

2008
2009

A N N U A L
R E P O R T

Giving to Duke

At the close of 2008-09, Duke was proud to have:

100,683 donors – including individuals and organizations – that supported Duke during the fiscal year

20,291 members of the **Cornerstone Society**, which recognizes donors who support the Annual Fund year in and year out

3,534 members of the **James B. Duke Society**, which honors donors whose lifetime giving to Duke totals \$100,000 or more

4,935 alumni who made gifts in honor of their **2009 Duke Reunions**

2,308 members of the **Heritage Society**, which honors donors who have arranged to support Duke through gift annuities, trusts, or estate plans

8,013 members of the Duke Annual Fund's **leadership gift clubs**, which recognize top supporters of school and division annual funds

and thousands of **volunteers** who supported fund-raising efforts for schools, programs, and priorities across Duke's campus.

FROM THE PRESIDENT

This past year was marked by great economic challenges, and I know that Duke alumni and friends have been riding the currents of this past year in their own particular ways. In spite of this, I am grateful and humbled to report, 100,683 donors made gifts to Duke, investing more than \$301 million in the human capital of our faculty and students and in their capacity to make a difference.

In December of 2008, it was my pleasure to announce to a crowd of energetic students the successful completion of Duke's Financial Aid Initiative. New financial aid endowments created through this four-year effort helped us enhance need-based aid packages for undergraduates at the start of the 2008-09 year, and will continue to provide support for undergraduate, graduate, and professional students in the future.

The generosity of our supporters also gave Duke the financial footing to launch its 10th school, the Sanford School of Public Policy, on July 1, 2009. The new school builds on the great strength of the former Sanford Institute and will play a crucial role in our mission of bringing knowledge to the service of society.

Charitable giving helped support students pursuing civic engagement projects in communities throughout the region and the world through DukeEngage. Donors also continue to invest in important research efforts at Duke, including a partnership between the Duke Comprehensive Cancer Center and the Nicholas School of the Environment examining the potential health impacts of environmental pollution.

Ours is a world with challenges of great complexity and significance, whose potential solutions require research universities to play a vital role. In the coming years, we must remain cognizant of fiscal realities, but we must also move forward with efforts that enable Duke and its students to make important contributions to our shared world.

Thank you for your recent support and for your continued dedication to Duke.

Richard H. Brodhead

Overview

Between July 1, 2008, and June 30, 2009, Duke University received charitable gifts totaling \$301,647,121.

Contributions to Duke take many forms, including cash, gifts of securities, gifts of property, realized bequests, charitable trusts, and gift annuities. Pledges—promises of future support—are not included in these annual cash totals.*

CASH COMPARISON (in millions)



Learn more about methods of giving at giving.duke.edu/waystogive.

* Industry accounting and reporting standards differ for development and general financial purposes. The university's consolidated financial statements follow generally accepted accounting principles (GAAP), which distribute private support among multiple revenue categories and include some pledges of future support that are not part of this report. The \$301.6 million cash total cited in this report reflects philanthropic cash receipts, which Duke, like its peers, reported to the Council on Aid to Education.

