



Opportunity and Innovation in Higher Education Philanthropy

Summary of Workshop Held December 7, 2023

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Opportunity and Innovation in Higher Education Philanthropy

The Lilly Family School of Philanthropy Launched the *Higher Education and Philanthropy Initiative* to generate useful knowledge on how philanthropy engages higher education. The Initiative connects researchers, funders, and practitioners to work together on learning how philanthropy can better contribute to higher education and its public purpose. After an exploratory [workshop](#) in 2022, the school convened a second substantive discussion to advance the initiative in 2023.

Last December, the school hosted a conversation about opportunity and innovation in higher education in Washington, DC. The one-day conversation explored the roles philanthropy has played in higher education, as well as where research and practice overlap. Case studies were used to drive discussion and to create a sense of what is known in the field, revealing patterns and possibilities that could contribute to a better understanding and implementation of philanthropy in higher education. The workshop concluded with a keynote address by Nasser Paydar, Assistant Secretary, Office of Postsecondary Education, U.S. Department of Education.

The workshop consisted of three sessions organized around the themes of context, opportunity, and innovation. Teams of writers and discussants presented drafts of cases for feedback and refinement from an invited group of commentators. The cases and the day's discussion are summarized in what follows.

SESSION I: CONTEXT

The cases and discussion during the first session provided framing for the workshop and explored how higher education “amplifies the impact of philanthropy” by driving funding for innovation and social mobility. It identified gaps in research and existing information that could contribute to greater philanthropic impact in higher education.

Philanthropy Trends in Higher Education: A High-Level Overview

Professors Genevieve Shaker and Noah Drezner discussed how higher education plays a pivotal role in advancing the common good by nurturing knowledge, fostering critical thinking, and equipping individuals with the skills necessary for social progress. The case examined how philanthropy has supported this mission by providing resources beyond what tuition and public funding provide. Using information from the Council for Advancement and Support of Education and Giving USA,



Shaker and Drezner shared several key observations, including: growth in philanthropic support and institutional disparities; diversifying purposes and limited unrestricted contributions; rising dependence on large donors and declining alumni participation; foundations' growing influence and evolving agendas; and philanthropy policy and practice in the public discourse. They noted the philanthropic donations to higher education that have resulted in notable opportunities and innovations over time; however, "they pale in comparison with higher education's total expenses ... and other sources of income." John Glier led the discussion of the case.

University Financing—The Place of Philanthropy

Michael McPherson discussed two types of interventions philanthropy has made and can continue to make in the financing of higher education. The first is the founding of new institutions through philanthropic gifts. The second is through investments in the development of new organizational structures that address the collective needs of colleges and universities and strengthen their ability to cooperate effectively. Collaborative projects McPherson cited that addressed collective challenges included the Carnegie libraries, the creation of TIAA-CREF, and J-Stor, which was initially created by the Mellon Foundation and now operates independently. McPherson suggested that in an era marked by disruption and reinvention, there is value in philanthropists investing in institutions that will outlive them. Carol Schuler led the discussion.

The Historical Roles of Philanthropy

Andrea Walton traced the role and influence of philanthropy during major periods of higher education's pre- and post-World War II development, with a focus on U.S. undergraduate education. She noted the key role philanthropy played in every aspect of higher education during the 19th century, when colonial colleges aimed to educate and cultivate virtue among new generations of civic leaders. Philanthropy did this in the absence of a ministry of education and before federal interest became substantial after WWII. General purpose foundations, such as the Carnegie and Rockefeller philanthropies, emerged as change makers on a larger scale and were instrumental in the development of disciplines, graduate education, faculty careers, the strengthening of finances at individual campuses, while elevating the American research university. Moreover, Walton noted, foundations played a key role in standardizing college admissions and shaping the country's array of institutions into a system. As the federal government became involved after WWII, foundations influenced perceptions of higher education's role and the "right" to postsecondary education. Subsequent decades saw philanthropy emphasize the pursuit of equality and excellence, with a focus on student learning and reinvigorating higher education's civic mission. Walton emphasized that both higher education and philanthropy are value-laden endeavors that reflect and shape society. Jonathan Zimmerman led the discussion.

