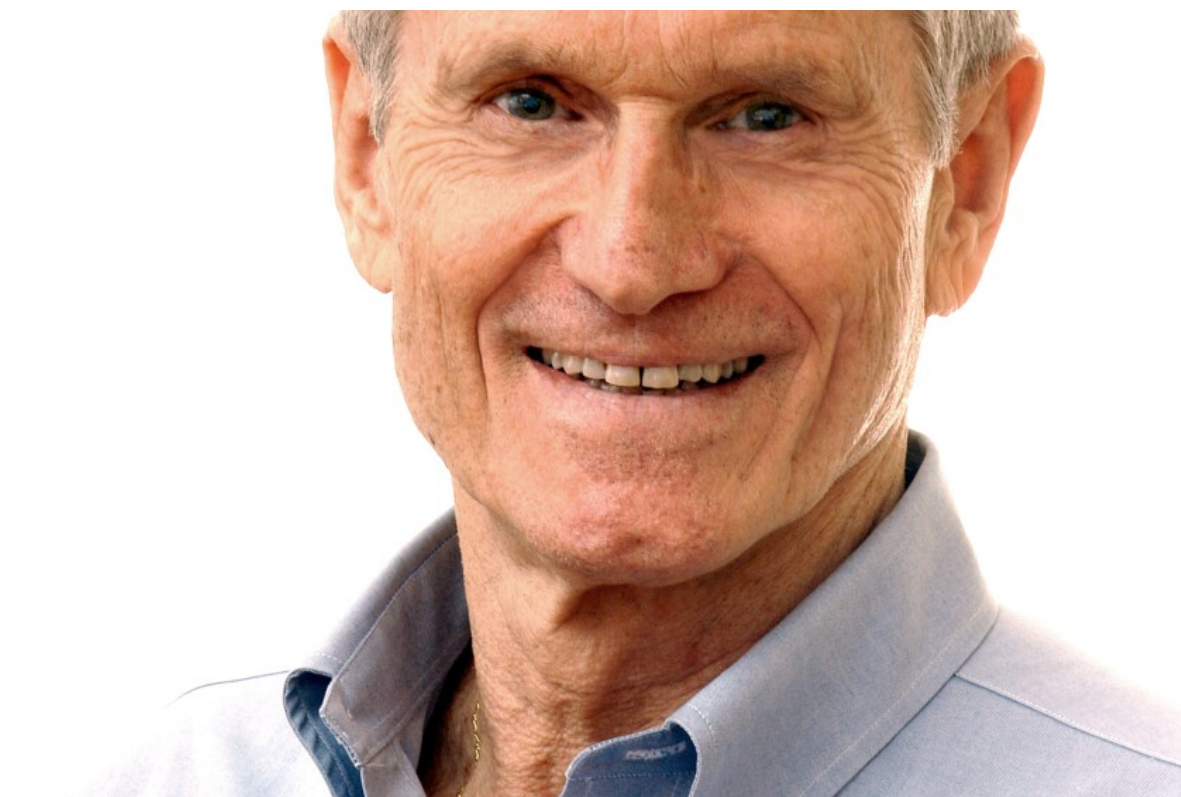


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Thanks to Outreach, U.S. Colleges Enjoy Jump in Gifts From Abroad

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8–10 minutes



Christopher Lund, a Notre Dame alumnus living in Brazil, recently gave \$1-million to his alma mater. The university's efforts to keep in touch with him included a visit from its president in 1981.

An “accidental businessman.”

That's how Christopher Lund describes the turn his life took more than five decades ago. With degrees in literature—a bachelor's from the University of Notre Dame and a master's from the

University of Wisconsin—Mr. Lund had envisioned a career as a humanities professor. But before a life of tweed and iambic pentameter, he needed some money. And so with his new wife in tow, Mr. Lund headed for South America to take a job at a Brazilian publishing company co-owned by his father.

By 1972, Mr. Lund had started his own publishing firm focused on business-to-business media, and built it into one of the largest such companies in Latin America. In 2011, to show his gratitude to his alma mater, the former chief executive of the Lund Group of Associated Publishers gave Notre Dame more than \$1-million, mostly in the form of a charitable trust.

Mr. Lund is part of growing constituency of foreign individuals and organizations giving to American higher education. In 2003 colleges reported receiving \$71.2-million in gifts (adjusted to 2013 dollars) from outside the United States. By 2012 the total amount of reported foreign donations that year had grown to \$261.9-million. That figure is actually a decrease from a record \$316.9-million in overseas donations reported in 2010.

And more colleges are getting into the foreign-donation game. In 2003 just 10 American colleges reported to the Department of Education that they had received donations from abroad. In 2012, that number was 34, down from a peak of 50 colleges in 2011. From 2003 to 2012, alumni, corporations, governments, philanthropists, parents, and foundations donated \$2.05-billion to American colleges from overseas, according to an analysis of Education Department gift data by *The Chronicle*.

