



Maximizing Donor Potential

An Overview of High-Level Trends in Higher
Education and Advancement

For the 2017 University of North Carolina System
Advancement Symposium

Advancement Forum



The best practices are
the ones that work for **you.**SM

Start with best practices research

▶ **EAB Research Forums**

Academic Affairs and Research

- > Academic Affairs Forum
- > Enrollment Management Forum
- > Continuing and Online Education Forum
- > Student Affairs Forum
- > University Research Forum

Business Affairs and Administration

- > Business Affairs Forum
- > **Advancement Forum**
- > IT Forum
- > Facilities Forum

Systems, Community Colleges, and K-12

- > University Systems Forum
- > Community College Executive Forum
- > Independent School Executive Forum

Then hardwire those insights into your organization using our technology & services

▶ **EAB Technologies and Services**

Enrollment Management

- > Royall & Company
- > Hardwick Day

Student Success Collaborative

- > Campus
- > Guide
- > Navigate

Growth and Academic Operations

- > Academic Performance Solutions
- > University Spend Collaborative

1,100⁺

College and university
members

10,000

Research interviews per
year

250M⁺

Course records in our
student success analytic
models

1.2B

Student
interactions



How We Conduct a Study

Literature Review and Expert Interviews

A literature review and interviews with all relevant experts provide a deeper understanding of root cause problems and help identify new ideas.

Exhaustive Screening for Breakthrough Practice

Interviews are conducted with hundreds of colleges and universities to isolate the few dozen that have pioneered truly innovative practices and can show demonstrable results.

In-Depth Case Study Research

Multi-day interviews and onsites are completed with these institutions to understand how the practices work and the implementation requirements, benefits, and potential drawbacks.

Rigorous Analysis and Recommendations

The research team spends several months synthesizing the research and preparing detailed recommendations to guide members in how to implement the practices and strategies uncovered in the research.

Executive-Level Strategy Guidance and Practical Implementation Support

CAO Roundtables

Two-day, in-person executive summits featuring concise presentations of current research and discussion with peers

Implementation Toolkits

Turnkey solutions to enable best practice implementation through a variety of tools, templates, and other resources

AskEAB

Access to EAB researchers who can track down answers to your particular questions, pulling from existing research and making networking connections

Peer Networking

Facilitated introductions to other members facing similar challenges, with relevant experience to discuss organizational benchmarks and implementation guidance

Leadership Summits

Annual summit for rising campus leaders (AVP level) to review our research on selected hot topics and network with peers

Onsite Sessions

Facilitated, on-campus strategy session for boards, leadership teams, or staff retreats

Hot Topic Webinars

Virtual education sessions focused on select strategies from best practice research open to all staff with unlimited registration through the year; archived presentations available on demand via EAB.com

Best Practice Solutions

Produced regularly, our best practice studies are available online in our research library; hardcopies can be ordered in unlimited quantities by members

In Our Library Now



- 1 The State of Higher Education Advancement
 - 2 Earning Major and Principal Gifts from the Donor Investor
 - 3 Winning Donor Mindshare in the Attention Economy
-

What A Difference Half a Century Makes

From “Margin for Excellence” to Keeping the Lights On

“Tax funds generally can support the basic needs of public higher education. But the ingredients for academic excellence include private support.

Tax revenue can be used to build and maintain most classrooms, libraries, and laboratories. They can provide average salaries for faculty members. But then there are all the enriching features of a sound educational program that mean the difference between good and great universities: new and challenging courses of study, cultural programs, museum and library collections, continuing research, unusual equipment, student aid, competitive faculty salaries, special buildings.

These represent the ‘margin for excellence,’ which depends chiefly on private support.

Why should public colleges and universities develop this margin for excellence? The answer is not a selfish one: the progress of the entire nation is at stake.”

