



THE UNIVERSITY OF TENNESSEE
UT FOUNDATION

2022
**ANNUAL
REPORT**

Presented to the
University of Tennessee Board of Trustees



Reflecting on Your Generosity

I am thrilled to present the University of Tennessee Foundation annual report and not only share the successes, but the significance of donor support and engagement on our campuses and institutes within the UT System.

Fiscal year 2022 was a reflection of progress, connection and generosity. Our alumni, donors and friends were passionately committed to the University of Tennessee, and our staff embraced that commitment with purposefulness and innovation.

Your support led to a record-breaking year, with over 75,000 donors creating transformational change throughout the UT System. The impact of your generosity is reflected in the success of our students that have opportunity where they once did not, in the faculty and staff guiding those students in their education and in the research changing the lives of Tennesseans and beyond.

Your dedication to the University of Tennessee inspires others, including me. Thank you for staying connected and supporting the world class programs found throughout our campuses in Chattanooga, Knoxville, Martin, Memphis and Pulaski.



Kerry Witcher
President and CEO
University of Tennessee Foundation

In fiscal year 2022, the Foundation raised \$9.08 for every \$1 invested.

Our Mission

To raise financial, public and political support for the University of Tennessee.



UT Foundation Vision for 2025

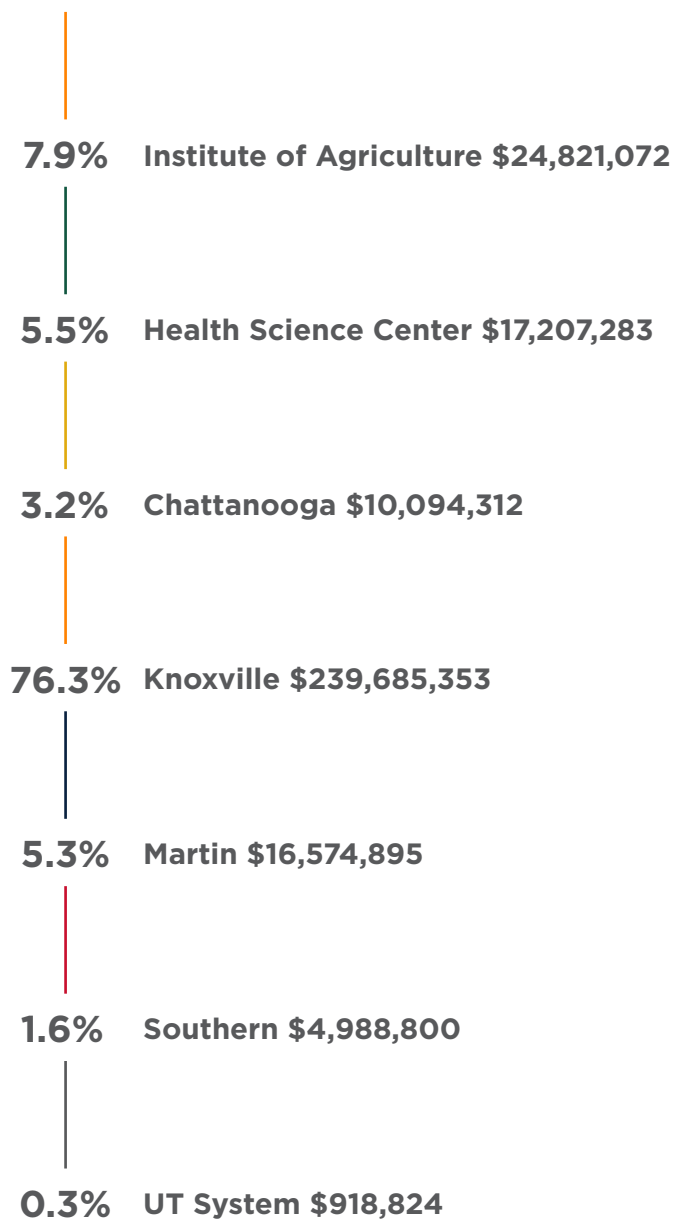
Our vision is to be recognized as one of the top performing advancement organizations affiliated with any university system. Three objectives are at the core of this vision:

1. Enhance philanthropic support for the University of Tennessee System and its core institutional priorities.
2. Expand constituent engagement by developing meaningful relationships with University of Tennessee alumni, students and friends.
3. Build and protect the UT brand dedicated to the mission of discovery, education and connection.