What Goes Around Comes Around: Philanthropy, Public Policy, and Higher Education

Les Lenkowsky examined the roots of student financial aid in a non-profit formed in 1960 that provided guaranteed student loans to "deserving college students." Highly successful, the fund morphed in 1977 into an intermediary for federal student loans and became USA Funds. Today, federal student loans come directly from the Department of Education, while USA Funds and affiliated groups eventually became the Lumina Foundation and the Strada Education Network.



Lenkowsky's account illustrates how philanthropy has historically promoted innovation in higher education by developing original approaches to problems that can be brought to scale by government. This work is echoed in current approaches philanthropic foundations are leading, such as the National College Attainment Network that is funded by the Bill and Melinda Gates Foundation, Kresge, and the Lumina Foundation. Brian Flahaven led the discussion.

Session I Discussion of Context

The group discussion observed the key role philanthropy has played in fostering changes that have become permanent fixtures in higher education. Although these efforts were spurred by some of the largest fortunes of their time, participants noted that giving patterns driven by “one-off” gifts from many organizations have increasingly shifted to investing for impact, a giving strategy that prioritizes initiatives with the potential to scale across multiple institutions. Inherent in this approach is the notion that increases in funding over time will be based on outcomes. One effect of this trend has been an increase in the size of many gifts from organizations, but also giving patterns that reflect a narrower range of interests. Big gifts to coalitions of institutions are proving to be a reasonable approach to address “wicked problems” in higher education in efforts to spur transformational change. Still, most gifts to individual institutions continue to fund more specific needs, such as support for student internships, scholarships, and programs that align with institutional goals, individual donor interests, and specific opportunities.

The discussion often returned to the nature of access to higher education. According to one participant, the benefits of access today are different from earlier conceptions that were based on the needs of well-resourced white males. Philanthropists, it was noted, need to think deeply about “access for what purpose?” In other words, access is not simply admission. It includes ensuring that first-generation and underserved students are supported through mentoring and even the provision of basic needs. In these examples, access includes many services within and outside the realm of instruction—all for the purpose of helping students to graduate with useful credentials.

The importance of collaboration was seen to extend beyond institutional efforts to the broader infrastructure of higher education. One example highlighted the work to transform the Carnegie classifications, the result of a collaboration between higher education and philanthropic organizations. By refining the definition of research universities, is it possible to more clearly demonstrate the public good of institutions that are not classified as R1 (the highest intensity of research)? Will regional publics and small privates emerge as better equipped to support underserved students? In the words of one participant, “Students could care less about my research.” Instead, they added, students care about staying in school and succeeding.

SESSION II: OPPORTUNITY

Opportunity is advanced when gifts that satisfy donor expectations align with specific needs of institutions and the students and communities they serve. The cases presented during Session II of the workshop shared examples from institutions, funders, and scholars that illustrated transformative opportunities at varied scale and types of institutions for expanding access to



underserved students and services to help them benefit more fully from higher education.

Access: Creating Global Opportunities for Underrepresented Students through the Thompson Global Internship Program

Mary A. Papazian drew on her institutional experience at a regional public university to illustrate how alumni giving, in the form of a major gift, can improve social mobility for underrepresented students. She described a program created in partnership with an alumnus who not only funded a new global internship opportunity, but also created an internship at his company, located in Hong Kong. Over a decade, the program provided an invaluable global experience to more than 100 students. Although this program had limited scale, it is an effective, simple and successful model for strategic collaboration between an institution and a funder with clear donor intent. William Plater led the discussion.