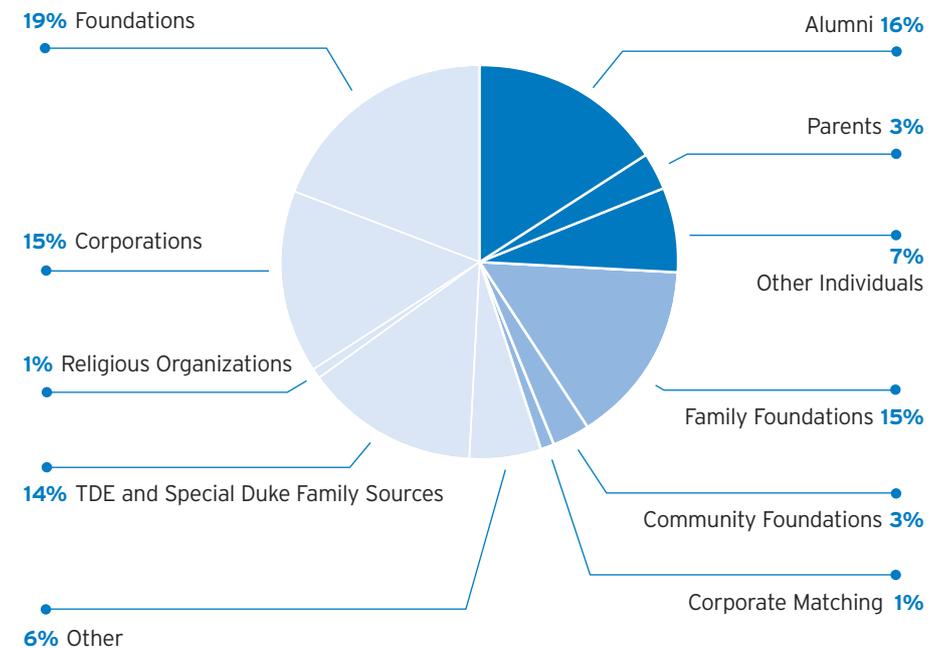
Giving by Source

The \$301.6 million that Duke received in 2008-09 is made up of gifts from 100,683 donors, including individuals, foundations, corporations, and other sources.

Gifts made by and on behalf of alumni, parents, and other individuals totaled \$134.6 million, accounting for 45 percent of the year's giving total. More than 95,200 individuals – including more than 39,400 alumni – supported Duke through cash contributions, community foundation grants, and other methods of giving.

The Duke Endowment (TDE) of Charlotte, the charitable trust created by university founder James B. Duke, was the largest single donor, with gifts totaling \$40.3 million for a variety of purposes, including health care and medical research, the Duke-Durham Neighborhood Partnership, the University Libraries, academic programs, and scholarships.

GIVING BY SOURCE (in millions)



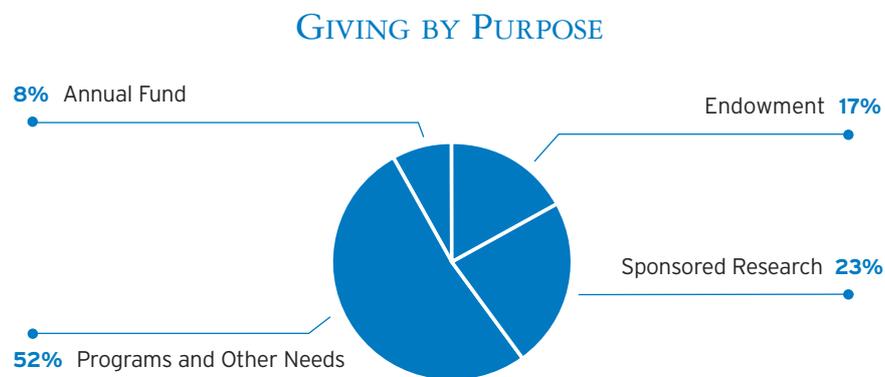
● Gifts made by individuals
● Gifts made on behalf of individuals

Giving by Purpose

Endowment Giving

In 2008-09, donors added to existing endowment funds throughout the university and established new ones in support of scholarships and fellowships, faculty chairs, medical research, and other priorities.

Endowment funds are permanent investments in Duke's future. The assets are invested, and each year, a portion of the value of each fund is distributed to support the fund's purpose, and any earnings in excess of this distribution are used to build the fund's market value. In this way an endowment fund can grow and support its designated purpose in perpetuity.