Fundraising

UT is preparing the next generation of problem solvers, innovators and connectors who will tackle the world's grand challenges. In fiscal year 2022, a record-breaking number of donors opened doors to this unparalleled educational experience, and their generosity will be revealed along the walkways of our campuses, down the highways and byways of our state and throughout the far reaches of our country and beyond.

Total Gifts in 2022 = \$314,290,539



Donation by Source

Alumni	\$129,291,981
Friends	\$95,105,882
Employees	\$4,585,212
Corporate	\$43,851,497
Foundation	\$13,465,792
Other	\$27,990,175

Donation Purposes

Operating	\$113,609,147
Endowment	\$51,397,484
Capital	\$33,290,645
Deferred	\$115,993,262

Total Donors 75,572

Institute of Agriculture	3,565
Health Science Center	4,674
Chattanooga	5,590
Knoxville	57,683
Martin	4,833
Southern	1,005
UT System	2,004

Bequests

The Foundation has booked \$71,268,031 in bequest expectancies in FY22.

Insurance

The Foundation has \$1M in outstanding insurance policies and \$12M in university outstanding insurance policies as of June 30, 2022 on in-force policies.

Real Estate

9 total properties owned with appraised value of \$5,000,000.

ACQUIRED

4 properties with appraised value of **\$1,100,000**.

SOLD

9 properties with a contract price of **\$3,400,000**.

FOR SALE

3 properties with an appraised value of **\$827,000**.

UT Martin Spotlight

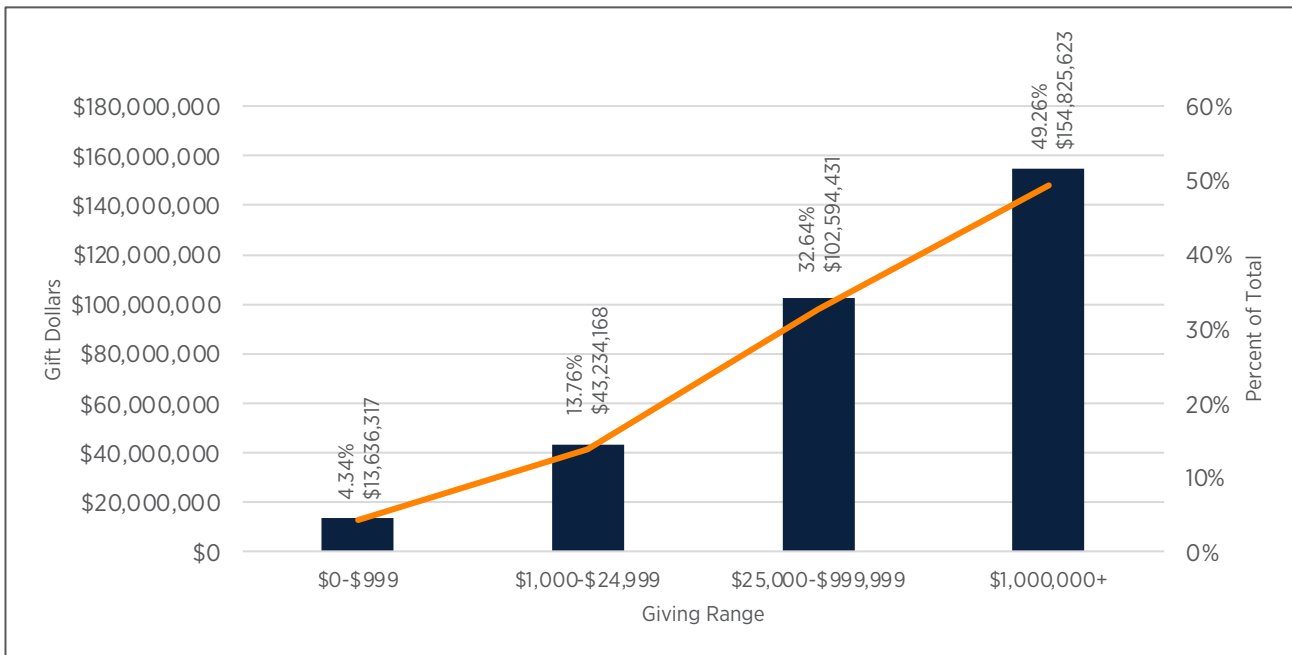
UT Martin received the required state match to design and construct a new state-of-the-art College of Business and Global Affairs building. The new building will be constructed on the east end of the campus Quad. The \$3 million commitment will allow the second academic building to be built in the past 40 years.