Postsecondary Success at the Bill and Melinda Gates Foundation

Gabrielle Torres examined a large-scale, multi-year project through which the Bill and Melinda Gates Foundation funded multiple collaborative projects that focused on institutional changes designed to enhance student success. Through its own research, Gates found that institutional leaders recognized the need for changes to their business models to accommodate new student populations but lacked the resources to inform and guide change. Gates and its partners—nonprofit organizations that serve as “Intermediaries for Scale”—have been working together for a decade to identify and fund programs that work, as measured by student outcomes and scalability. The foundation is one year into a five-year portfolio of investments of more than \$114 million in six intermediary organizations, engaging at least 200 diverse colleges and universities. The goals of the program are completion/success, retention, first-year course completion ratio, and proportionality among sub-groups of underrepresented students. Amir Pasic led the discussion.

Philanthropy in HBCU Leadership: The Kresge Foundation’s Institutional Capacity Building for Student Success Initiative and the Support of HBCU Executive Leadership

Amanda Washington Lockett explored the UNCF’s efforts to improve the retention of leaders at HBCUs. Research has shown that presidential tenure at HBCUs is about half as long as the ACE national average for postsecondary institutions, a fact associated with several negative impacts—increases in political conflict, internal pressures, external stakeholder demands, and fiscal stress. The UNCF Aspiring Leaders Program seeks to address the need for 21st century leadership at HBCUs through a challenge grant from Kresge as matched by the ECMC Foundation. The program recruited mid-career professionals, facilitated mentor relationships, and provided benchmarks throughout a two-year period of professional development. Kresge also funded an initiative with UNCF to create an Executive Leadership Institute for HBCUs designed to stabilize leadership and governance at participating colleges and universities. Although the pandemic interfered with the programs’ progress, UNCF was able to re-envision the initial methods of engagement to develop a hybrid model that has improved the trajectories of HBCU executive leadership. Greg Britton led the discussion.



Affirmative Action: The Role of Foundations in Advancing Racial Equity and Justice in Post-Affirmative Action U.S. Higher Education

Donna J. Nicol offered an example of how private foundations, particularly community foundations, can continue to support affirmative action in college admissions by targeting populations of underrepresented students. She noted that foundations that do not receive federal funds are exempt from recent prohibitions against race-based initiatives and can be a source of direct assistance to students whose access to funds from other, larger organizations is now unavailable. Her case examined efforts in Orange County California to create a donor-advised funding model at a community foundation to fill the gap caused by a lack of state support for underrepresented racial and ethnic groups. Nicol concluded that large corporate foundations that seek to advance educational access among students of color could consider giving to local community foundations that reflect the needs of the community and can serve as funding intermediaries. Vita Pickrum led the discussion.

Session II: Discussion of Opportunity

It was noted that many giving opportunities exist on campuses—for career preparation, student participation in high-impact practices, and technology to support individual student learning—but the question for philanthropic organizations is how to provide meaningful, sustainable support. Giving opportunities that address localized problems might be more appropriately presented to individuals or to organizations aligned with specific issues, such as alumni or community foundations. By taking collective approaches to shared challenges, institutions can secure support with the scale and impact that philanthropy increasingly chooses to fund. Many institutional challenges for mentoring and other student support services are not unique and can attract more substantial philanthropic investment when they transcend the needs of one campus and create an urgent, collective, and strategic moment—such as the problems being addressed through the Bill and Melinda Gates Foundation’s Intermediaries for Scale program. Similarly, the example of identifying donors exempt from federal prohibitions on race-based financial aid revealed how philanthropy can effectively replace a systemic loss of aid to underrepresented populations. By identifying strategic opportunities among student populations, institutions, and funders, groups can leverage philanthropy to create and advance opportunity for more people.

SESSION III: INNOVATION

Innovation among institutions and philanthropy is often propelled by collaboration, even in matters of public policy that impacts higher education, where the influence of philanthropy can motivate change. Ideas powered by joint efforts and clear objectives can moderate once insurmountable obstacles and foster innovation through shared strategies and approaches.

Arts and Humanities: The Mellon Higher Learning Program’s Community College-University Partnerships Portfolio

Philip Harper examined Mellon’s portfolio of grants designed to strengthen pathways for aspiring humanities students into strong four-year colleges, foster collaborations between humanities faculty in two- and four-year institutions and give university faculty and doctoral students access to



the knowledge about diverse and inclusive classroom practices. Beyond furthering the local outcome in each collaboration, the ultimate objective was to achieve more seamless articulation between community colleges and university humanities departments across the country. The key lesson, Harper reported, is the need to promulgate among students, their families, and academic advisors the data showing that humanities degree recipients are highly successful in securing satisfying, well-paying employment after graduation. Richard Ekman led the discussion.

