

Advancement Leaders Speak: Insights From More Than 4,000 Fundraising Professionals

Brian Gawor

Vice President for Research

RUFFALOSM
NOEL LEVITZ

Head to:

donationequation.com

Click on “presentations”
to download slides, indexes and
reports!



Brian Gawor, CFRE

Vice President for Research

- Former Annual Fund and Major Gifts officer
- Doctoral student at Illinois State University
- I get to help hundreds of institutions each year with data-driven strategy and tactics.

LIKE → GIVE

Download slides, studies and graphs at donationequation.com



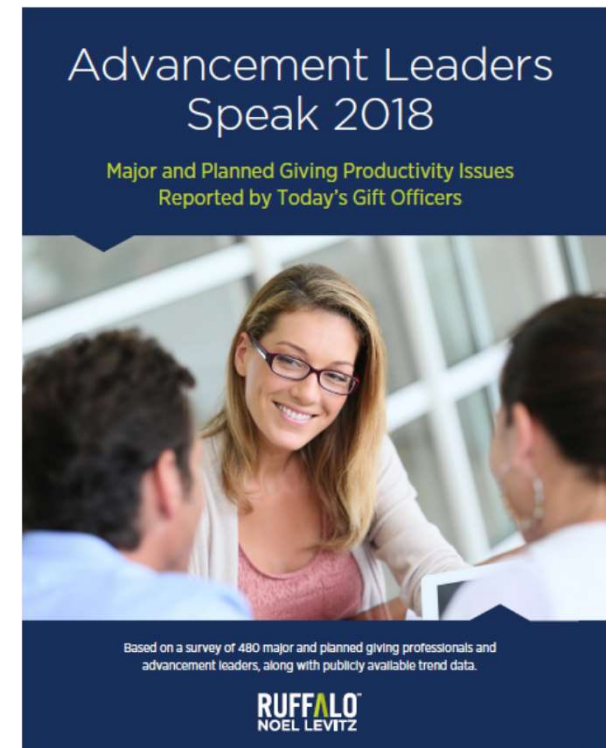
4,000

The Research

Advancement Leaders Speak 2017-2018

- Over 4,000 fundraising professionals surveyed, interviewed and polled.
- Chief Advancement Officers
- Major and Planned Giving Productivity
- Annual Giving Leaders
- Millennial and Digital Engagement
- Annual Giving Multichannel Best Practices
- Higher Education Campaigns

From 250 to 650 responses per survey

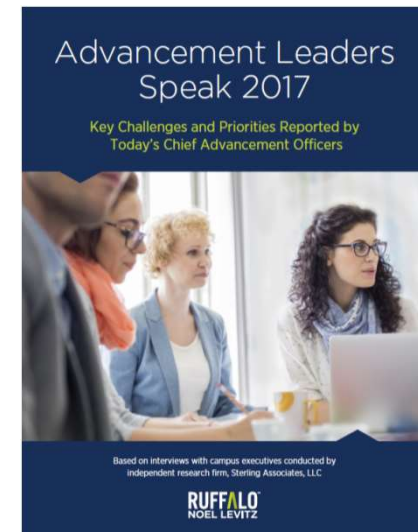


A group of five diverse professionals (three men and two women) are seated around a table in a meeting room, engaged in a discussion. The image is overlaid with a semi-transparent blue filter. The text "CHIEF ADVANCEMENT OFFICERS" is centered in white, bold, uppercase letters.

CHIEF ADVANCEMENT OFFICERS

Conversations with 40 Chief advancement officers

- Dollars are the number one priority
- Budgets are growing, but performance expectations growing more quickly
- Resources are being shifted to direct solicitation channels
- Competition for donors remains high, increasing donor expectations
- Use of digital tactics and analytics is increasing



**“Raise more,
with (a little)
more.”**

“We are expected to get big money, and get it *now*.”

Faced with rising pressure to perform, the chief advancement officers in this study were nearly unanimous on their highest priority:



