

Research on the Fundraising Model of Top Private Universities in the United States and Its Enlightenment

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Abstract: With the expansion of higher education, running costs keep rising and student enrollment declines in China. The traditional tuition-dependent model of private universities can no longer meet their needs for survival and development, and funding shortage has become a major constraint on their quality improvement and sustainable growth. Top private universities in the United States such as Harvard, Yale and Cornell possess huge endowment funds and world-class professional operation. Taking the three universities as research objects and adopting literature research and online investigation methods, this paper systematically analyzes the structure and characteristics of their fundraising models, and puts forward targeted suggestions for private universities in China. The aim is to ease their funding difficulties and promote the high-quality development of private higher education.

Keywords: Top private universities in the United States; University fundraising model; Private universities in China

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Introduction

The United States boasts a mature higher education system. Its top private universities represented by Harvard, Yale and Cornell have long taken the lead in global academic ranking, scientific research and talent cultivation, serving as a benchmark for high-quality higher education worldwide.

Different from public universities relying mainly on government funding, top American private universities depend heavily on social fundraising and endowments. According to the 2025 fiscal report released by NACUBO-Commonfund, 657 surveyed American universities had total endowment assets of 944.3 billion US dollars, with top private universities in a dominant position^[1]. Harvard's endowment reaches 569 billion US dollars^[2] and Yale's 414 billion US dollars^[3].

Chinese private universities grow rapidly in number and scale, but generally suffer from single fundraising channels and insufficient donations, which restrict their running quality and sustainable development. Through long-term practice, American private universities have formed a mature fundraising system to raise funds steadily and maintain endowment appreciation, providing stable financial support for school operation.

On this basis, this paper takes Harvard, Yale and Cornell as cases, analyzes their fundraising practices and experience, and explores localized fundraising paths suitable for China, so as to facilitate the high-quality and sustainable development of domestic private higher education.

1. Core Structure of the Fundraising Model

1.1 Fundraising Participants

Fundraising in top American private universities adopts a multi-party collaborative mode, forming a three-level linkage of university overall planning, college implementation and alumni participation, with clear division of labor and efficient cooperation.

The university acts as the core organizer. Harvard, Yale and other top universities have set up full-time university-level fundraising institutions and professional teams, such as Harvard University Development Office and Yale University Alumni and Development Office. These departments formulate medium and long-term fundraising strategies, coordinate internal resources, connect large donors including enterprises and foundations, and organize school-wide fundraising activities^{[4][5]}.

Colleges and departments are the implementers. Based on disciplinary features, research strengths and development needs, they carry out targeted professional fundraising to improve accuracy and fitness. For example,

relying on its prestigious legal discipline, Yale Law School launches special donation campaigns targeting legal industry alumni, enterprises and institutions. Its 2025 Annual Giving Day benefited over 30 school-running fields, expanded student aid resources and supported discipline construction and teaching development^[6].

Alumni are the most stable and sustainable participants. They can donate in cash, physical assets, heritage, equity and other forms, and also take the lead in organizing fundraising, connecting industrial resources and attracting social donations.

1.2 Fundraising Channels

Top American private universities adopt diversified and complementary fundraising channels to ensure adequate and sustainable funding supply.

As the core channel, alumni donations feature wide coverage, diverse forms and sustainability, including cash, stocks, real estate, heritage and physical gifts to match different alumni's capacity and willingness. Corporate donations follow mutual benefit principles, mainly supporting university-enterprise research cooperation and practical training base construction, benefiting both university funding and corporate competitiveness.

Foundation donations are targeted and public-welfare oriented, funding cutting-edge research, poor student aid and public educational programs. Government grants, mainly research subsidies and educational funds, serve as an important supplementary source. In addition, universities gain investment income through professional fund operation to maintain and increase asset value and enrich fundraising channels.

1.3 Operation Mechanism

Top American private universities have formed a standardized closed-loop mechanism: demand research and donor exploration → fundraising plan formulation → donation collection → fund management → feedback, evaluation and optimization, ensuring efficient fundraising^[7].

First, identify development needs and explore potential donors. Universities sort out demands in discipline construction, research and talent cultivation, clarify fund usage, scale and priority. With complete alumni databases, university-enterprise cooperation and public welfare networks, they evaluate potential donors' capacity, willingness and preference, and establish classified donor files.

Second, formulate hierarchical and customized plans. Tailored schemes are provided for large institutional and individual donors, clarifying fund usage, donor rights and honor incentives. For ordinary alumni and the public, donation procedures are simplified and low-threshold regular small-sum donation projects are launched to expand participation.

Third, adopt online and offline integrated fundraising. Official donation platforms and social media are used online to expand influence. Offline activities such as homecoming events, charity dinners and industry summits are held. Professional fundraising staff and alumni volunteers maintain long-term donor relations to increase donation conversion rate.

Fourth, strengthen standardized fund management. Special fund management departments implement the approval-implementation-supervision mechanism. Funds are used strictly in accordance with donation agreements for designated purposes, with regular public disclosure to ensure openness and transparency. Cooperating with professional asset management institutions, universities realize steady fund appreciation through scientific and diversified investment allocation.

Fifth, conduct regular evaluation and optimization. Universities assess fundraising effects, goal completion and donor satisfaction, summarize deficiencies and optimize strategies and procedures. Timely feedback on fund use and project outcomes enhances donors' trust and forms a virtuous fundraising cycle.

1.4 Management Guarantee

Sound fundraising in top American private universities is supported by a complete guarantee system.

In organizational management, independent fundraising institutions are set up with clear duties and job division to realize coordinated operation. In personnel management, professional teams are equipped with specialists in fundraising planning, donor liaison, fund management and publicity, with regular training to improve comprehensive competence.