Endowment Performance

During 2008-09, Duke's endowment, like university endowments across the globe, suffered significant investment losses. Between July 1, 2008, and June 30, 2009, the investment return on the university's endowment pool was negative 24.3 percent. Nonetheless, donor-funded endowments from the recent and distant past provided vital support for Duke people and programs in 2008-09, and these gifts will continue to do so for generations into the future. Endowments are meant to ride out the rise and fall of many economic cycles. Over the ten-year period ending June 30, 2009, the university's endowment assets earned an average of 10.1 percent per year – a cumulative increase in value that has outperformed peer institutions and made possible significant advances at Duke. (For more about endowment performance, visit giving.duke.edu/dumac.)

In response to endowment and investment declines and a projected slowing of other revenue streams, Duke officials are working to close an estimated \$125 million budget shortfall over three years. While not insignificant, this gap is considerably smaller than at some other leading universities that depend more heavily on endowment returns to fund operations. Spending for Duke University's endowment typically covers about 15 percent of its operating budget; some major private research universities rely on endowment to cover 30-40 percent of their operating budgets.

Annual Fund

Through gifts to the Duke Annual Fund, about 44,000 donors provided operating support to Duke's schools and to key program areas. In a year when endowment distributions and other revenue sources were down, these immediately expendable funds were all the more important in helping Duke's deans and directors meet programmatic costs and, at the same time, continue to meet the financial needs of Duke's students.

In 2008-09, gifts to the Duke Annual Fund were directed to:

- service-learning experiences for undergraduates
- summer fellowships and child-care subsidies for doctoral students
- computers for the University Libraries
- distance-learning for master's students at the Pratt School of Engineering
- a law class project examining the global financial crisis
- summer internship stipends for public policy students
- a conference on corporate sustainability
- support for Divinity students serving congregations around the state and globe
- financial aid grants for undergraduate, graduate, and professional students
- a new high-tech lab for medical students
- and many other priorities across the campus.

ANNUAL FUND CASH COMPARISON



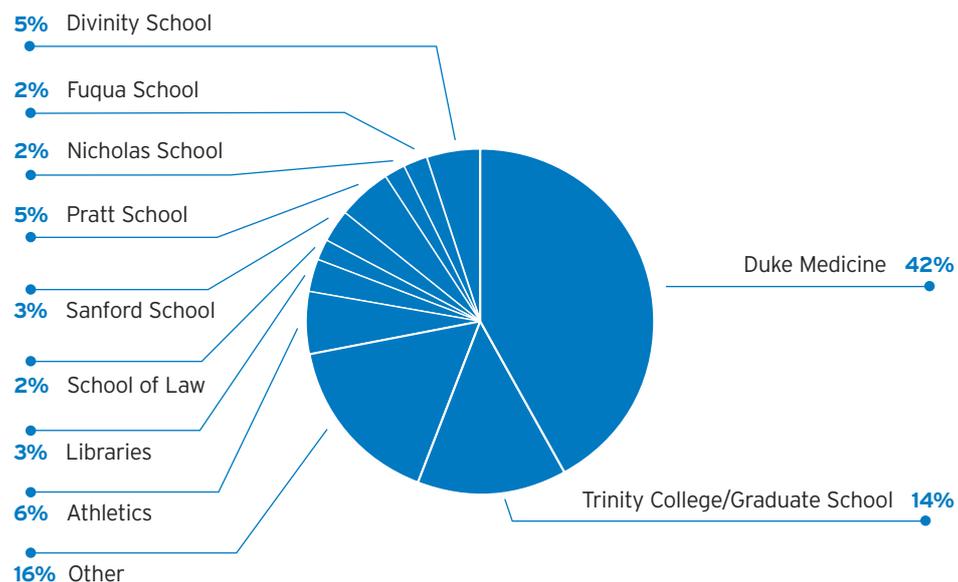
Sponsored Research

Duke Medicine is the university's largest beneficiary of private sponsored research grants, which support research collaborations between faculty members and industry.

Programs and Other Needs

Much of the philanthropic support Duke receives is directed to programs and other needs. Included in this category is expendable funding for specific academic programs, research activities, and community outreach efforts, a number of which are described later in this report.