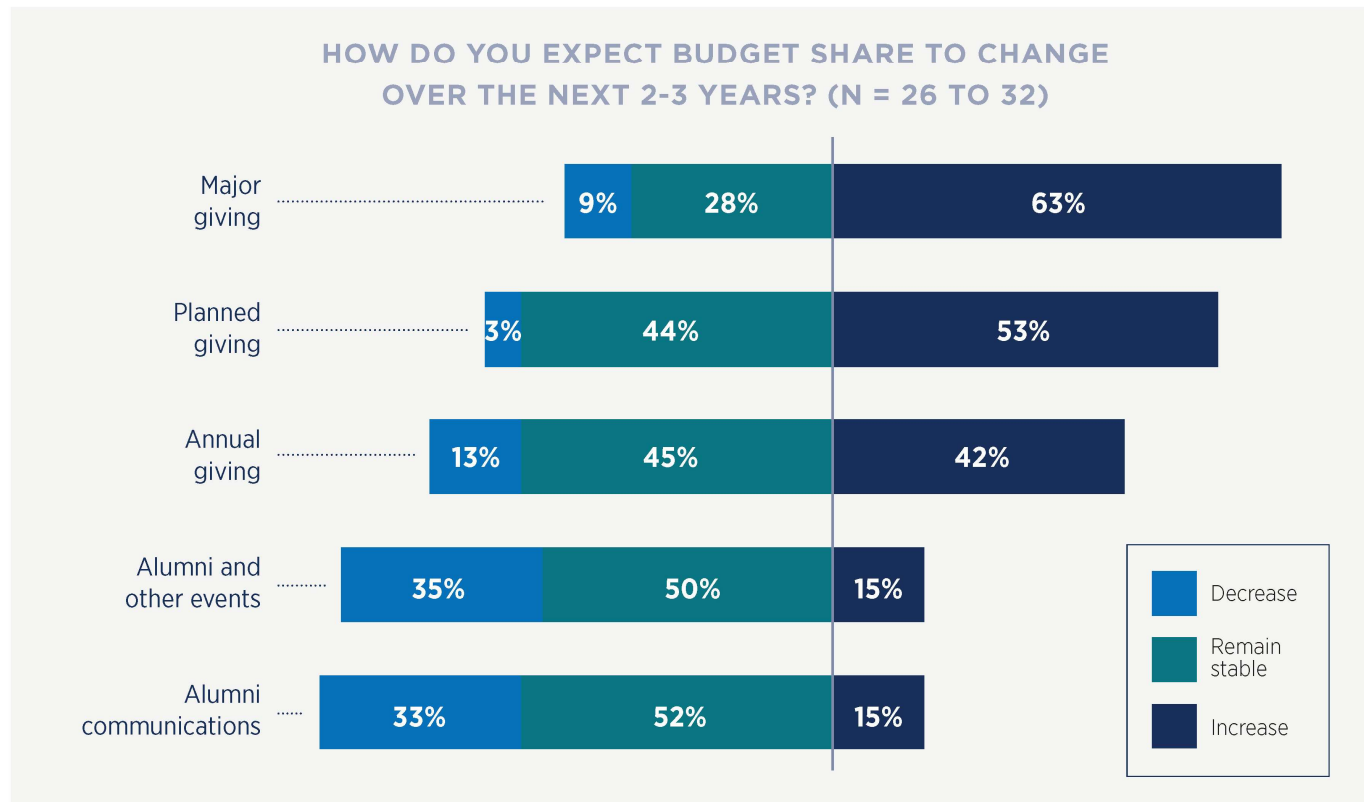
90%

of respondents said total dollars raised is their #1 metric.

“ We can look at all the soft benefits we provide, which are innumerable. But at the end of the day, we are evaluated by how many dollars we bring to support the university. ”

- Leader at mid-sized private

“We’re putting money into solicitation.”



A group of people in a meeting, overlaid with a blue filter. The image shows several individuals sitting around a table, engaged in discussion. The text is overlaid on the left side of the image.

2

MAJOR AND PLANNED GIVING OFFICERS

Major and Planned Giving Productivity

480 GIVING PROFESSIONALS SURVEYED ONLINE IN APRIL 2018

12

AVERAGE NUMBER
OF YEARS
IN ADVANCEMENT

8

AVERAGE NUMBER OF YEARS
IN MAJOR GIVING, PLANNED
GIVING, OR LEADERSHIP ROLE

1-40

YEARS
RANGE



PROFILE OF ORGANIZATIONS



48%

PUBLIC HIGHER
EDUCATION

(Enrollment: 74% 10,000+ |
13% 5,000-9,999 | 13% <5,000)

36%

PRIVATE HIGHER
EDUCATION

(Enrollment: 12% 10,000+ |
12% 5,000-9,999 | 76% <5,000)

16%

OTHER CHARITABLE
ORGANIZATIONS

(Primarily hospitals, university
hospitals, private secondary, and
fraternity/sorority organizations)
(Employees: 48% 100+ |
34% <100 | 18% other)

Major and Planned Gift Officers

Prospect pool size and coverage

“We have too many assigned prospects for too few giving officers.”

In open-response questions, the challenge of having too many assigned prospects was voiced repeatedly by survey respondents in this study and reflected in their coverage rate:

141
AVERAGE PROSPECT
POOL SIZE

74
AVERAGE UNIQUE
VISITS PER YEAR

52%
AVERAGE
COVERAGE RATE

480 gift officers surveyed in April 2018

What percent of newly assigned prospects placed in your pool(s) are truly qualified to be a major or planned donor?

AVERAGE
RESPONSE



480 gift officers surveyed in April 2018

Major and Planned Gift Officers

How they rate their time usage



Major and Planned Gift Officers

Feelings about wealth/propensity ratings

WEALTH RATINGS

	Use	Effective for focusing on right prospects	Effective for determining donor ask amounts
2018	89%	29%	17%
2017	86%	27%	19%

PROPENSITY RATINGS

	Use	Effective in predicting likelihood of major/planned gift
2018	64%	18%
2017	68%	30%