Report of the Association of Public and Land-Grant Universities, 1966

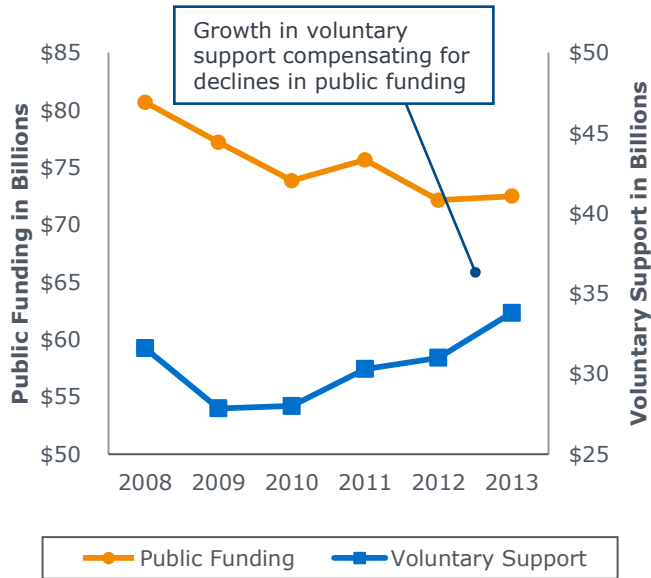
Source: “Margin for Excellence, The Role of Voluntary Support in Public Higher Education,” published in 1966 by the National Association of State Universities and Land Grant Colleges (now the Association of Public and Land-Grant Universities).

Bridging the Funding Gap

Administrators Look to Advancement to Fill Holes

Public Universities Increasingly Reliant on Advancement

Revenue by Source (2008-2013)¹



“Advancement has taken on much more of an important role lately, which coincides with the downturn in state support. We’ve seen increases in tuition, but politically you can’t increase tuition enough to take care of your shortfall—and you don’t want to. So philanthropy is the next frontier. In the old days whatever you raised was good enough—now it’s not.”

*Keith Inman
Vice President, Advancement
University of Louisville*

Source: “SHEF – State Higher Education Finance FY14,” *SHEEO*, April 12, 2015, <http://www.sheeo.org/resources/publications/shef-%E2%80%94-94-state-higher-education-finance-fy14>; The Integrated Postsecondary Education System, *National Center for Education Statistics*, <https://nces.ed.gov/ipeds/>; EAB interviews and analysis.

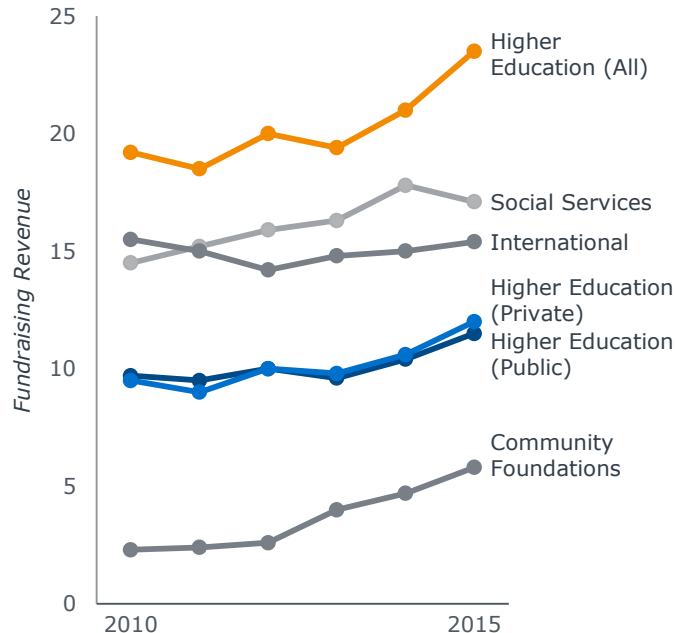
1) In real 2013 billions of dollars.

The Best of Times....