University Innovation Alliance: Funding and Sustaining Collaboration to Improve Student Success

Bridget Burns described the effort of the University Innovation Alliance, a network of 11 founding university presidents who seek to increase the number and diversity of college graduates in the United States. The group operates as a national multi-campus laboratory for innovation in student success and evidence-based collaboration. It is funded through memberships, philanthropy, and matching funds from campus participants. Launched with foundation support, now in its ninth year, the Alliance has more than doubled its original goal of degrees awarded, with members awarding 143,000 additional degrees due to their work in student success innovation. Most of these degrees went to students of color and low-income students. The core components of its approach are resource flexibility, committing a general capacity to support innovation, buy-in from institutional leadership, and matching funds from the Alliance. Aristide Collins led the discussion.

Taking the Baton: Expanding Opportunity by Facilitating FAFSA Simplification

Nick Lee recounted the involvement of the Bill and Melinda Gates Foundation since 2012 in establishing priorities for revisions to and implementation of changes to the Free Application for Federal Student Aid (FAFSA). The foundation's commitment was driven by its overall postsecondary success strategy, which recognized the role policy played in both inhibiting and supporting the spread and scale of promising interventions and practices. Through its work, it identified simplification to FAFSA as a key issue to addressing affordability needs of student populations. Working with membership associations, the foundation cultivated strong and wide-ranging relationships to identify key issues, collaborate on building a policy coalition, and developed proposals grounded in institutional and policy experience. Sometime, solid research insights will need to be handed off to successors in order to find the opportune time for policy change. Amanda Adolph Fore led the discussion.

Technological Disruptions

Bryan Alexander focused participants' attention on two existential challenges: climate change and emergent artificial intelligence. Helping higher education respond to these two issues would not only support the academy in a troubled time, but also have positive effects on society at large. Alexander noted ways that universities already are engaged with climate threats, including academic research, campus operations, as well as with students, faculty and staff organizing for climate activism. Similarly, he noted how institutions are confronting AI in real time, responding to a technology where they are already behind tech companies. Philanthropy, Alexander posits, can play a powerful role in partnering with academia to address both of these powerful forces at work in our world. Amir Pasic led the discussion.



Session III Discussion of Innovation

The forthcoming modifications to FAFSA served as an example of how the power of collaboration among philanthropy, higher education, and policymakers can improve practices that have hampered access to the financial aid system. This recent undertaking has in fact brought new voices to the conversation that is shaping higher education in the United States, a welcome acknowledgement of how we can adapt to the changing demographics of students.

Another example of an innovative project involved the development of online approaches to sharing archival collections housed at individual colleges and universities. Digitizing and developing online tools to “house” physical collections, however unique, posed a challenge beyond the capacities of one institution. But by working together toward a common goal, they garnered philanthropic support to provide technology across multiple institutions to create a useful online resource. This emerged as an important characteristic of innovation in the humanities. The momentum that collaborative efforts create can achieve a high level of relevance, in terms of public perception, shared narratives, and philanthropic support.

Other opportunities for innovation in higher education were noted. How do we translate the transcript into skills that employers can understand? How can we incentivize institutions to increase employability within the humanities curriculum? How can we develop effective curricular pathways to employment when students don’t understand career pathways that align with their own interests? How can we overcome the fact that higher education was not designed with all kinds of students at the center? And, how can we ensure that faculty are part of innovation at institutions? These and other questions came from participants as they sought to articulate the big ideas that philanthropy can solve.