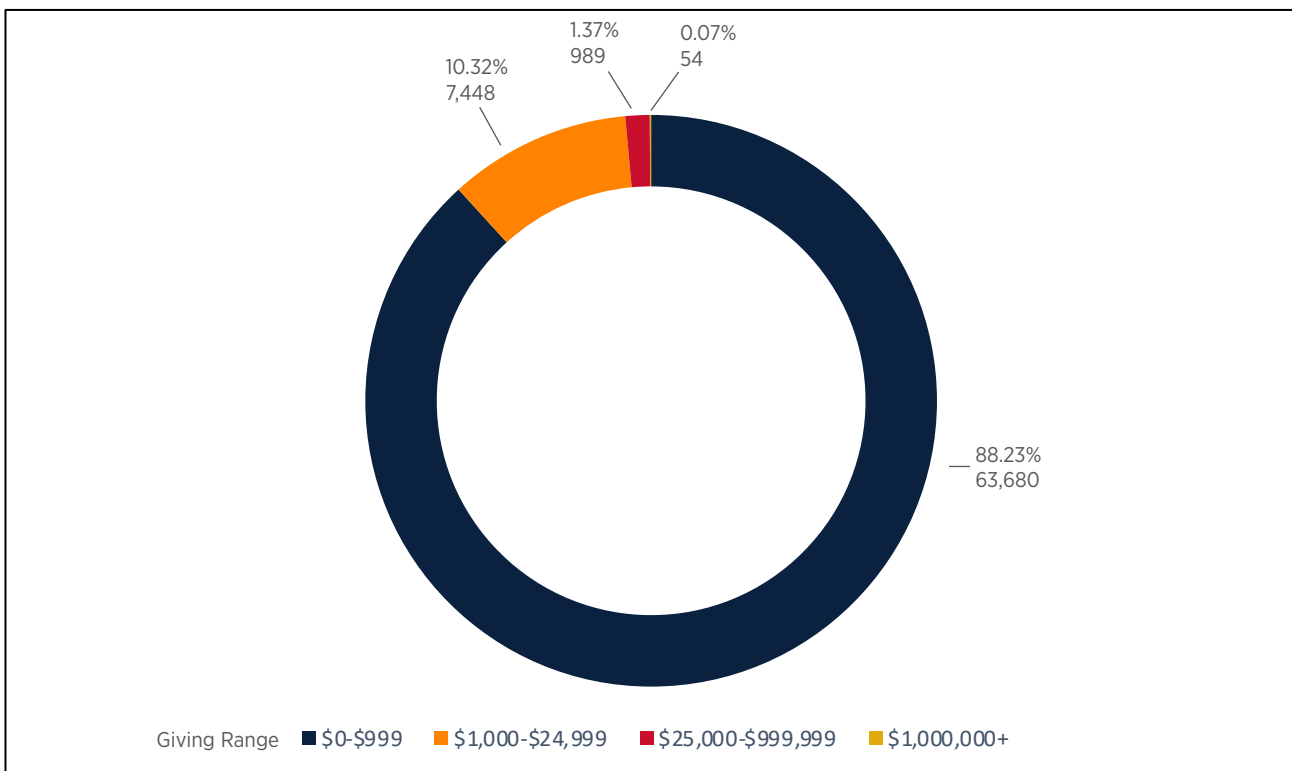
Donations by Size

Together, gifts of all sizes combine and create a lasting impact as it sparks aspirations throughout the UT System.

Gift Dollar Range



Number of Donors



Online Giving

**Average Online Gift:
\$135.88**

CAMPUS	AVERAGE
Institute of Agriculture	\$108.37
Health Science Center	\$183.04
Chattanooga	\$49.59
Knoxville	\$150.82
Martin	\$202.06
Southern	\$32.50
UTAA	\$151.14

**Online Giving Total:
\$6,671,511.57**

CAMPUS	TOTAL GIFTS
Institute of Agriculture	\$96,231.79
Health Science Center	\$676,701.95
Chattanooga	\$455,792.46
Knoxville	\$4,832,829.97
Martin	\$504,927.76
Southern	\$3,510.00
UTAA	\$101,417.64

UT Knoxville Spotlight

Knoxville-based advertising agency, Tombras, partnered with UT Knoxville to create a first-of-its-kind landmark program to expand advertising and public relations education. The Tombras School of Advertising and Public Relations is the first named school at UT Knoxville, the first named school of advertising and public relations among all land-grant institutions in the country, and the first of its kind in the SEC.

Online Giving Growth Over Five Years

Systemwide Online Dollars Raised

FY16:	\$2,259,687.50
FY17:	\$2,707,202.38
FY18:	\$3,250,351.64
FY19:	\$3,632,555.80
FY20:	\$4,281,582.76
FY21:	\$6,287,744.54
FY22:	\$6,671,511.57 (+6.1%)

Systemwide Online Transactions

FY16:	11,814
FY17:	14,901
FY18:	20,158