Giving to Higher Education at an All-Time High, Driven by the Mega-Campaigns of the Last Decade

How Causes Have Fared Over the Years

In Billions of Dollars



Recent Billion-Dollar Campaigns



\$6B



\$5B



UNIVERSITY OF TORONTO

\$2B



\$1.2B



MICHIGAN STATE UNIVERSITY

\$1.5B

80

\$1B+ campaigns completed in last 10 years

50

\$1B+ campaigns currently underway

Source: Olsen-Phillips P, O'Leary B, "How 18 Causes Have Fared Through the Years," *Chronicle of Philanthropy*, Oct. 29, 2015, <https://philanthropy.com/interactives/phil400-chart-2015>; Grenzebach Glier and Associates, "Billion Dollar Capital Campaigns," Mar. 15, 2015, <http://www.grenzebachglier.com/assets/files/GG+A%20-%20Billion%20Dollar%20Campaign%20List%20-%202013-2015.pdf>; Advancement Forum interviews and analysis.



A Strong Track Record of Million-Dollar Gifts

And Not Just at Elite Colleges and Universities

\$1M+ Gifts Across Higher Education

		Total Value of Gifts ¹	Average Gift Size ¹	Largest Gift ²
Baccalaureate Institutions	Public	\$56M	\$2.5M	\$11M
	Private	\$863M	\$5M	\$102M
	Total	\$919M	\$4.7M	
Master's Institutions	Public	\$378M	\$3.1M	\$45M
	Private	\$757M	\$5M	\$20M
	Total	\$1.1B	\$4.2M	
Research Institutions	Public	\$5.6B	\$8.4M	\$84M
	Private	\$8.4B	\$21M	\$306M
	Total	\$14B	\$13.1M	

1) From a living individual, couple, or family in FY 2010-2014, as reported by the Lilly Family School of Philanthropy.

2) From a living individual in FY 2010-2015 as reported by the Council for Aid to Education.

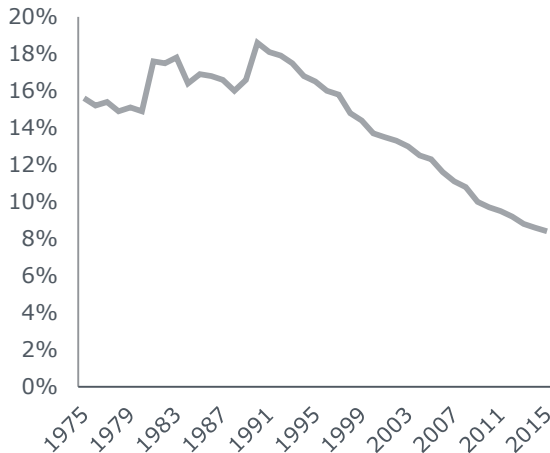
Source: Indiana University Lilly Family School of Philanthropy, "Million Dollar List: A Database of Charitable Contributions," 2013, <http://www.milliondollarlist.org/data>; Council for Aid to Education, *Voluntary Support of Education Survey*, 2015, <http://vse.cae.org/>; Advancement Forum interviews and analysis.