480 gift officers surveyed in April 2018

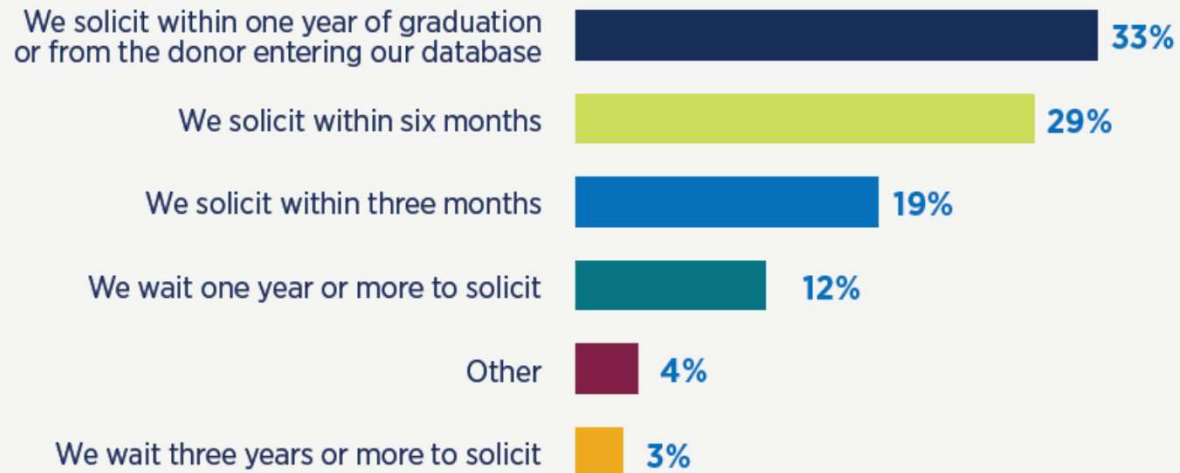


3

THOSE DIGITAL AND YOUNG
ALUMNI PEOPLE

81%

solicit within one year of graduation



~50%

using some form of
crowdfunding

WHY GIVE NOW?

3/4

have a giving day of
some type

Which of these do you have in place?



Survey surprise

We're in the danger zone!

80%

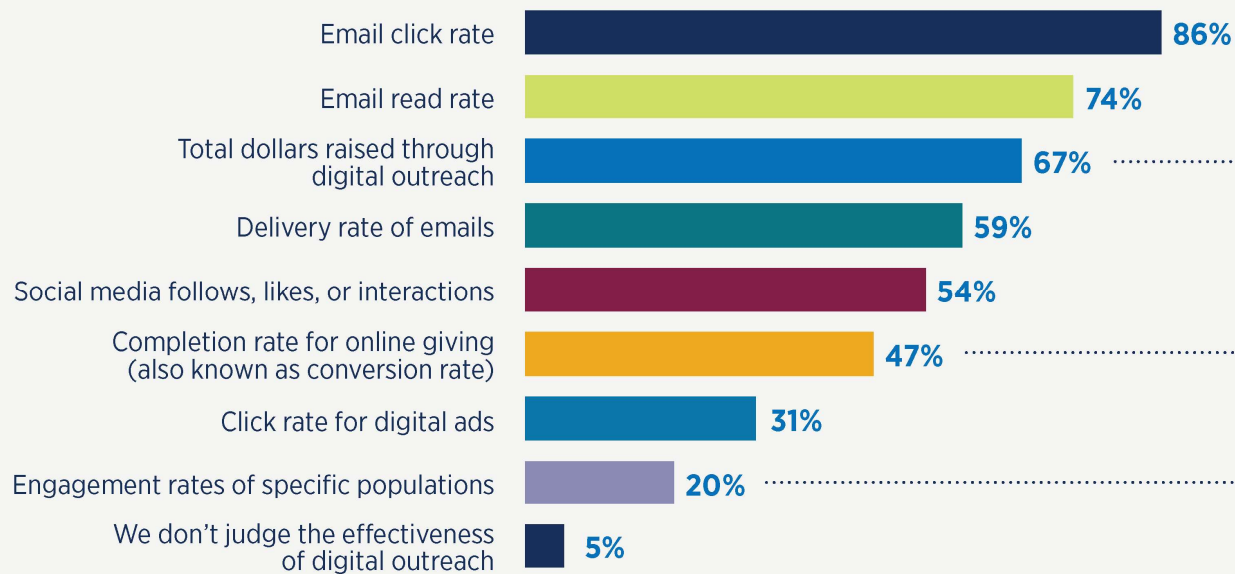
do not have a
“defined young alumni
communications campaign”

ACTIVITY METRICS DOMINATE

What metrics are you using to judge the effectiveness of digital outreach?

(Check all that apply)

USAGE OF EIGHT TYPES OF METRICS FOR DIGITAL FUNDRAISING



Activity metrics led the way, such as delivery rates, read rates, and click rates for email.

Less than half of respondents reported tracking conversion metrics, such as the completion rate for online giving or the engagement rates of specific populations (young alumni, younger donors, etc.).



98%
fundraise
with email



3%

personalize by
recent interest
or activity

RNL 2017 survey, n=250

A group of people in a meeting, overlaid with a blue filter. The image shows several individuals sitting around a table, engaged in a discussion. The text '4 ANNUAL GIVING LEADERS' is overlaid on the image.

4

ANNUAL GIVING LEADERS

April 2018 Survey of Annual Giving Fundraisers

251 GIVING PROFESSIONALS SURVEYED ONLINE
IN APRIL 2018



PROFILE OF ORGANIZATIONS



AVERAGE ANNUAL GIVING TOTAL FOR RESPONDENTS: **\$6.4 MILLION**
MEDIAN ANNUAL GIVING TOTAL FOR RESPONDENTS: **\$2 MILLION**
RANGE: **\$30,000 TO \$150 MILLION**

AVERAGE NUMBER OF ANNUAL DONORS FOR RESPONDENTS: **4,339**
MEDIAN NUMBER OF ANNUAL DONORS FOR RESPONDENTS: **2,000**
RANGE: **175 TO 50,000**

What the fundraisers said:

- 1 Dollars remain up while donors continue to decline**
49% of fundraisers who say annual giving dollars are increasing also report their donor counts are down or remaining steady.
- 2 Fundraisers are adopting more digital tactics**
75% of fundraisers are using at least one digital channel such as crowdfunding, targeted digital advertising or retargeting.
- 3 Fundraisers seek to focus more on data, donor insights, and key segments**
More than 60% of fundraisers feel that they are not spending enough time on parents or leadership donors.
- 4 Parent giving is increasing despite significant internal hurdles**
Parent giving has doubled over the past ten years and now represents over \$1 Billion in fundraising. Two thirds of institutions have some form of parent solicitation.
- 5 Personalized channels drive leadership giving**
85% of institutions have leadership giving societies, and report that the most successful leadership appeals are personal in nature.

