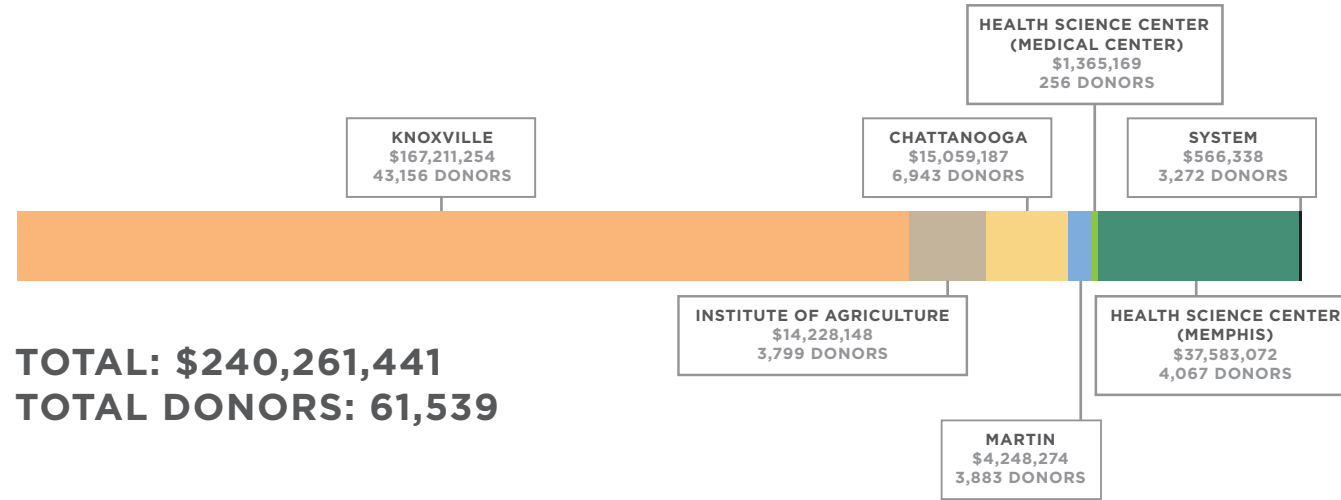
Visit [utfi.org/onetennessee](https://utfi.org/onetennessee) to learn more about UT Martin's Pre-Med Scholars program and the impact it's having on Joshua Diltz's journey. The UT Martin senior, who is from Albuquerque, N.M., completed the program and is preparing to apply to medical schools.

UT MARTIN

DR. ELIZABETH LUND, RIGHT, A PHYSICIAN WITH THE SURGICAL ASSOCIATES OF MARTIN IN MARTIN, TENN., SHOWS CATRINA WHITE, CENTER, A SECOND-YEAR PRE-MED SCHOLAR, HOW TO EXAMINE A PATIENT.