...The Worst of Times

Gift Appeals Sent to More Alumni, but Fewer Give Back

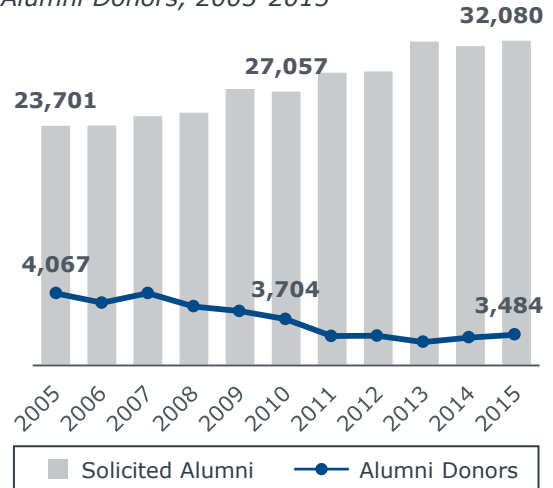
25 Years of Participation Declines

Average Alumni Participation Rates (APR), 1975-2015



Asking More Alumni for Fewer Gifts

Median Number of Solicited Alumni and Alumni Donors, 2005-2015



35%

Increase in the number of solicited alumni since 2005

-14%

Decrease in the number of alumni donors since 2005

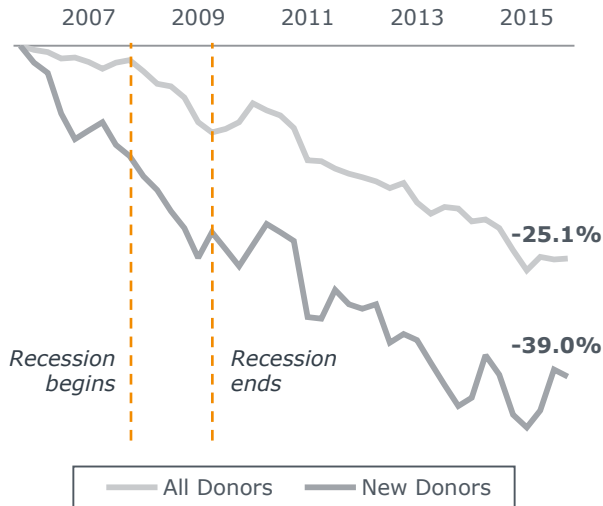


Donor Losses Not Confined to Higher Ed

Past Ten Years Bring Big Declines in Supporter Numbers to All Nonprofits

Nonprofit Donor Counts Contract

Median Change in All Donors and New Donors to Nonprofit Organizations, 2005-2015



The Recession Is Only Half the Story

“Donors have been declining at a slow but remarkably consistent pace over the past ten years.... The recession of 2007-2009 certainly had a negative impact on donor numbers, and particularly on new donor acquisition. But the longevity and consistency of the declines we have seen indicate that they have **deeper root causes than relatively short-term economic trends.**”

*Target Analytics
donorCentrics Index of Direct
Marketing Fundraising*

Has “Peak Engagement” Passed?

“The way I’ve responded to uncertain future pipelines is to harvest maximum wallet share of every man, woman, and child of the 1960s and to plan for my retirement. Everyone’s biggest fear that nobody is willing to say out loud is: Have we passed ‘Peak Engagement’ ?”

*Vice President for Development
Private Research University*

Major Gifts Depend on Early Acquisition

Annual Fund Serves Crucial Cultivation Role for Future Supporters

Jane Q. Donor's Path to Major Giving

First Gift

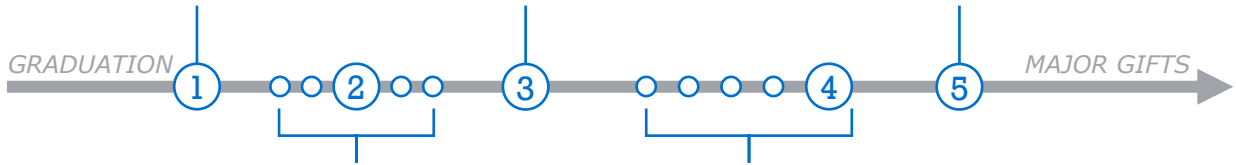
*Average first gift of major donors is **\$179***

First Leadership Gift

*Donors on average take **seven years** to make a \$1,000 gift*

First Major Gift

*54% of major donors **give for 16+ years** before \$25K gift*



Consistent Giving While Young

*Donors who give every year for the first five years give **3x as much** as other donors by their 20th reunion*

Frequent Upgrades

*Donors who **upgrade consistently** have a **9x better chance** of one day giving a major gift*

Source: Bingley C, Gawor B, "The Threat of Declining Alumni Giving Rates to Higher Education Fundraising," Ruffalo Noel Levitz Webinar, March 22, 2016, <https://www.ruffalonl.com/papers-research-higher-education-fundraising/2016/the-threat-of-declining-alumni-giving-rates-to-higher-education-fundraising>; Meer J, "The Habit of Giving," Economic Inquiry (March 2013): 6; Barry F, et al., "Cultivating Lifelong Donors: Stewardship and the Fundraising Pyramid," Blackbaud (2010), https://www.blackbaud.com/files/resources/downloads/Book_CultivatingLifelongDonors.pdf; Advancement Forum interviews and analysis.