WHAT ARE YOUR RECENT TRENDS WITH ANNUAL GIVING?

2018 2017*

TOTAL DOLLARS



Increasing: **63%** **58%**



Remaining Steady: **26%** **30%**



Declining: **11%** **12%**

TOTAL DONORS



Increasing: **40%** **38%**



Remaining Steady: **26%** **32%**



Declining: **34%** **30%**

ALUMNI GIVING PERCENTAGE



Increasing: **28%** **25%**



Remaining Steady: **38%** **41%**



Declining: **30%** **24%**

*2017 figures taken from *Advancement Leaders Speak 2017: Annual Giving Multichannel Best Practices*

“ We’ve set records the past two years, and the results won’t look good when (not if) we are no longer able to set records every year. ”

—Chief advancement officer, large public institution

DOES YOUR ANNUAL GIVING PROGRAM DEPLOY?

(Respondents indicated all they are currently using)



“Crowdfunding is something that I personally manage here and it has a lot of untapped potential. We’ve seen some success so far but I’m confident we can grow it into a much bigger portion of our annual giving revenue.”

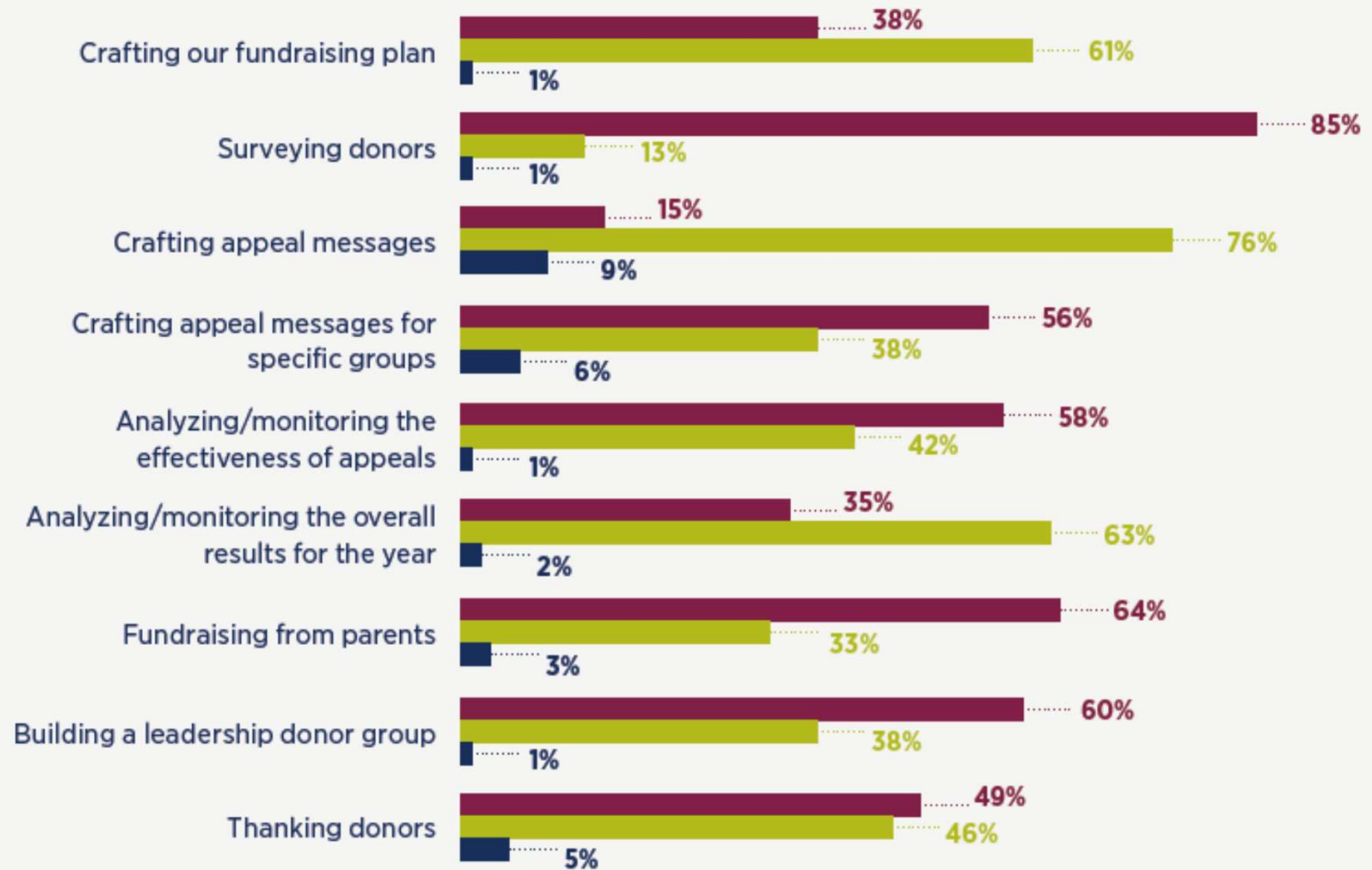
—Annual giving officer, large public institution

“Competition giving has worked well for us.”

