



Core Values



This is an impact report of the system-wide achievements, accomplishments and performance of the University of Tennessee Foundation in the fiscal year 2017, from July 1, 2016, through June 30, 2017.

[Download the report as a PDF](#)

VISION

To become a world-class interdependent foundation serving the University of Tennessee by enhancing existing relationships, developing new relationships and creating philanthropic opportunities throughout UT.



MISSION

As a valued partner, the University of Tennessee Foundation enriches the lives of the UT family through engagement, stewardship and private support.

INTEGRITY

We adhere to honesty and sound moral principles in serving the UT family and its constituents.

MOTIVATION

We willingly support UT's pursuit of excellence in higher education to meet the fundamental expectations of all those we serve.

PURPOSE

We seek to further UT's mission to educate, discover and connect. We do so through effective stewardship of relationships and philanthropic gifts.

ACCOUNTABILITY

We accept responsibility for the proficient stewardship of relationships and resources entrusted to the Foundation.

COLLABORATION

We agree to seek out cooperative measures with individuals and entities which will lead to growth and diverse opportunities for UT.

TRANSPARENCY

We will intentionally make available the full, accurate and timely disclosure of relevant information.



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———— **HANDCRAFTED** ————

Seeing purpose in the discarded, Knoxville's Scrapalachian Art welder and metal artist Greg Tune forged reclaimed metal to create a replica of the UT wordmark. With salvaged and somewhat random finds, Tune customized the wordmark with iconic images, symbols and objects to represent the "making" of the UT System.

Uplifting a Nation of Makers



Ron Turner
Foundation Board Chair

Building a nation of makers, shakers and out-of-box thinkers, the University of Tennessee is an imagination incubator.

The history of UT is steeped in craftsmanship and collaboration. From revolutionizing forensic science to creating a thriving farmland to inventing a sound aid for a child to hear, makers thrive in making the impossible possible.

No one campus, department, student or professor has done it on their own. They have joined forces across disciplines and campuses. They have been lifted by dream seekers and dream builders. They have been pushed and rooted on by investors and mentors.

We give, like you, to ignite the flames of the fire students, teachers and researchers are creating in themselves and in crafting tomorrow's solutions.



Kimbrough Dunlap
Board of Governors
President

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61,268

donors

\$221,158,109

raised

14,901

gifts online

\$181.68

average online gift

\$335,000

scholarships

\$46,000

faculty awards

\$49,000

legislative internships

*Awarded throughout the UT System
by the UT Alumni Association*

370,000

alumni in 149 countries and 50
states

218,490

in Tennessee

21,025

in Georgia

11,665

in Florida

33%

have graduate degree

53,689

attendees of alumni programs

1,022

events hosted

1,694

volunteer leaders

1,924

alumni career guides

5,500

alumni legislative advocates



Alumni & Community Engagement

ADVOCACY

The Advocacy Network is the University of Tennessee's official grassroots effort. It includes more than 5,500 alumni, employees, students and friends who believe in the university's value to all Tennesseans and share that message with elected officials.

LEGISLATIVE COUNCIL

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 Alumni 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

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.



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Next Generation Farming

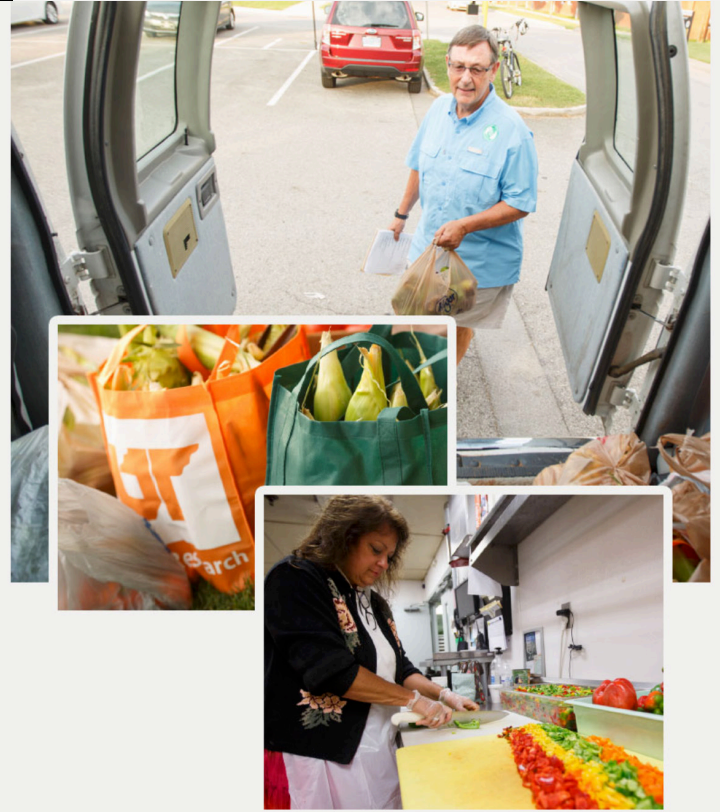
While teaching farmers of tomorrow, the student-run Institute of Agriculture's VOLunteer Supported Agriculture (VSA) Program stocks refrigerators in homes and tables at homeless shelters with a cornucopia of fruits and vegetables.