1

The State of Higher Education Advancement

2

Earning Major and Principal Gifts from the Donor Investor

3

Winning Donor Mindshare in the Attention Economy

Emerging Challenges Impeding Progress

Three Main Pain Points Keep Us from Realizing Principal Gift Success

Strategic Plan Inadequate



- Institutional uniqueness lost in favor of broad thematic areas
- Many priorities merit internal funding
- Statement of priorities too broad for advancement

Lack of Ideas on a Grand Scale



- Immediate needs prioritized over long-term vision
- Research in silos, yet global problems cross disciplines
- Academic culture not equipped or incented to “think big”
- Advancement-academy disconnect

A New Breed of Donor



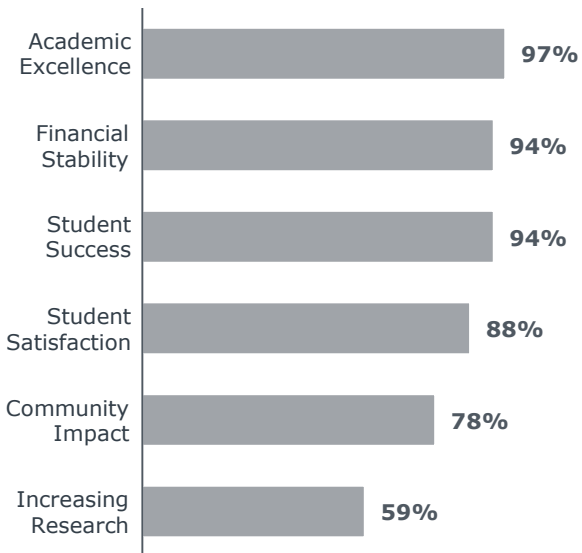
- Donor investors seek long-term sustainable impact
- Expectation of deep relationship with project leaders
- Desire for hands-on engagement and influence

What Got Us Here Won't Get Us There

Reflecting on a Decade of Campaign Priorities

Strategic Plan Goals Become Campaign Priorities

EAB Analysis of Strategic Plans



Higher Education's Pinnacle Gifts Cross Silos



Johns Hopkins University

Michael Bloomberg pledges **\$250M** for interdisciplinary research



Santa Clara University

Jeff and Karen Miller pledge **\$25M** for center for social entrepreneurship



Swarthmore College

Eugene Lang pledges **\$50M** to foster links between engineering and the liberal arts



University of Oregon

Connie and Steve Ballmer give **\$20M** for human development faculty cluster

A Lack of Ideas on a Grand Scale

Advancement Doesn't Have All of the Ideas

“What I’m not finding at our institution are enough big ideas that will take the \$1M gift and make that next gift \$5M. The ideas are very operational. Faculty are not thinking longer-term or coming to me and saying “if I had a \$20M gift, I could do X, Y, and Z.” We’re just not seeing those conversations emerge.”

*Vice President, Development
Public Research Institution*

Internal Obstacles Impede Progress

Factors Contributing to Inability to Think Big



Academic Culture

- Day-to-day operational needs more urgent than long-term vision
- Few incentives for academic partners to think outside of their department, college, or school
- Scarcity of resources means today's needs take precedence

“Deans come to me with every one-off need and idea they have, even though they're not all good for donors. **I feel like the campus ATM**, and the line forms every morning.”

*Vice President, Institutional Advancement
Public Master's Institution*



Advancement-Faculty Disconnect

- Advancement often unaware of interdisciplinary faculty collaboration
- Limited understanding of advancement's role on campus
- Campus leaders asked to work with fundraisers without prior training or preparation


“If we hire a secretary, that person will have to go through dozens of university trainings for their job responsibilities. **I have never been trained for 95% of what I do, especially the 30-40% that is fundraising.**”

*David Perlmutter, Ph.D.
Dean, College of Media and Communication
Texas Tech University*


A New Breed of Donor

With Heightened Expectations for the Organizations They Support

An Emerging Donor on Advancement's Mind

 **Strategic Philanthropy: The Shift in Donor Behavior That's Shaking Up the Nonprofit Sector**

 **Philanthropy: How to Give Away \$1B**

 **Treat Donors Like Investors, a Top Philanthropist Urges**

“Donors everywhere are much more strategic and thoughtful about their giving. They want to see data and outcomes. They constantly ask ‘Can you show me the numbers?’”