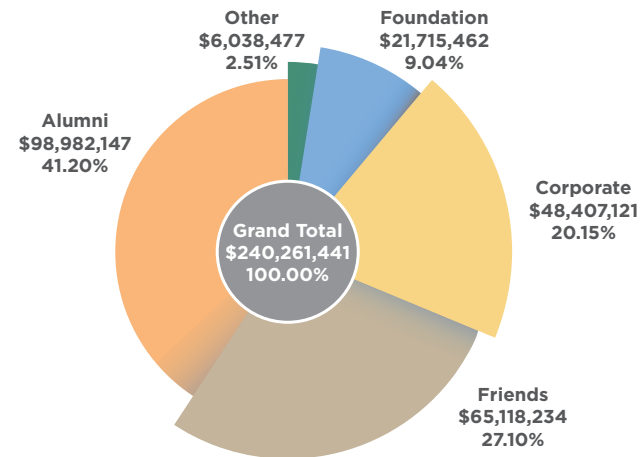


## Fiscal Year 2016 Fundraising and Donor Totals

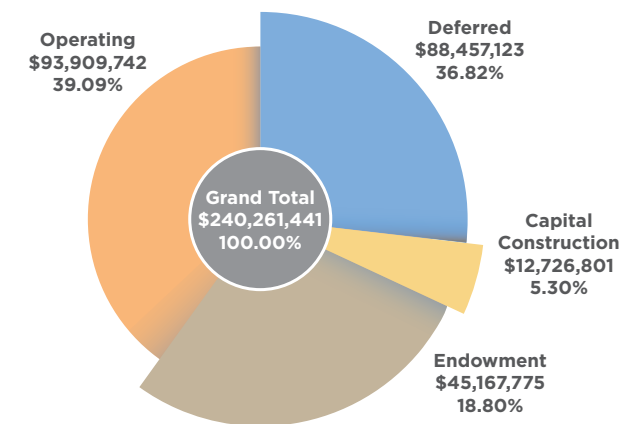


**TOTAL: \$240,261,441**  
**TOTAL DONORS: 61,539**

## Analysis by Source



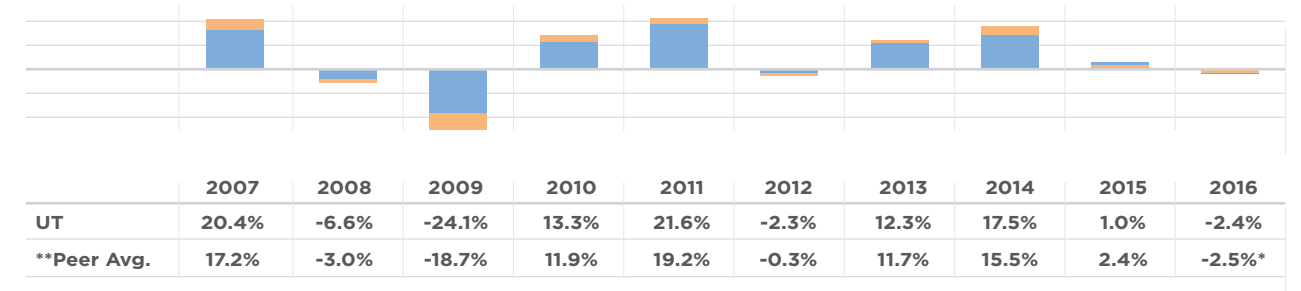
## Analysis by Purpose



# Financials

## Investment Approach

The university's endowment takes a long-term approach to investing, with a minimum objective of achieving an annualized return greater than the rate of inflation plus spending. To that end, it has implemented a disciplined strategy that incorporates both active and passive management, depending on the target market or manager strategy. The university works with an outside consultant to find managers that possess a repeatable strategy, solid investment culture, and emphasis on risk management. This approach enables the university to maintain its long-term, strategic focus and avoid the distractions of short-term market movements. It is important to note that the endowment is broadly diversified across multiple asset classes. Consequently, over any given time period, its return may diverge significantly from popular indices such as the S&P 500, individual mutual funds and its peers.



\*Estimated return for 2016  
 \*\*Peer Avg. data provided by Fund Evaluation Group and the National Association of Colleges & Universities Business Officers (NACUBO) Commonfund Study of Endowments

## Endowment Asset Allocations



## Endowment Income by Area



For the fiscal period ending June 30, 2016, total assets invested for the benefit of the University of Tennessee stood at \$1.1 billion, having declined by \$9 million from the prior year. This change in value was driven by a challenging environment for diversified portfolios. With negative yields on roughly 38 percent of global investment-grade debt outstanding, investors chased “high-yield” assets but shunned riskier segments of the equity markets. Not surprisingly, U.S. large and mid-cap stocks generated positive returns, along with real estate and high-quality bonds. In contrast, international developed and emerging market equities, as well as commodities, declined sharply. Until the world’s major economies stabilize and fundamentals drive the markets again, central bank policy will continue to have an outsized effect on market performance and investors’ collective behavior.