—Director of annual giving, large public institution

I FEEL WE ARE SPENDING...

■ Not enough time/resources
 ■ About enough time/resources
 ■ Too much time/resources



DO YOU SOLICIT PARENTS IN SOME WAY EACH YEAR?



68%
YES



32%
NO

AVERAGE CASH FUNDRAISING PER INSTITUTION FROM PARENT DONORS

Fiscal Year	PRIVATE	PUBLIC	ALL
FY2007	\$869,056	\$217,203	\$557,355
FY2008	\$858,436	\$342,429	\$608,178
FY2009	\$758,589	\$183,146	\$471,997
FY2010	\$849,677	\$221,674	\$536,897
FY2011	\$1,001,610	\$234,934	\$616,742
FY2012	\$1,006,126	\$227,041	\$612,795
FY2013	\$1,168,873	\$253,356	\$699,046
FY2014	\$1,233,392	\$382,722	\$798,134
FY2015	\$1,515,806	\$343,307	\$923,384
FY2016	\$1,833,457	\$359,603	\$1,092,230
FY2017	\$1,847,928	\$413,339	\$1,109,202

Source: *Voluntary Support of Education Survey*, CAE.
Mean average per institution.

WHICH METHODS HAVE PRODUCED THE GREATEST NUMBER OF GIFTS FROM PARENTS/GRANDPARENTS?



In Ruffalo Noel Levitz managed phonathons from 2016–2018, the average pledge by parent donors was \$107, exceeding general phoning of new alumni donors at most institutions.

WHAT IS THE MOST SUCCESSFUL THING YOU HAVE DONE TO SOLICIT PARENTS/GRANDPARENTS

Phonathon/call center effort.

Giving day challenges.

Students soliciting for crowdfunding campaigns.

Getting the data so we can solicit.

A leadership parents committee/council and peer-to-peer solicitation.

Parent network.

Soliciting honors parents for program.

Support for their student's clubs/affinity groups.

Phonathon for acquisition then include in mailings.

Solicitation by coaches and athletics.

Non-solicitation direct mail cultivations.

Gift tied to premium for student.

Letters from faculty.

HOW IS YOUR PARENT GIVING TRENDING?



Increasing: **23%**



Remaining Steady: **49%**



Declining: **23%**

5

PERSONALIZED CHANNELS DRIVE LEADERSHIP GIVING

“We need to find new prospects and expand our leadership group.”

DO YOU HAVE A DEFINED “LEADERSHIP” LEVEL FOR DONORS IN YOUR ANNUAL GIVING PROGRAM?

 **82%**
YES

 **18%**
NO

WHAT IS YOUR DEFINED LEADERSHIP GIVING LEVEL?

\$2,438 PER YEAR

AVERAGE

\$1,000 PER YEAR

MEDIAN

MOST COMMON RESPONSES

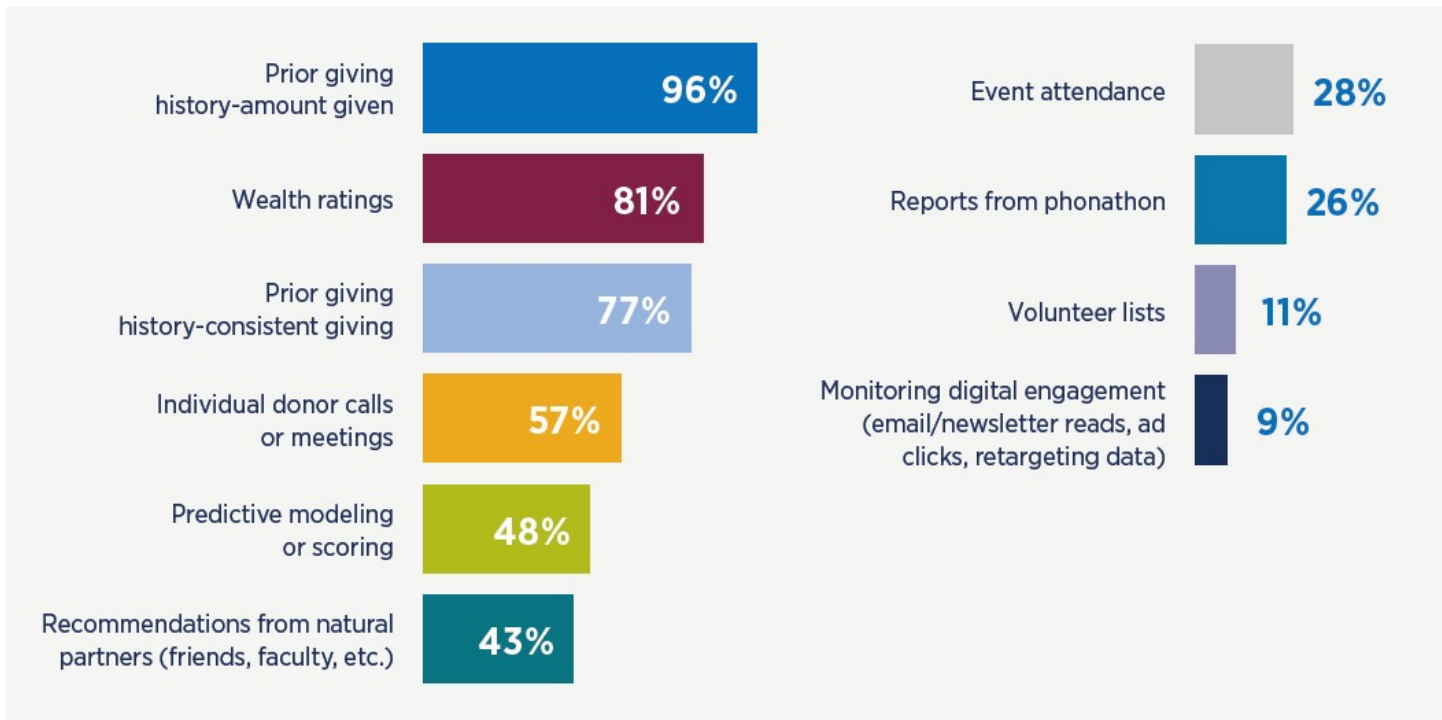
\$1,000 per year, \$1,500, \$2,500, or an amount tied to the founding or special institutional history year.