The program's enthusiasts do not only deliver farm-to-table goodness, they also believe in the communal spirit of farming. The packinghouse, which was largely funded by the Alliance Giving Circle, offers a sanitary landing spot for heirloom harvest to be packed. But more than that, "it is an educational, research and outreach hub for students, researchers, farmers and community members," said VSA Coordinator Samantha Flowers.

"There is not a single day during the farming season that the student interns and I did not utilize the packinghouse. Before the internship, none of the crew knew anything about food safety, little about proper storage methods and nothing about what constituted a good packinghouse. Now they know what state-of-the-art packinghouse design looks like.

"It's a communal hub—one that is inspiring a community."

More than 4,200 Alliance of Women Philanthropists members have committed 1,193,093,280\$ to UT.



Engaging Together



"What do I want to be when I grow up?" is the question Melissa Tribble asked herself after a company restructure left her without a job.

A resume review session with UT Alumni Career Services gave her a boost in prepping for job interviews. "One of the biggest takeaways was receiving a template that broke down a job description," said Tribble. "It allowed me to think through my background and how it aligned with the job."

"I found my hour of time so valuable that I have directed no less than five people to Alumni Career Services."

Along with reviewing resumes and one-on-one career coaching, Alumni Career Services offers alumni exclusive regional career fairs and networking workshops. Accessible to any UT graduate, online offerings feature a slew of resources, including career assessment tools, a job search engine, professional development webinars, long-distance educational opportunities and a career mentoring network to connect established alumni with those who are job searching.



CAREER TOOLBOX

238

career coaching sessions

5,756

registered users on UTAA Job Board

33,000

alumni impacted by Alumni Career Services



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In Good Company

"Traveling to England in the company of kindred Tennessee spirits with a thoughtfully planned itinerary and accommodations was just my cup of tea," said Rebecca Moss. "There were four of us carrying the banner for Tennessee."

"From the Cotswolds to the Highclere Castle of 'Downton Abbey' fame to the birthplace of Winston Churchill—these were a few of the high-spots of my maiden voyage into group travel filled with camaraderie of shared experiences, meals and conversations with new friends. The bar has been set very high, indeed!"

Leveling up the traveling game since 1971, Tennessee Travelers has been the alumni tour program of choice for more than 11,000 travelers.

TENNESSEE TRAVELERS

11,000

Tennessee Travelers bookings since 1972

82%

of UT alumni who travel are donors

\$125,000

is the average lifetime giving of alumni travelers



Drone-Driven Solution



As a small boy, Alex Adams evinced the classic symptoms of the future inventor, from rigging Legos to modifying electric airplanes to detailing neighborhood cars.

The UT Knoxville twice-graduate is well-versed in tinkering. With a mechanical engineering degree and MBA, Adams is putting his education into practice as the inventor of GeoAir.



Combining drone technology with DNA air-sample testing, GeoAir detects mold before it strikes crops, allowing farmers to treat their fields before plant damage begins, saving time, money and crop production.

This idea took flight in his kitchen apartment after a \$6,500 boost—\$1,500 from the Vol Court Pitch Competition along with office space within the UT Research Foundation Business Incubator and consulting services, and \$5,000 from the Boyd Venture Challenge.