Giving by Area



Duke Medicine

Duke Medicine received significant research support for a range of areas, including genome technology, stem cells, breast cancer prevention, women's cancers, infectious diseases, and drug discovery in the neurosciences. Charitable contributions also provided substantial funding for infant eye imaging and integrative medicine. The Duke Global Health Institute received funding for its health care, research, and education partnership with Kilimanjaro Christian Medical Center in Tanzania. Donor support also led to the creation of a new faculty chair in urology. Annual Fund gifts to the School of Medicine supported financial aid awards, curricular enhancements, the medical center library, and a new high-tech gross anatomy lab for medical students. Annual Fund gifts to the School of Nursing were primarily directed to financial aid. The School of Medicine and School of Nursing continue to seek merit and need-based scholarship support for students and research support for faculty. Fund-raising priorities for Duke Medicine also include a new building for the Duke Comprehensive Cancer Center, a planned expansion of the Duke University Hospital, and a new learning center for the School of Medicine.

\$127.3M

giving.duke.edu/dukemedicine

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Duke Medicine	\$127,277,097	\$134.9	\$119.7	\$119.6	\$98.9

Trinity College of Arts & Sciences and the Graduate School

Trinity College and the Graduate School received more than \$17 million toward multi-year commitments to Duke's Financial Aid Initiative. Trinity College Annual Fund contributions helped fund financial aid grants as well, and supported programs that enable students to apply knowledge in service of society, and the teaching, research, and student-mentoring activities of the faculty. Gifts to the Graduate School Annual Fund provided doctoral students with summer research stipends and child care assistance. Charitable contributions also provided significant support for undergraduate research activities in the biological and biomedical sciences and helped the popular Focus Program provide course offerings in the second semester. Funding for student aid, through endowment and annual fund giving, remains a top priority. Other fund-raising needs include support for faculty-mentored undergraduate research, an undergraduate program in entrepreneurship, and endowment for faculty chairs and academic programs.

\$42.4M

giving.duke.edu/trinity

giving.duke.edu/graduate

giving.duke.edu/sanford

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Arts & Sciences	\$51,907,103	\$49.7	\$69.7	\$61.5	\$51.6
Trinity College and the Graduate School	\$42,390,585				
Sanford Institute of Public Policy (now the Sanford School)	\$9,516,518				

Sanford School of Public Policy

On July 1, 2009, the Sanford Institute of Public Policy became the Sanford School of Public Policy, Duke's 10th school. The transformation supports university-wide efforts to bring knowledge to the service of society and will enable Sanford to strengthen programs that have already earned national distinction. Endowment giving played a major role in facilitating this transition. In 2008-09, endowment gifts were directed to financial aid, faculty support, and the Hart Leadership Program's Entrepreneurial Leadership Initiative. Gifts to Sanford's new annual fund helped pay for summer internship stipends. Expendable gifts also enabled Sanford to upgrade wiring in Fleishman Commons to accommodate electrical outlets for student laptops. Endowment and Annual Fund giving remain top priorities.

\$9.5M

Divinity School

Financial aid is of vital importance to Divinity School students. All of the school's annual fund gifts are directed to this purpose, and the school received many gifts for endowed scholarships as well. Contributions to the Institute on Care at the End of Life helped fund a toolkit to assist faith leaders offering support around illness, end of life, and grief. Grants to the Center for Reconciliation helped bring together nearly 100 Christian leaders working for peace in Africa. Financial aid remains a top fund-raising priority, along with faith-based social sector leadership programs, initiatives in the healing arts, capacity-building in Africa, and reconciliation activities in the U.S. and Africa.