COMMON LEADERSHIP LEVEL STRATEGIES

Lower amounts counted as leadership for young alumni separate level for College and President's society levels, counting cumulative giving over a year.

Sixty percent of institutions place no restrictions on what is counted toward the leadership level. The most common definitions for others included unrestricted giving, giving to a specific unit/academic area, and giving to funds outside athletics.

How do you identify potential leadership donors?



How do you recognize and thank leadership donors?



“ Personally, I think we should be thanking and connecting with donors more—in a purely non-fundraising capacity. However, my donor relations team feels differently. ”

—Director of annual giving, large public university

WHAT IS THE PRIMARY BARRIER TO GREATER LEADERSHIP ANNUAL GIVING FUNDRAISING FOR YOUR PROGRAM?

(Representative responses)

Staff time and resources.

No incentive to upgrade once at leadership level.

No meaningful giving club stewardship.

Need more time with data.

Getting the donor meetings.

Oversolicitation.

Internal coordination with mid-level and major gifts.

A group of people in a meeting, overlaid with a blue tint. The image shows several individuals sitting around a table, engaged in a discussion. The overall scene is dimly lit, with a strong blue color cast. The text '5 CAMPAIGNS' is overlaid on the left side of the image.

5

CAMPAIGNS

Higher Education Campaigns

Mega-giving, like all the time

- 600 fundraisers surveyed
- Review of the CASE Campaigns Report (2015 Data)
- Analysis of 20 of the biggest higher education campaigns



81%

are either in or about
to start a campaign

65%

how much fundraisers think
budgets should increase
during a campaign

41%

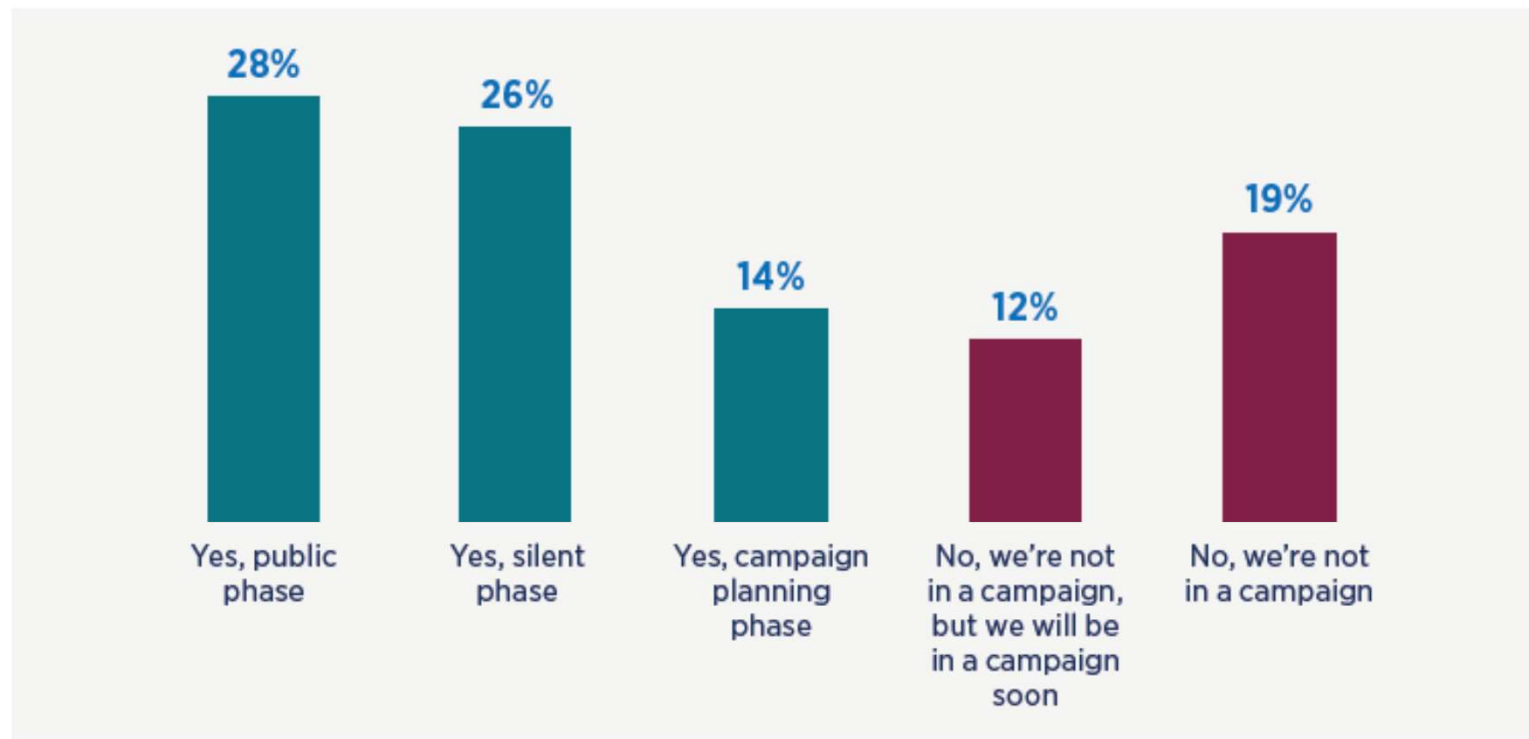
percentage of campaign
dollars now capital