FY19:	27,738
FY20:	33,372
FY21:	43,081
FY22:	49,099 (+14.0%)

Giving Day Comparisons FY21 - FY22

- ◆ Big Orange Give: up 41% in online gifts; up 22% in online donors
- ◆ Mocs Give Day: up 21% in online gifts; up 14% in online donors
- ◆ Captain's Challenge: up 21% in online gifts; up 8% in online donors
- ◆ UTHSC Giving Day: up 30% in online gifts; up 26% in online donors

UT Health Science Center Spotlight

The University of Tennessee Health Science Center set new records with its second annual UTHSC Giving Day on April 26, 2022. The campaign raised \$600,000 from over 1,300 donors to support scholarships, bolster programming and build healthier communities. On-campus activities generated awareness and excitement that resulted in significantly increased participation from students and other internal stakeholders.



Alumni Engagement

Number of Alumni: 429,591

Some of the most loyal supporters of the University of Tennessee System are the alumni that have journeyed through the campuses and institutes and felt the impact of their experience. They are ambassadors of the university, helping UT become bigger, stronger and more successful.

The UTFI alumni engagement score is calculated using factors such as event attendance, email engagement, volunteer activities and giving. Every alum with a score of 1-5 is counted as engaged, with 5 being the most engaged. Those with a score of 0 are unengaged.