No stranger to pitching his ideas through the Anderson Center for Entrepreneurship and Innovation in UT's Haslam College of Business, Adams first found seed money for another idea—consumer hammocks with a novel suspension system.

The late nights in his dorm room negotiating with manufacturers overseas to mass produce hammocks have been replaced by convincing conversations with Tennessee farmers.



"One-third of the world's crops go bad because of mold," he said. "In Illinois, Minnesota, Nebraska and Iowa there was about \$10 billion lost due to mold every year, and that's just corn."

"It's a promising technology," said Darrell Hensley, extension specialist with the Institute of Agriculture who has worked closely with Adams in the development of the technology and matching him with local farmers to test the product. "DNA analysis is going to give a quicker answer than anything else, and the bottom line is it will save farmers money."



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The Real Law & Order

CSI teams of college students from across the country gather every summer in Oak Ridge to sift through crime scenes that mimic real life.

The three-week collegiate academy—the National Forensic Academy Collegiate Program—is a condensed version of the -10week academy completed by law enforcement professionals each year.

Hosted by the UT Law Enforcement Innovation Center and designed in part by UT Martin, the hands-on crash-course in fingerprinting, blood spatter analysis, crime scene investigation, DNA analysis and anthropology had a maximum enrollment of 28 students for the 2017 class. And every seat was filled with another dozen names on the waiting list.

Students from California, Illinois, Nebraska, Connecticut, Utah, Wyoming and other areas joined those from Tennessee to complete the elite academy that will put them ahead of their fellow criminal justice graduates.

“I will have more training than the normal person would (when applying for jobs), so this will definitely set me apart,” said Melanie Allen, one of seven UT Martin students to complete the academy, who has been enamored with forensic science since she was 5, when “I walked in and my parents were watching ‘CSI’ and I said, ‘I’m going to do that.’ I’ve stuck with it ever since.”



With her newborn daughter in her swing sound asleep, Cristin Doty banged pots and pans. Emerson didn’t flinch.

“A mother’s instinct never fails,” said Doty, who knew her daughter was profoundly deaf before doctors confirmed the genetic defect.

The nurse practitioner turned stay-at-home mom’s sleepless nights were filled with feedings and mounds of research on cochlear implants.

Before the bilateral cochlear implant surgery at 9 1/2 months old, Emerson got her first pair of hearing aids at 7 weeks old. And at 8 weeks old, she was immersed in speech therapy at UT Health Science Center’s Hearing and Speech Center in the bowels of Neyland Stadium.

Commuting from Chattanooga to Knoxville three days a week became a constant. “The Center gave Emerson the quality of life that I think she deserves,” said Doty, “and I wouldn’t trade it for the glitz and glam of any other facility.”

Even when Doty’s husband, Jesse, was a medical fellow in Idaho, Emerson kept her appointments by participating in teleintervention with her speech pathologist, Velvet Buehler, in Knoxville.

“It was purposeful play and conditioning to prepare her for what she would eventually hear,” said Doty, who has created the Emerson Grace Doty Fund for the Hearing and Speech Center, “for children, like my daughter, and for other deaf children to have access and learn from the very best.”

“The Center is like a second home,” where Emerson, now 6, visits annually for programming of her cochlear implants with audiologist Kelly Yeager.

“It’s just my sound,” Emerson said referring to her implants. “Like you wear glasses to see, I wear these to hear.”

Watch Cristin Doty share Emerson’s journey





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Financials



Investment Impact

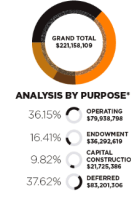
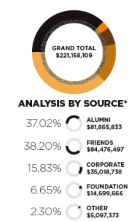
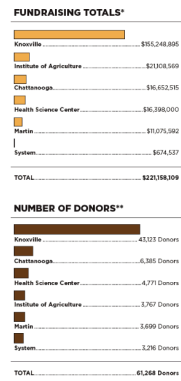
For the fiscal period ending on June 30, 2017, total assets invested for the benefit of University of Tennessee were \$1.3 billion, an increase of \$114 million over the prior year. This growth was driven by improving economic trends, corporate earnings and the quieting reassurance of central bankers. Global stocks provided the greatest lift along with private equity.

