For College Presidents, Business Savvy Now Matters as Much as Brains

Fundraising’s importance grows as state support dwindles

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The academic landscape that Michael Schwartz first delved into 50 years ago is drastically different than the one he left behind in 2009 when he retired as president of Cleveland State University.

For one, Dr. Schwartz said today’s college presidents must be more than top-notch academics — they also must be savvy business folk just as comfortable convincing donors to open up their checkbooks as they are lecturing hundreds of wide-eyed college students.

“Fundraising for public university presidents had barely been on the agenda, and now it’s really front and center,” said Dr. Schwartz, who also served as Kent State president.

"Fundraising and revenue generation has always been a component of a president's job, but it has become more pressing and more pivotal in terms of what you’re able to do and how you’re able to do that,”

— Morris Beverage, president, Lakeland Community College
Business: Financial background now plays in hiring process

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University's president from 1982 to 1991. "As state support has dwindled just enormously, the public institutions are competing very heavily with the private institutions in the country for the same dollars."

Because of the need to raise more funds, the role of a college president as an institution's chief manager has shifted to that of a chief marketer of sorts — or an "external individual," as Kent State president Lester Lefton characterized it.

"Ohio's public universities are receiving less support than ever before," said Dr. Lefton, who has been president since 2006. "As a consequence, I'm spending a lot of time meeting with alumni, current and potential donors looking for sources of support and alternative sources of revenue. That wasn't the case for (former KSU president) George Bowman." Dr. Bowman was president from 1944 to 1963.

Steering a college or university in today's economy is a lofty job, presidents say, and it's only getting more difficult as higher education continues to evolve.

"It takes even more courage today to lead than it did in the past," said Sister Diana Stano, president of Ursuline College in Pepper Pike. "With the role of academics, accrediting agencies and everyone looking over your head, you're constantly on your toes."

The pitch man

In recent years, university boards of trustees have preferred to hire college presidents with some sort of fundraising acumen, said Rae Goldsmith, vice president for advancement resources at the Council for Advancement and Support of Education, a Washington, D.C.-based professional organization representing fundraising professionals in education.

Likewise, fundraising often is one of the benchmarks that determine whether a college president earns a raise or a bonus.

"Institutional finances have always been important to presidents, but the role of fundraising as part of the overall financial health of an institution has grown," Ms. Goldsmith said. "It's what constituents have grown to expect and what the job entails."

For one, part of what made Dr. Schwartz's replacement — Ronald Berkman — an attractive hire in 2005 was his fundraising finesse. While serving as a dean and as provost at the Florida International University in Miami, Dr. Berkman said he helped raise $40 million. And while he's only been at CSU for about 2½ years, he's already helped broker the two largest gifts in the school's history — $10 million from Transtar Industries founder Monte Ahuja in 2011 and $6 million from Smart Solutions Inc. founder Anand "Bill" Julka in 2010.

University of Akron president Luis Proenza wouldn't say fundraising takes up the bulk of his time, but rather noted that "so much of what we do is relationship building."

Dr. Proenza said that could include courting donors or forming partnerships with local businesses.

Dr. Proenza said in many ways his job is dictated by how much money he can bring in to the university, whether that's by developing new programs, boosting philanthropic giving or simply bringing more students to campus.

"My good colleagues have been generous and tolerant to come to understand that despite our very best wishes, some of the money handed to us we have to earn," Dr. Proenza said. "That's what we do."

While Dr. Proenza credits the bulk of the university fundraising success to his team, John LaGuardia, the University of Akron's vice president for public affairs and development, said it surely doesn't hurt to have a chief executive comfortable with shaking hands and making small talk.

"Stability is so important in fundraising," he said. "If you have turnover at the top, you've often got problems. Having Dr. Proenza here for the last 13 years has been a wonderful marketing tool."

Meanwhile, Lakeland Community College president Morris Beverage said fundraising always has been part of leading a community college. However, with Lakeland's enrollment growing 50% since 2001, Dr. Beverage said he's had to intensify his fundraising efforts while ensuring levies that support the college are renewed.

"Fundraising and revenue generation has always been a component of a president's job, but it has become more pressing and more pivotal in terms of what you're able to do and how you're able to do that," Dr. Beverage.

Lost in the shuffle

Because rubbing elbows has become such a central part of presidential duties, some college leaders say a few items get lost in the shuffle, including spending time with students, having a heavier hand in the academic mission or, as Baldwin-Wallace president Richard Durst characterized it, having a life outside of work.

"I realize as time goes by, I need to spend more time with my wife — somebody that I've come to only know as the lump in the bed next to me," said Mr. Durst, who plans to retire this spring.

An academic at heart, Mr. Durst laments the fact that he hasn't been involved in his discipline, theater and set design, since he took the helm of Baldwin-Wallace in 2006.

"The stuff that matters to this campus doesn't suffer," he said. "But people will call who would love to get together for dinner, but I'm looking to book them two months out."

Moreover, Dr. Schwartz said there's a growing division between university presidents and the academic mission of the institution — something he sees as unfortunate. The academic direction of the university isn't necessarily being ignored, he noted, but presidents have a smaller hand and often delegate those duties to the provost.

"It's looking as though you've got some division between the top two officers of the institution," Dr. Schwartz said. "There's a great deal more than there used to be, and there's concern on part of faculty everywhere."

Dr. Lefton of Kent State noted that pinning more responsibilities on other administrators isn't necessarily a bad thing.

"I've got some top-notch decision makers doing the work of the university, and I rely upon them," he said. "You don't get to travel around the state or country or be an economic development agent unless you have the time to do so."