KEYNOTE ADDRESS

Nasser Paydar examined trends in college attainment and employment and the role that philanthropy can play. As the key investor in higher education, the U.S. Department of Education closely examines outcomes related to higher education, including employment by educational attainment and gaps in attainment across different student groups. Paydar also shared data on state funding for financial aid and called for new strategies to address the growing gap in attainment among Americans. He framed institutional responsibilities in terms of financial aid and student debt and outlined areas where philanthropy can supplement gaps in government aid. Paydar noted that the Department of Education’s overarching goal is to build a higher education system that is inclusive and valuable for all students. Working with philanthropy, the department seeks to improve affordability, accountability, student success, student debt, and career pathways for all students.

GOING FORWARD

The HEP initiative is building generative connections among scholars, practitioners and funders to inform how philanthropy can advance the public purposes of higher education. To this end we will root our future convenings in discovery by seeding synthetic research that articulates the state of the field as practiced and experienced by all three of our constituencies. We will commission research to present at our next convening in December 2024 as we start a webinar series to foster



discussions between the annual convenings.

Our inaugural webinar will take place on April 30 at 3 pm US eastern time. It will feature Dr. Helene Gayle, President of Spellman College, who has led several philanthropic endeavors. The purpose of the webinars will be to discuss successes and challenges of philanthropy in higher education, often affirming the great value in our existing institutions and the policy environment that supports discovery and education. However, we will also seriously entertain alternatives to the status quo. Indeed, in the current turbulent environment when higher education's purpose and its operations feed into political polarization, there is an urgent need for well-researched perspectives on both the status quo and proposed alternatives. After all, generating alternative perspectives and possibilities for the public good is one of the basic purposes of higher education.

The initial themes of the HEP initiative will focus on innovation, opportunity, and governance. With innovation, we strive to identify how philanthropy can generate innovative ways for higher education to serve its purpose, through individual institutions and the ecosystem they comprise. Locating this project at the Lilly Family School of Philanthropy, also means that we will naturally be curious about how our learnings can lead to improvements in the way philanthropy organizes itself to support the advancement of higher education.

The second theme of opportunity examines the transformation of higher education from an elite-serving enterprise to one that seeks to be open and useful to all citizens. In the current discourse this has typically meant providing degrees or certificates to ever more citizens. The presumption is that ever more knowledge-intensive jobs will require ever more workers to participate in the highest echelons of education since producing knowledge, rather than simply consuming it, is increasingly expected of productive members of society. Whether or not access to higher education is required to also achieve full human dignity is sometimes implicit in these discussions. Certainly, the divide between those with college degrees and those without reflects a deep cleavage in contemporary society. Can philanthropy help to disentangle the status signal of a college degree from the actual learning that it provides? This theme involves both technocratic attempts to reform higher education to better accommodate students beyond traditional elites. But it also points to a more fundamental inquiry into the changing ways in which knowledge is produced, distributed, and controlled.

Finally, governance became salient as we were conducting our workshop on December 7, the same day that the presidents of Harvard, Penn, and MIT were testifying to Congress about antisemitism on their campuses. The role of wealthy donors became part of the media coverage and informed commentary about the congressional hearings. This was followed by several state legislatures intensifying their efforts to intervene in the inner workings of public universities, whose independence from the state was once generally agreed to be integral to their vitality. Questions of how philanthropy does and should influence the purposes and operations of higher education are now clearly urgent. We need to better understand how philanthropy can and should affect institutions not only directly, but also indirectly through shaping policy options. As universities struggle with a charged environment, there is a clear need for accessible research and serious



discussion that can help illuminate the intersections of philanthropy and higher education.

As we begin our webinar series, we welcome speaker suggestions of thoughtful leaders and thinkers on the intersection of philanthropy and higher education.

List of Participants, Higher Education and Philanthropy Workshop, December 7, 2023

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Greg Britton

Editorial Director, Johns Hopkins University Press

Bridget Burns

Chief Executive Officer, University Innovation Alliance

Aristide Collins Jr.

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Noah Drezner

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John Glier

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Phillip Harper

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Leslie Lenkowsky

Professor Emeritus of Public Affairs and Philanthropic Studies, Indiana University Bloomington

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Donna Nicol

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Executive Vice President, Association of Governing Boards of Universities and Colleges

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