*Heidi McCrory
Vice President, College Relations
Kenyon College*

The Donor-Investor Seeks



Transformative Impact

Evidence that their gift has led to change that would not otherwise be possible



Compelling Ideas

Innovative, large-scale solutions to local, national, or global problems



Credible Connections

Investment in people who can link big ideas to impact

Donors Seek Transformative Impact

Affinity to Issues, Not Institutions

Donors Are Impact-Centric

62%

Want information on how the organization plans to use the gift

75%

Want information on results achieved with their gift

64%

Want stories about people who were helped

How Next Generation Donors Consider Philanthropic Investments¹

- 1 Setting Goals**
First decide philanthropic goals, then search for potential recipients
- 2 Evaluating Organizations**
Conduct research and due diligence before deciding what to support
- 3 Solving Problems**
Fund efforts that address root causes and attempt systematic solutions
- 4 Analyzing Results**
Prefer information on proven effectiveness or measureable impact

Source: Burk P, "The Burk Donor Survey: Where Philanthropy Is Headed in 2013," Cygnus Applied Research, Inc., Sept. 2013; Johnson J, "Including the Young and the Rich," *New York Times*, Apr. 18, 2014, www.nytimes.com/2014/04/20/fashion/white-househosts-next-generation-young-and-rich.html?_r=2; Johnson Center for Philanthropy, 21/64, "#NextGenDonors: Respecting Legacy, Revolutionizing Philanthropy," 2013, www.nextgendonors.org/wp-nextgendonors/wp-content/uploads/next-gen-donor-reportupdated.pdf; Fulfilling the Donor Investor Mandate, Philanthropy Leadership Council, The Advisory Board Company 2014, 11; Advancement Forum interviews and analysis.

1) Survey participants were individuals aged 21 to 40 years-old who were "currently or potentially active in their families' significant philanthropic processes and/or who are wealth creators themselves and currently or potentially active in their own philanthropy."

Donors Seek Compelling Ideas

MacArthur Foundation Sets the Bar

100&Change

Our Strategy

100&Change is a MacArthur Foundation competition for a \$100 million grant to fund a single proposal that promises real and measurable progress in solving a critical problem of our time. We will consider proposals from any field or problem area.

Our Approach

Some problems cannot be solved by grants of the size that foundations typically provide. By level far above what is typical in philanthropy, we can address problems and support solutions radically different in scale, scope, and complexity. \$100 million is a large enough sum to focus serious conversation and its solution in a meaningful and lasting way. We hope that 100&Change conversation about solutions and about how we can solve some of our most significant problems.

The openness of the 100&Change competition is a counterbalance to the Foundation's big bets that strive for transformational impact in areas identified by the Foundation's board and staff. We recognize that we do not know it all and have designed 100&Change to be agnostic with respect to field or problem area.

We are seeking proposals that articulate both a problem and its solution. Competitive proposals address a meaningful problem and provide a solution that is verifiable, durable, and feasible.

The Selection Process

We have designed a selection process that is fair, open, and transparent. In the first round, panels of external judges will review and score proposals using a common rubric. Based on these reviews, up to ten semifinalists will be asked to provide further details about their proposals and engagement with targeted communities. The semifinalists will also receive technical assistance from an expert team who will assess and advise plans for implementation of the proposed solution. From this group, a smaller number of finalists will be selected. These finalists will present their solutions at a public event in the fall of 2017. Selection of the final award recipient rests with MacArthur's Board of Trustees.

Specific terms and conditions are available on the [competition website](#). The competition closes on Thursday, June 2, 2016; applications are due no later than Monday, October 3, 2016, at 11:00 a.m. Central. However, you must first register by Friday, September 2, 2016, at 11:00 a.m. Central.