Beyond those two asset classes, however, high-yield debt was the only other broad category to post double-digit returns for the period. In contrast, most commodities, global investment-grade bonds and public real estate were flat or negative for the twelve months. Inflation expectations remained modest, and investors began to anticipate a rising interest-rate cycle driven by the Federal Reserve. These combined factors left energy to trade on bearish supply and demand fundamentals, while real estate and bonds fell victim to a higher expected discount rate. In short, equity and speculative debt drove returns, as there was little else to move the markets higher over the year.

The university's capital base includes five separate investment vehicles. At June 30, endowments accounted for \$926 million, with \$911 million in the Consolidated Investment Pool and \$15 million in separate endowments. Chairs of Excellence were \$152 million and the University of Chattanooga Foundation was \$135 million. Finally, Life Income Trusts stood at \$42 million. The accompanying chart displays these categories at each fiscal year-end for the past ten years.

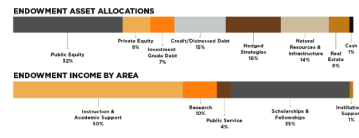
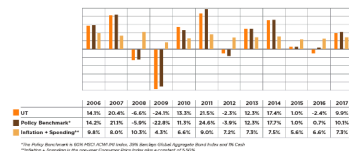
The Consolidated Investment Pool (the Pool) is the largest component of invested funds and was established in 1954 to allow for the diversification and efficient investment of any endowment, regardless of size. With the dual mandate of generating long-term total returns above the spending rate while simultaneously managing downside risk, it maintains a globally diversified portfolio. For the fiscal period ending June 30, one-, five- and ten-year total returns were +9.9%, +7.4% and +3.1%, respectively. The Pool distributed \$39 million in fiscal 2017, an increase of approximately \$3 million from the prior year.

Other distributions included those made by The Tennessee Chairs of Excellence and the University of Chattanooga Foundation of \$4 million and \$8 million, respectively. 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.

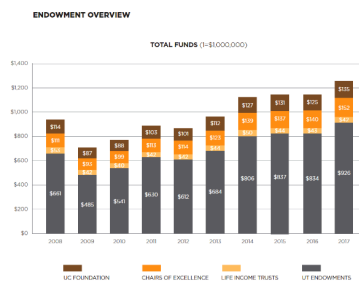


*Using campaign country tags
**Report totals do not equal the sum of all campuses
***Donors may belong to multiple campuses and/or programs

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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 who 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.

A Making Ground

Powered by makers, creators, crafters and collaborators, the University of Tennessee is a place where people are busy making a difference—without waiting to be told how to make that difference.

From the classroom to the board room, we're making a better society by enabling fairness, integrity, opportunity and justice. We are creating breakthroughs in medicine, undeterred even in the midst of setbacks. We cultivate new ideas with the promise of a better future for farmers, teachers, engineers and artists.

And when we collaborate, we do so from a statewide perspective—partnering with our communities, their institutions and their leaders—producing collective outcomes that make the world a better place.

Making investments in the university exponentially increases our capacity to make dreams possible and make realities that are impactful. Private giving is a game-changer across the spectrum, from enabling exceptional students to creating the facilities required to prepare those students to succeed.

Thank you for your generous support, which is critical to keeping our promise of a brighter future for everyone whose life is made better by the University of Tennessee.

Joe DiPietro

President

University of Tennessee System



Making Makers

You are the undergirding to making dreams into realities for countless visionaries, inventors, artists, educators and entrepreneurs again and again.

It never gets old. The light of students' eyes when they share how a scholarship made their education possible. Or a graduate researcher who was about to give up until a late-night tinkering session propels a climate change idea toward global recognition. Or a professor who kick starts science to challenge the pathway for a cure for cancer.

The alignment of academic inquiry with action learning empowers students and professors to own the reins of being creators and influencers.

You are at the epicenter of altruism in the reflection of gifts, pledges and bequests across UT that topped \$221 million. Achieving this goal translates into lifting makers, builders and doers day in, day out.

Your ethos of giving back is the ignition point of a maker's hustle to go beyond the norm and create at UT something the world needs.

You continually join the work, with your hands and heart, making UT a second-to-none makerspace.

Rickey McCurry

Vice President for Development and Alumni Affairs

President and CEO

University of Tennessee Foundation