Total Number of Engaged Alumni: 246,731

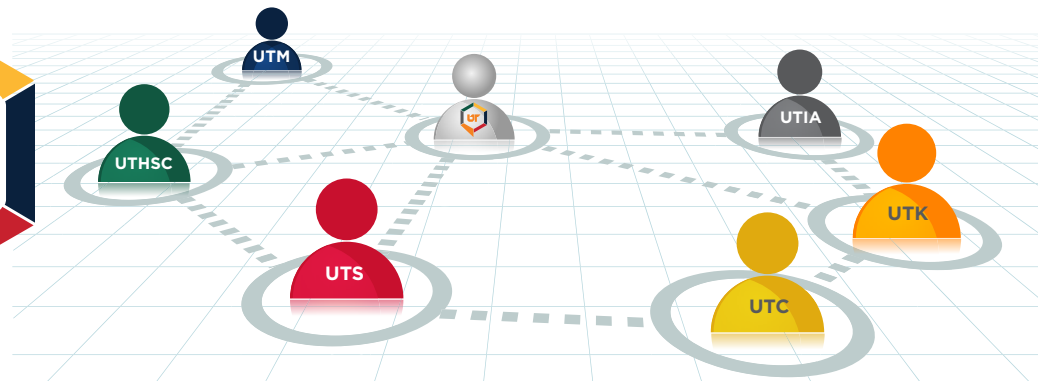
Institute of Agriculture	11,526
Health Science Center	24,460
Chattanooga	38,523
Knoxville	153,526
Martin	27,451
Southern	NA

Levels of Engagement

Levels	FY2021	FY2022
5	3,469	3,301
4	33,138	31,438
3	24,530	34,465
2	50,362	35,089
1	120,598	142,438
0	169,147	160,505

Number of Alumni Events: 345





A collaborative effort between the alumni offices around the Foundation led to the launch of Connect UT, an exclusive networking platform for UT System alumni.

Connect UT provides a virtual space for alumni to engage in career focused conversations with one another, develop connections with campus partners and provide professional development and mentorships with students and young alumni.

Through the launch of the platform, just under 3,000 alumni from across the UT System have registered, and 74% of registrants have

indicated they are willing to help in some capacity. Alumni have indicated they are open to talking about their career path, mentoring, serving as a guest speaker, critiquing resumes or setting up a mock interview.

Connect UT has provided a new way to reach alumni and help connect them with the university, while also providing an invaluable service through the power of their UT network. The platform will continue to grow in fiscal year 2023 with current students invited to join, establishing a connection that will continue as they transition from student to alum.



UT Chattanooga Spotlight

A \$1.5 million gift from the Jack and Charlotte Frost Family Foundation established a new Frost Family Investment Fund. The fund supports the Veterans Entrepreneurship Alumni Program, skills and support for startup businesses in underserved areas and undergraduate scholarships for students who are either military veterans, the children of veterans, the children of first responders or currently enrolled in ROTC.

Advocacy

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

Number of Advocates: 8,143

Number of New Advocates in FY 2022: 492



UT Knoxville Spotlight

Dwight Hutchins pledged a planned gift of more than \$10 million to support the Fred D. Brown Jr. Minority Engineering Scholarship. The scholarship program was established in the Tickle College of Engineering to help support engineering students from historically underrepresented populations. It honors Brown, who served from 1975 to 1985 as the first director of the college office now known as the Office of Diversity Programs.

UT Martin Spotlight

UT Martin's Black Alumni Council raised \$25,000 during the council's inaugural scholarship fundraising gala on June 25 in Memphis. The gala, themed "A Salute to Black Excellence," served over 100 guests and successfully endowed the Black Alumni Scholarship.



Foundation Operations

The University of Tennessee Foundation, Inc. is an interdependent not-for-profit 501(c)3 created in 2001. UTFI gained legislative approval in 2011 to become a proactive fundraising organization and the preferred channel for all private contributions benefitting the University of Tennessee.