\$100M grant competition open to anyone in any field anywhere

Goal of solving "a critical problem affecting people, places, or the planet."

Impact must be "meaningful, verifiable, durable, and feasible."

Transparent selection process

Higher Stakes for Higher Education

“Donors are interested in substance. They are trying to achieve something in the world, and they can use universities to do that. What we have to do is convince them that a **university is a good investment for how they want to change the world.** That information is only going to come from the academic leaders.”

*Provost
Canadian Research Institution*

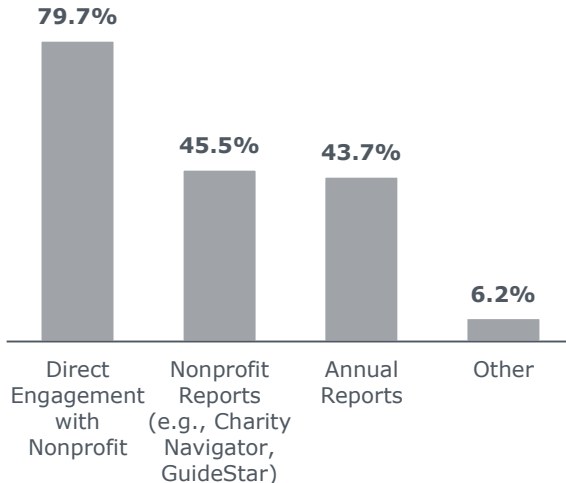
Source: "100&Change," MacArthur Foundation, <https://www.macfound.org/programs/100change/strategy>; "Big Charitable Gifts: Where Donors Have Given \$1 Million or More," *Chronicle of Philanthropy*, https://philanthropy.com/factfile/gifts/1?DonorDisplayNames_lang=any&Category=any&GiftRecipients_RecipOrgDateline_c=&GiftRecipients_RecipStateFull=any&GiftDonors_SourceWealth_cu=&GiftDonors_aStateFull=any&GiftYear=any; "Campaign Nets \$50 Million Gift," University of Oregon, <http://giving.uoregon.edu/s/1540/development/index.aspx?sid=1540&gid=28&pgid=3341&cid=7128&eid=7128&ccid=0&calpgid=2113&calcid=4773>; Advancement Forum interviews and analysis.

Donors Seek Credible Connections

Donors Engage with Leaders to Evaluate the Impact of Their Gifts

Direct Engagement Favored as an Evaluation Tool

How High Net Worth Philanthropists Evaluate Organizations



Donors Invest in People

“Any nonprofit is only as good as the people who run it. **At the end of the day, you’re investing in people...** It’s a lot more informative to have a conversation with whoever is carrying out the group’s mission than to read about them online.

Carrie Morgridge
 Vice President, Morgridge Family Foundation
 Author, *Every Gift Matters: How Your Passion Can Change the World*

Alumni Invest in Faculty



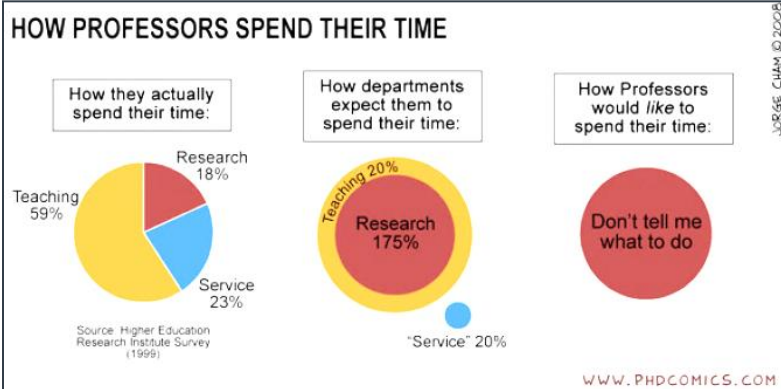
Of alumni consider relationships with their professors to be a primary source of affinity for their college, university, or school

Source: “The 2014 U.S. Trust Study of High Net Worth Philanthropy,” US Trust, Oct. 2014; Morgridge C, *Every Gift Matters: How Your Passion Can Change the World*, Austin: Greenleaf Book Group, 2015, 38; “Alumni Attitude Study,” Performance Enhancement Group, in Henderson N, “It’s Academic,” Council for Advancement and Support of Education, Jan. 2014, http://www.case.org/Publications_and_Products/2014/January_2014/It%E2%80%99s_Academic.html; Advancement Forum interviews and analysis.