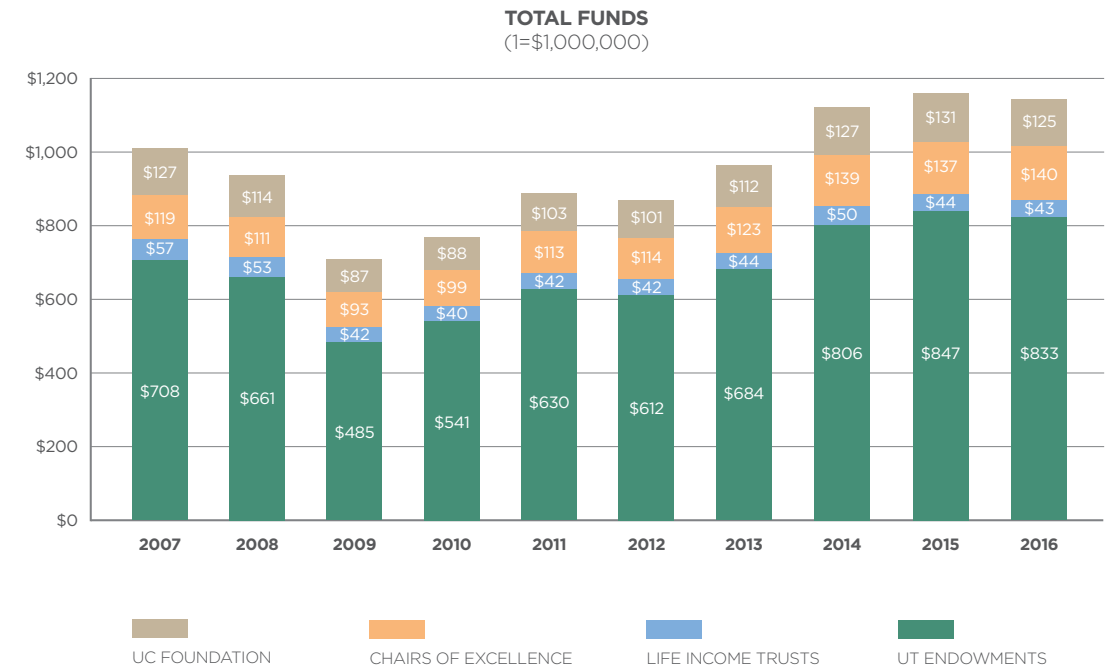
UT’s capital base includes five separate investment vehicles. As of June 30, endowments accounted for \$833 million, with \$820 million in the Consolidated Investment Pool and \$13 million in separate endowments. Chairs of Excellence were \$139 million, and the University of Chattanooga Foundation was \$125 million. Finally, Life Income Trusts stood at \$43 million. The accompanying chart displays these categories at each fiscal year-end for the past ten years.

The Consolidated Investment Pool (the Pool) is the largest component of invested funds and was established in 1954 to allow for the diversification and efficient investment of any endowment, regardless of size. With the dual mandate of generating long-term total returns above the spending rate while simultaneously managing downside risk, it maintains a globally diversified portfolio. For the fiscal period ending June 30, the one-year total estimated return was -2.4 percent and for the last 10 years +4.1 percent. The Pool distributed \$36 million in fiscal 2016, an increase of approximately \$3 million from the last fiscal year. The funds distributed in any given year equal four-and-a-half percent of the five-year rolling average of the Pool’s market value at calendar year-end (December 31).

Finally, funds distributed by The Tennessee Chairs of Excellence and the University of Chattanooga Foundation were \$4 million and \$7 million, respectively, for the fiscal year. Both of these categories are managed outside the Pool. The Chairs of Excellence are administered by the treasurer of the state of Tennessee for the benefit of all UT campuses. The University of Chattanooga Foundation is managed by its foundation board and supports programs at UT Chattanooga only.

## Financials

### Endowment Overview





*“None of us is as smart as all of us.”*

—KEN BLANCHARD



The University of Tennessee strives to provide high-quality higher education, lead research that solves problems, and conduct outreach that enhances quality of life for all Tennesseans. Indeed, UT is woven into the fabric of life throughout Tennessee.

That's why Tennessee's future and that of UT are inextricably linked. And the university is performing at a higher level than we've seen in decades.

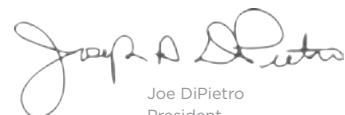
Freshman applicants, first-year retention and degree production are up on all campuses. Our increasingly diverse student population arrives more highly qualified than ever, and our graduates leave the university prepared to compete successfully in the global economy.

Research productivity continues to climb. Our outreach covers the spectrum from youth development to business consulting to providing health and personal finance education to families.

At the same time, we're making dramatic progress in restructuring our business model toward achieving sustainable funding for the long term and in maximizing our resources.

Your investments propel every part of the University of Tennessee more quickly along its path to progress. Thank you for ensuring an even greater future for our students, the residents of Tennessee and beyond.

We are one. We are UT.

  
Joe DiPietro  
President  
University of Tennessee System







*“Alone we can do so little, together we can do so much.”*

—HELEN KELLER



One Tennessee is what you make possible.

Great good is done when your investments are bestowed on professors and students, who are emotionally invested in learning and in the hard work of pushing boundaries and forging partnerships that lead to lasting solutions.

You are at the center of a remarkable journey of dreamers and doers. You understand what it takes to make a difference in their lives.

You understand that a building is anything but just a building. Inside of the bricks and mortar, there is a steeped history of greatness being taught, nurtured and passed on.

You elevate the institution by being the University of Tennessee’s greatest advocates in and beyond the legislative session.

You are our greatest partner in making the world a better place.

There’s no denying that the University of Tennessee System shines brighter because of you.

Rickey McCurry  
Vice President for Development and Alumni Affairs  
President and CEO  
University of Tennessee Foundation









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