In institutional management, a complete regulatory system covers fundraising administration, fund use, staff management and donor rights protection, standardizing operation procedures and supervision mechanisms^[8]. In risk management, a full-range prevention system is established to cope with donor default, irregular fund use and reputation risks. Potential donors are assessed for credit and donation capacity; fund use and investment procedures are standardized to respond to public concerns and ensure sustainable fundraising.

2.Characteristics of the Fundraising Model

2.1 Diversified Channels with Focused Orientation

Top American private universities break reliance on single fundraising channels and build a multi-dimensional funding system. Combining school-running and disciplinary strengths, they target core donor groups and development needs for precise and targeted fundraising.

Yale University relies on its strengths in science, engineering and biomedicine to cooperate with enterprises and institutions in related fields. Cornell University takes advantage of its featured disciplines such as agriculture and hotel management to establish donation cooperation with corresponding industries. This model disperses funding risks from single-channel fluctuation and ensures stable and targeted capital supply.

2.2 Professional Management and Standardized Procedures

Professionalization, standardization and institutionalization are core features. Exclusive fundraising institutions and full-time professional teams ensure systematic operation. A closed-loop standardized process clarifies duties at all links and improves efficiency. A complete regulation system covers fundraising operation, fund use, personnel management and public supervision, standardizing whole-process management and enhancing credibility and professionalism^[9].

2.3 High Alumni Participation and Sound Donation Culture

Alumni resources are the cornerstone of university fundraising. Top private universities integrate alumni network construction and donation culture cultivation into daily operation, forming a regular alumni connection mechanism and turning passive donation into voluntary awareness.

Global alumni chapters and industry associations are established to hold regular homecoming and industry exchange activities, strengthening alumni identity and emotional bond with the university. A multi-level incentive system including honor recognition and naming rights meets alumni's willingness to give back. Low-threshold donation forms such as small-sum donation and class funds allow alumni at all income levels to participate, forming a sustainable donation culture with wide participation.

2.4 Sustainable Fund Operation

Top American private universities attach great importance to long-term endowment operation and build a professional and scientific management system. Special endowment institutions and investment teams formulate diversified asset allocation strategies based on university development strategies and market rules.

The Yale Investment Model has become an industry benchmark, optimizing asset structure and balancing traditional and alternative assets to disperse market risks and achieve steady appreciation^[10]. Strict fund supervision abides by donation agreements and standardizes fund allocation, use and investment to ensure earmarked and efficient utilization.

3. Enlightenment to Private Universities in China

There are obvious differences in institutional arrangement and social culture between China and the United States. Learning from American experience, Chinese private universities should proceed from their own shortcomings and build a localized fundraising system suited to national conditions.

3.1 Expand Fundraising Channels and Build Diversified Funding System

Chinese private universities rely excessively on tuition income with weak risk resistance. It is necessary to build a three-dimensional fundraising system: alumni donation as the foundation, enterprise and foundation donation as the core, government support and public welfare donation as the supplement.

First, tap alumni resources, gradually build a standardized alumni donation system and foster donation awareness. Second, deepen university-enterprise cooperation, connect with matching industries based on disciplinary advantages, and transform disciplinary strengths into fundraising strengths. Third, actively apply for government special subsidies and public welfare donations, cooperate with local governments for research and talent funding, and carry out small-sum public fundraising to reduce tuition reliance.

3.2 Optimize Management System and Improve Professionalism

Chinese private universities lack professional fundraising mechanisms and efficient operation. Full-time fundraising departments with professional staff should be set up to replace part-time and fragmented management.

Special training on fundraising planning, donor maintenance and fund management should be provided to improve staff competence. A sound supervision system should be perfected to standardize operation procedures, regularly disclose fund income and expenditure, enhance transparency, credibility and social donation willingness.

3.3 Cultivate Alumni Culture and Strengthen Alumni Bond

Chinese private universities face weak alumni donation awareness and low participation. Drawing on the experience of Harvard and Cornell, a full-cycle alumni cultivation and connection mechanism should be established.

During campus study, alumni lectures, mentor support and cultural activities foster students' sense of belonging and gratitude. After graduation, a complete alumni database and regular communication platforms are built to classify alumni by industry, region and rank. Homecoming and resource docking activities deepen emotional and resource bonds.

Improved incentive and feedback mechanisms including honor awards and project naming feed back fund use outcomes and university achievements to alumni, fostering localized donation culture and stimulating donation potential.

3.4 Standardize Fund Operation and Realize Asset Preservation and Appreciation

Limited donation funds and unscientific operation hinder value appreciation and long-term funding support for Chinese private universities. Referencing the fund management experience of Harvard and Yale, differentiated fund management should be adopted.

Small-sum donations prioritize safety and are used for scholarships, teacher training and facility upgrading. Accumulated large funds can be entrusted to qualified professional institutions for low-risk diversified investment to achieve steady appreciation. A special fund management system shall be improved to ensure earmarked use, and form a closed-loop mechanism of evaluation, supervision and publicity, creating a virtuous cycle of collection – use – appreciation – reinvestment.

4. Conclusion and Prospect

This paper summarizes the core experience of the fundraising model of top American private universities, which is of great significance to the high-quality sustainable development of Chinese private universities. However, this study only selects three top universities as samples, without comparing fundraising models of American private

universities at different levels. No empirical research on Chinese private universities is conducted, and the practicality of the conclusions needs further verification.

Future research can expand sample scope, carry out case studies on different types of Chinese private universities, integrate American mature experience with local reality, and propose targeted and operable fundraising strategies. It helps Chinese private universities build localized fundraising models and achieve long-term development.

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