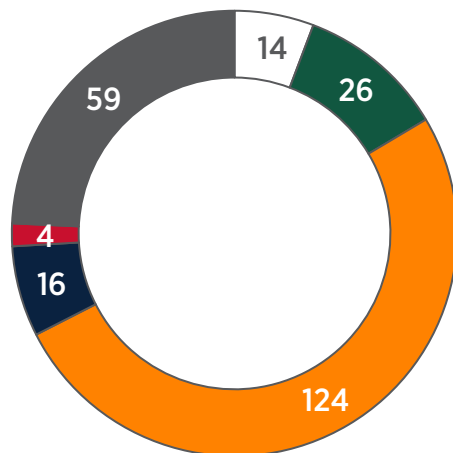
The Foundation works closely with the University of Tennessee president and each campus chancellor to identify strategic private support priorities, create fundraising strategies and implement development programs.

Total Revenue:	\$39,171,362
University Direct Support	\$20,894,789
Endowment Administrative Fee	\$9,979,277
Investment Earnings	\$3,849,775
Advancement Assessment	\$1,054,121
Other	\$3,393,400
Total Expenses:	\$33,493,885
Personnel	\$25,978,457
Operating	\$7,515,428

**In fiscal year 2022, the
Foundation raised \$9.08 for
every \$1 invested.**

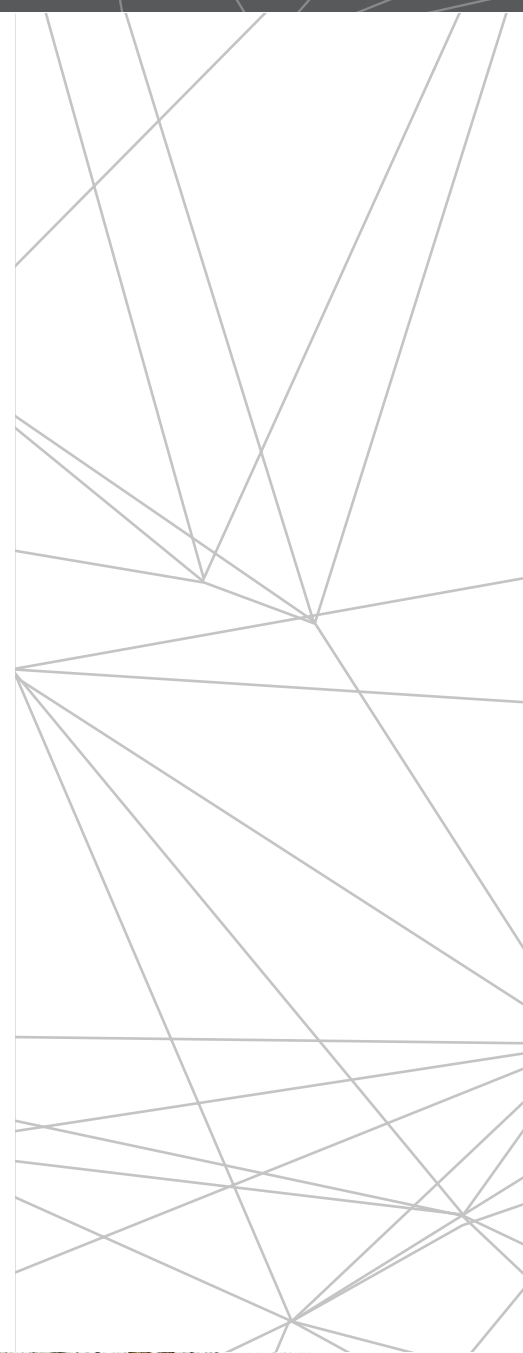
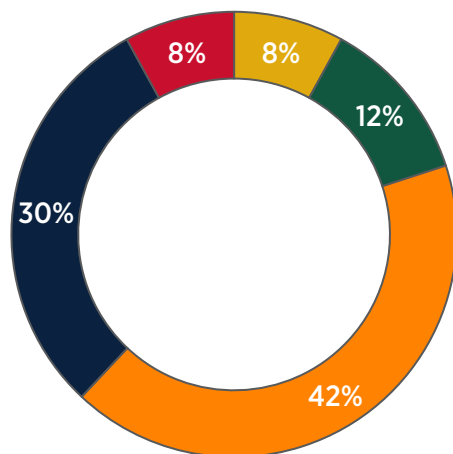
Staff Size: 243