83%

say campaign will include
annual giving push

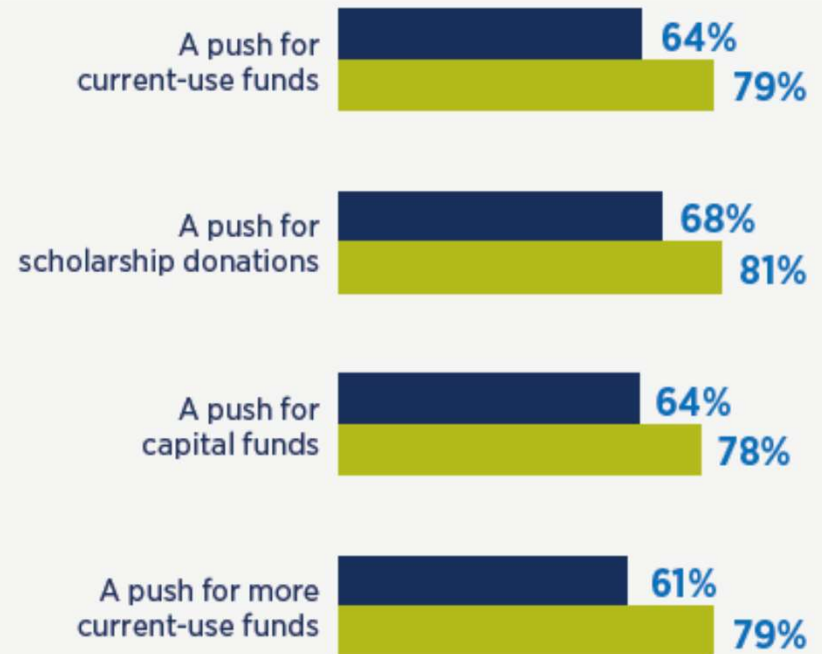
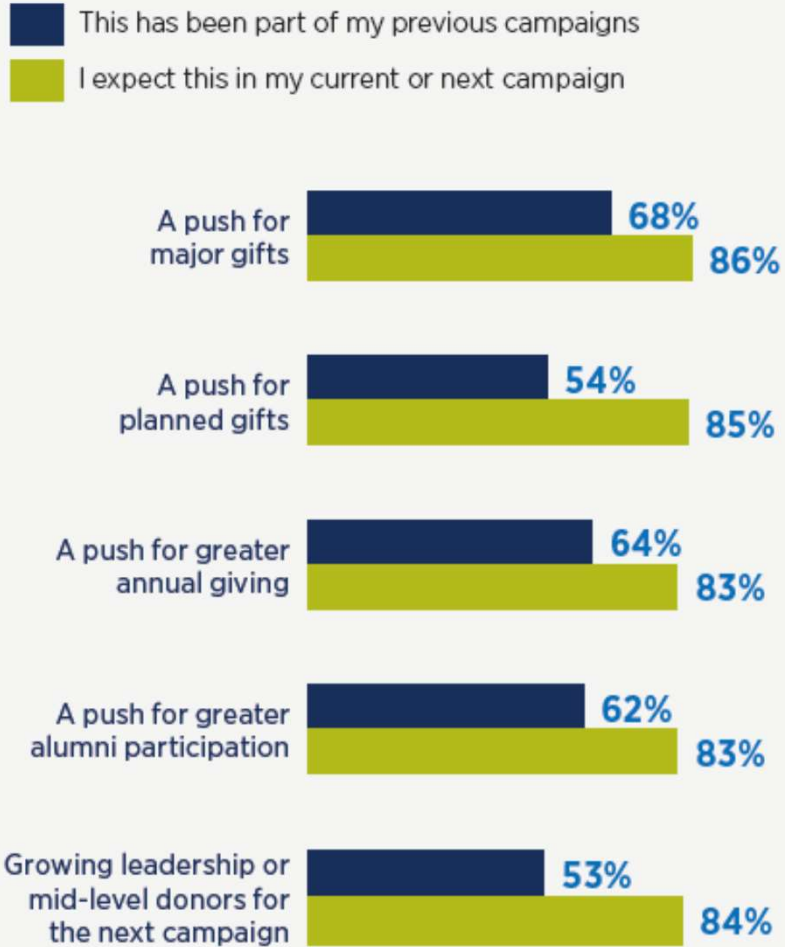
“We’re always in a campaign, or about to start one.”