But how do universities enlist foreign donors? Despite 5,000 miles of distance, Mr. Lund said, Notre Dame's on-the-ground approach,

begun three decades ago, persuaded him to give back. Speaking about his gift, Mr. Lund said: “So many of the decisions I made, so much of what guided me, had roots in my four years at Notre Dame. I really would like other people to have the chance to experience what I did.”

Experts on charitable giving say Mr. Lund’s experience is similar to those of other alumni donors living outside the United States. Eugene R. Tempel, dean of the Indiana University Lilly Family School of Philanthropy, said foreign donations to colleges were more likely to come from alumni than any other type of donor.

“Wealth is building in many of these places where two decades ago there wasn’t significant wealth,” Mr. Tempel said. “And as this wealth develops, many people have opportunities to do philanthropy. One way to do it is to recognize what an alma mater did to get people started on their career.”

When it comes to foreign donations, a strong brand means a lot. Harvard University reported the most foreign gifts over the 10-year period—\$479.8-million. Next were Stanford University (\$241.2-million) and Columbia University (\$225.9-million). In fact, the top 10 recipients of foreign gifts captured 78 percent of all overseas donations from 2003 to 2012.

American colleges can also stimulate donations by investing and engaging in a given region. John Lippincott, president of the Council for Advancement and Support of Education, said colleges will continue to bolster outreach in certain regions “because that’s where the money is.”

Despite their growth, foreign gifts still represent only a small portion of the total donation pie. In the 2013 fiscal year alone, U.S. colleges accepted \$33.8-billion in total charitable contributions, according to a report from the Council for Aid to Education.

Emerging Philanthropy

No region has seen a greater rise in donations to American universities than the Asian Pacific. In 2003, gifts from China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, and Taiwan represented 18 percent of the donations reported. Ten years later, those nine places accounted for 41 percent of all overseas donations. Hong Kong led the way, with \$232-million.

Donors from the Persian Gulf region have also proved generous to American higher education. Between 2003 and 2012, \$307.8-million was given by donors from Bahrain, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

Since 1992, U.S. colleges have been required to disclose foreign transactions amounting to \$250,000 or more in a year, although some institutions report gifts and contracts below that limit. Under the reauthorized 1992 Higher Education Act, such disclosures are intended to keep a check on foreign influence in American higher education. If such gifts or contracts have restrictions or conditions, colleges must report them to the Education Department. Despite

the added transparency, foreign donations continue to cause controversy at some colleges.

After 9/11, for example, donations from countries in the Middle East drew concern from conservative and pro-Israel critics, who posited that American universities were selling influence. And in the wake of Arab Spring revolts, liberals decried the flow of money to American colleges from authoritarian countries with poor human-rights records, like Bahrain and Saudi Arabia.

Gretchen Dobson, an alumni-relations consultant, said development officers should acquaint themselves with the regional politics of a particular donor area to minimize such fallout.

“Advancement officers and leadership should accept gifts only when they meet a campus priority and not just because there is money on the table,” Ms. Dobson said. “Donors may have their own ideas about what ‘win-win’ means when discussing a potential gift.”

Give to Get

After receiving a visit in 1981 from the Rev. Theodore Hesburgh, then Notre Dame’s president, Mr. Lund worked harder to advance the university’s involvement in Latin America. As the only Notre Dame graduate in Brazil at the time, Mr. Lund said, he became a point person for the university on regional issues.

Along with founding Notre Dame’s alumni club in Brazil, the 74-year-old Mr. Lund also works to recruit high-caliber Brazilian students for Notre Dame. A portion of Mr. Lund’s 2011 donations to the university was used to pay for travel and accommodations for potential students to visit Notre Dame. Given the growing wealth of

Latin America, as well as its strong Roman Catholic heritage, Mr. Lund said, Notre Dame has a great opportunity to recruit and educate students from the region.

International donations are far more likely to occur after a university invests in particular region, said Mr. Lippincott, of CASE. For instance, of the \$90.8-million given by Indian donors to all colleges from 2003 to 2012, 65 percent went to Harvard, which declined to comment on its fund-raising strategy in country. But in 2006, the university opened a regional research center of the Harvard Business School in Mumbai. The university said two years ago that 1,500 alumni resided in India.

Likewise, New York University has been helped immensely by its presence in the United Arab Emirates capital of Abu Dhabi. Until 2005, donors from the country had not given regularly to American higher education. From 2005 to 2012, U.A.E. donated \$99.3-million to colleges in America, with \$43.8-million going to NYU.

“You can’t just go around the world and stick your hand out,” Mr. Lippincott said. “You really need to give first, and then get.”