- UTIA
- UTHSC
- UTK
- UTM
- UTS
- Central



Job Family Breakdown

- Alumni
- Communications & Donor Experience
- Development
- Administration & Finance
- Advancement Services



UT Chattanooga Spotlight

In addition to the groundbreaking of the \$34 million Wolford Family Athletic Center boosting a 37,500-square-foot addition and 23,000 square feet renovation to McKenzie Arena, the Mocs Club had a record-breaking year increasing its membership more than 220 percent, securing \$714,627 and increasing the Mocs Club impact by nearly 40 percent.

UTFI COMPENSATION REVIEW

The UT Foundation aspires to be recognized as one of the top performing advancement organizations affiliated with any university system in higher education. At the very core of this goal are the people who are building the philanthropic and engagement strategies to create lifelong relationships with alumni, donors and friends.

To retain and reward our top performing staff, the compensation philosophy of our organization must be competitive with institutional peers, as well as within local markets. Through this desire, UTFI embarked on a review of the total compensation strategy with Pearl Meyer, a leader in compensation advisory services.

Pearl Meyer reviewed UT Foundation's existing salary structure and analyzed it against current market ranges and practices. Guiding this review and subsequent changes were the following principles:

- » Offer industry and nationally market-based total compensation to effectively enable UTFI to attract, engage and retain top talent to meet its strategic goals and expand its mission.
- » Set and manage salary levels in a balance between internal equity and external competitiveness.
- » Emphasize a collaborative culture and an efficient and effective structure, shared

performance expectations, interchangeable accountabilities and enterprise-level performance outcomes.

- » Use performance-based compensation tied to measures that quantify the mission of the organization, advance the impact of the UT System, and enhance long-term alumni and donor relationships and engagement.
- » Align people with critical organizational goals so earned compensation is based on high levels of defined and expected performance.
- » Adopt standards and ensure that compensation is managed to be reasonable and equitable, which attains the highest corporate governance and regulatory standards.

At the core, the new salary program utilizes grades that provide a range of pay for positions. An individual's pay within the range is based on their knowledge, skills, experience and performance. Updated salary grades for UTFI positions were created utilizing best practices and based on market data from a 2021 study. Employees were educated on the salary program and their position's salary grade in June 2022.

Moving forward, we will monitor market data and trends in overall compensation to remain competitive in recruitment and continue to retain a top tier advancement team.

CRM REVIEW AND INVESTMENT

Fiscal Year 2022 brought the UT Foundation closer to the realization of a new constituent relationship management tool (CRM) to replace ANDI as the mission-critical data system for development. This system houses alumni and donor information, prospect development tracking, online giving processing and drives nearly all Foundation fundraising and engagement efforts.

After a year-long evaluation process, including a comprehensive needs assessment with feedback from 125+ key stakeholders, more than 60 hours of vendor demos, conversations with colleagues at two dozen peer institutions, and 350+ survey responses, the CRM Evaluation Committee recommended Salesforce and UC Innovation's Ascend platform to replace ANDI, the current and outdated system.

This investment was presented to the UT Foundation Board of Directors during their November 2021 meeting, where it was noted that the leadership and evaluation committee selected the preferred CRM solution and implementation partner to satisfy the Foundation's strategic goals. The investment was moved, seconded and approved.

UTFI staff entered a naming contest for the new platform, and after the CRM Committee narrowed the list to nine choices, more than 60% of staff cast their votes. ACE: Alumni & Constituent Engagement was the winner.

The implementation timeline, which began on February 1, 2022, includes ten separate sprints, which are short periods of time where the development team works to complete specific milestones. These sprints are being executed by many Foundation staff who are committed to supporting essential fundraising, engagement and advocacy efforts through the process. The process is anticipated to last two years, and once fully implemented, ACE will significantly change the everyday operations of the UT Foundation.





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