Are you currently in a campaign with your current institution?



81%

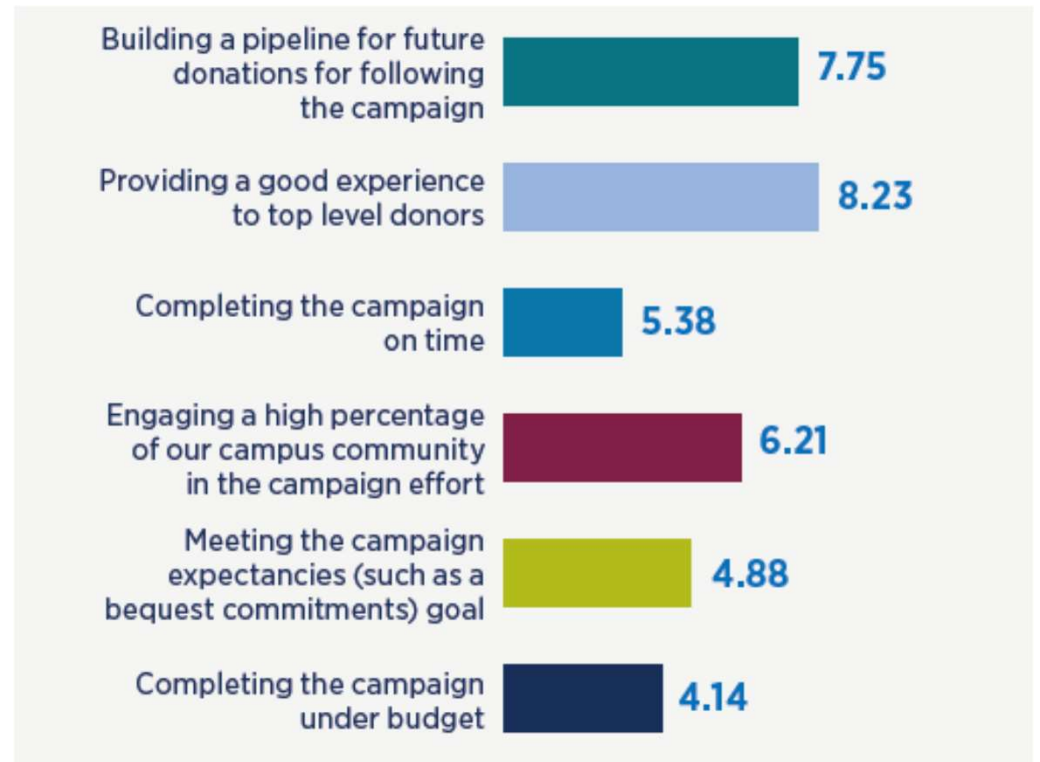
OF FUNDRAISERS SAY THAT THEY ARE EITHER IN A CAMPAIGN NOW OR ABOUT TO ENTER ONE.



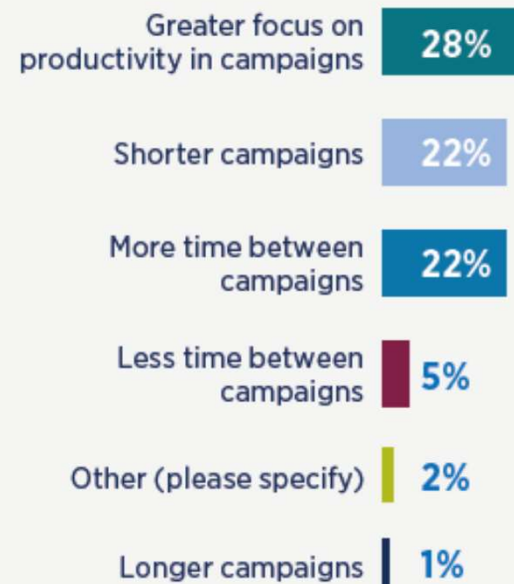
This has been part of my previous campaigns
 I expect this in my current or next campaign



Order of importance of key campaign goals



Which of these would you like to see more of?



5

= number of years average fundraisers says a campaign should last

Average years of actual campaign, per CASE =

8

Motivating donors

Time-sensitive tactics and gamification

61%

are using matches or
donor challenges

28%

are using competitions



MAKE IT A GAME

Overall Trends

Across all of the surveys

Fundraising budgets are growing. But expectations and competition for donors are growing faster.

Digital channel adoption is high. But integrated multichannel strategy and adoption of tested commercial tactics is low.

Fundraisers want more data, and to let it drive strategy. Confidence in data used to drive fundraising programs is low, and lacks integration with core systems.

Personalization lags. Demographic-based segmentation is 20 times more common than personalization based on recent interest and activity

Gift officer productivity is low. This is driven by mediocre wealth and predictive data and little innovation in the qualification process.

Advancement Leaders Speak 2017

Key Challenges and Priorities Reported by
Today's Chief Advancement Officers



Based on interviews with campus executives conducted by
independent research firm, Sterling Associates, LLC.

RUFFALO
NOEL LEVITZ

If you had
eight minutes
with 300
fundraisers,
what would
you ask
them?



Get more...

sweet, sweet research

- Head to donationequation.com for slides.
- RuffaloNL.com/papers for all our reports.
- Check out the blog, podcast and webinars!