\$15.4M

giving.duke.edu/divinity

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Divinity School	\$15,401,681	\$25.0	\$12.5	\$14.9	\$16.9

Fuqua School of Business

The Fuqua School of Business received significant support for its Center of Advancement for Social Entrepreneurship and Health Sector Management Program, and for facilities, scholarships, research, and faculty chairs. The school's annual fund supported a mentorship program and conference associated with Duke's Corporate Sustainability Initiative. Annual giving also helped fund scholarships for women and underrepresented minorities. Fund-raising priorities include endowment for faculty chairs and support for the school's centers and international programs. In 2008, the Fuqua School of Business announced a plan to launch campuses in London, Dubai, New Delhi, St. Petersburg, and Shanghai.

\$6.5M

giving.duke.edu/fuqua

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Fuqua School of Business	\$6,463,265	\$28.9	\$12.3	\$12.0	\$9.8

Nicholas School of the Environment

The Nicholas School of the Environment received support for internships, graduate fellowships, and student research and field trips. Annual Fund dollars were directed to these priorities as well. The Duke Marine Laboratory in Beaufort, NC, benefited from significant funding for research and instruction, and the school received support for a research partnership with the Duke Comprehensive Cancer Center examining how environmental toxins and pollutants affect human health. The school's enrollment in the Master's of Environment Management Program for 2009-10 grew by 40 percent, and financial aid for graduate students remains a fund-raising priority. Other priorities include a water initiative and improved facilities for research and teaching.

\$5.3M

giving.duke.edu/nicholas

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Nicholas School of the Environment	\$5,346,268	\$11.3	\$6.3	\$6.3	\$7.1

Pratt School of Engineering

The Pratt School of Engineering received support to host a summit on the National Academy of Engineering's 14 Grand Challenges for Engineering in the 21st Century; challenges range from making solar energy economical to engineering better medicines. The school also received funding to establish a National Grand Challenges Scholar Program for undergraduate engineering students. This remains a fund-raising priority, along with energy education, undergraduate education and research facilities, and the Annual Fund. Gifts to the 2008-09 Annual Fund helped pay for distance-learning programs, Duke Smart Home activities, need-based financial aid, and the renovation of Teer to support experiential learning. Many donors also added the school to their estate plans, investing in future engineering students.

\$15.2M

giving.duke.edu/pratt

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Pratt School of Engineering	\$15,243,430	\$21.0	\$14.4	\$19.5	\$14.8

School of Law

The School of Law received generous support for endowed scholarship and fellowship funds and for a faculty chair. Gifts to the school's annual fund helped support a range of priorities, including moot court competitions, visiting speakers, and a class project that paired students with experts to examine the global financial crisis. At a series of lectures and events last fall, the school celebrated the completion of its multi-year renovation and expansion project, which includes the new Star Commons and the J. Michael Goodson Law Library. Fund-raising is now focused on faculty chairs, financial aid, and programs that give students hands-on experience applying their skills.

\$6.6M

giving.duke.edu/law

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
School of Law	\$6,597,576	\$11.2	\$12.3	\$12.2	\$11.3

University Libraries

The University Libraries received significant funding for its ongoing renovation and expansion project. Floors 2-4 of Perkins Library reopened, along with the "Link," a technology-rich teaching and learning center on lower floor one. Charitable gifts also helped strengthen the exhibitions program and special collections, and Annual Fund gifts helped pay for computer purchases, an alumni library portal, and a symposium at the Sallie Bingham Center for Women's History and Culture. Grant funding is supporting Duke's participation in a collaborative effort to design an open-source library system that meets the changing needs of libraries and users. Fund-raising continues to focus on the Perkins Project, the Annual Fund, and endowment.

\$10.4M

giving.duke.edu/libraries

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
University Libraries	\$10,381,817	\$7.3	\$4.0	\$2.8	\$6.8

Duke Athletics

Women's tennis claimed its first and the school's 10th overall NCAA Championship. Men's lacrosse advanced to the NCAA semi-finals, and women's soccer and lacrosse made Elite Eight appearances. Women's tennis, men's basketball, and men's lacrosse won ACC Championships. Duke Athletics received a record \$12.6 million in annual Iron Dukes contributions from more than 8,000 donors. These gifts primarily offset the cost of Duke's 241 athletic scholarships. Top priorities for the coming year include annual support for the Iron Dukes, capital projects for football and rowing, and endowment for scholarships and programs.

\$18.8M

giving.duke.edu/athletics

Cash Comparison (in millions)	2008-09	2007-08	2006-07	2005-06	2004-05
Duke Athletics	\$18,775,955	\$22.4	\$25.5	\$23.6	\$18.9

Other Areas

Some of Duke's most treasured places and programs rely on charitable giving to sustain operations which benefit the campus and the broader community. Gifts to the Nasher Museum of Art totaled \$2.9 million and provided support for exhibitions, including the much-publicized *El Greco to Velázquez: Art during the Reign of Philip III*, and for educational programming associated with them. Charitable giving to the Sarah P. Duke Gardens totaled nearly \$1.3 million and was directed to endowment and general support. Grant support to the Duke Talent Identification Program (TIP) totaled \$5.2 million, which will help increase the number of gifted and talented youth served from underrepresented populations in Duke TIP's 16-state region by expanding the existing scholarship support and educational services available to them.

In addition, the university received significant support for programs and priorities that fall outside school and unit budgets, including the Duke-Durham Neighborhood Partnership, the Karsh International Scholars Program, the Kenan Institute for Ethics, the Nicholas Institute for Environmental Policy Solutions, and the Robertson Scholars Program.

giving.duke.edu/areasofsupport

Cash Comparison (in millions)	2008-09	2007-08	Learn more about areas of support and giving priorities.
Nasher Museum of Art	\$2,927,114	\$1,836,186	
Sarah P. Duke Gardens	\$1,293,168	\$1,243,800	
Duke Talent Identification Program	\$5,201,212	\$560,542	
Jewish Life at Duke	\$702,947	\$656,003	
Duke Chapel	\$663,253	\$981,633	
Other	\$33,465,235	\$94,901,720	

Giving to Duke

Giving to Financial Aid

Duke's Financial Aid Initiative

In 2005, Duke launched a university-wide fund-raising effort to raise new endowment for financial aid. When the initiative closed at the end of 2008, it had surpassed its \$300 million goal, securing **\$308.5 million** in a combination of gifts and pledges of future support. A total of **4,364 donors** participated in Duke's Financial Aid Initiative, creating **478 new scholarship and fellowship funds** and supporting **330 funds that had previously been established**.

Thanks in part to the initiative and the promise of its success, the university strengthened need-based aid packages beginning in the 2008-09 academic year, increasing grants and decreasing loan requirements for most aid recipients.

Ongoing Support for a Core Priority

Support for financial aid remains a top philanthropic priority. In 2008-09, the university spent a total of \$192 million on financial aid grants for undergraduate, graduate, and professional students—including \$63 million on undergraduate need-based aid alone.

In spite of the university's anticipated budget shortfall, Duke's commitment to financial aid has not wavered. Duke remains one of a limited number of schools committed to need-blind undergraduate admissions and to meeting 100 percent of the demonstrated need for all undergraduates who are U.S. citizens or permanent residents.

Duke also remains committed to its student-athletes, international students, merit scholars, and graduate and professional students. University leaders are reducing spending in other areas in order to protect this fundamental commitment to financial aid.

This report has cited many ways that Duke supporters have helped and continue to help the university meet the cost of financial aid:

- In 2008-09, the university received more than \$27 million in financial aid **endowment** as a result of multi-year commitments to Duke's Financial Aid Initiative.
- Gifts to the various school **annual funds** help subsidize financial aid costs.
- Gifts to the **Iron Dukes** primarily support scholarships for student-athletes.
- A number of **expendable grants** are dedicated to student aid.

In addition, donors continue to plan for future gifts to financial aid, some through **multi-year pledges** that will establish new scholarship and fellowship funds and some through deferred gifts, such as **wills, charitable trusts, and life income gifts**.

Learn more at giving.duke.edu/financialaid.

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