Faculty Reluctant to Engage

Multiple Barriers to Participation

Scarcity of Faculty Time



Advancement Asks for the Wrong Things



Time

Annual fund solicitations, prospect research, project feasibility studies



Giving

Participation in faculty and staff campaign



Contacts

Sharing connections built with students and alumni

Faculty Misconceptions About Their Role



Finding donors



Writing proposals



Asking for gifts

What Only Our Academic Partners Can Do

Donor Expectations Require Renewed Partnership

Current Challenges



Compelling Ideas

- Deans have a scarcity mindset
- Disconnect between deans and faculty activities



Transformative Impact

- Faculty unaware of reasons to share results internally
- Deans unaware of importance of bigger-picture impact



Credible Connections

- Academic leaders ill-equipped to communicate their expertise to donors
- Advancement leaders ask faculty for the wrong things



Integral Opportunities



Sourcing Big Ideas



Communicating the Impact of Big Ideas



Perfecting the Pitch

What's A Big Idea?

How Universities Are Defining The Big Idea



A big idea should:

- Transform the University and the world
- Make the University unique in the marketplace
- Focus on where the University is good but could become better
- Include areas where the University is emerging as a leader

A big idea should not:

- Be defined *solely* by a capital project
- Solely feature a naming opportunity
- Bundle together smaller ideas
- Lead to slow, incremental improvement



Big Ideas Scoring System

Transformative impact on campus

Meets an immediate need

Increases national acclaim

Creates pan-campus collaboration



UNIVERSITY OF OREGON

- Alignment with mission and academic plan goals
- Building on existing academic strengths
- Fostering interdisciplinary collaboration
- Links to fundamental societal challenges or opportunities
- Viable funding model, including philanthropy and institutional funding
- Sustainability beyond three to five years

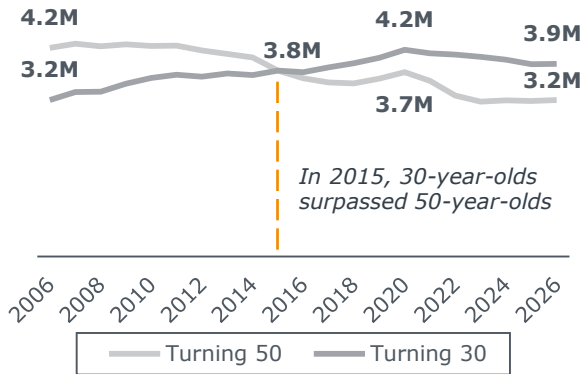
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At Risk of Losing a Generation of Donors?

Fundraisers Must Shift Strategy to Acquire Young Donors

Young Alumni Overtake Older Alumni

Number of People Turning 30 and 50, 2006-2026



Millennial Attitudes Toward Giving

Preference for Digital Philanthropy

70% Of Millennials say that they give online (v. 34% for mail and 15% for phone)

Attachment to Social Causes

76% Of Millennials believe they can affect change for the social issues they care most about

Desire for Control

46% Of Millennials feel like donations to their alma mater would go into a "black hole"

Our Future Base of Support

“Every nonprofit in the country—universities, whatever—will be **reliant on Millennials within five to 10 years**. They can’t be dismissed. They need to be understood.”

*Scott Mory, Vice President for University Advancement
Carnegie Mellon University*

Source: National Center for Health Statistics; Johnson, Grossnickle and Associates, The Millennial Impact Report 2012; Johnson, Grossnickle and Associates, The Millennial Impact Report 2016; Engagement Strategies Group, Mood of Alumni 2010; O’Neil, M, “Colleges Are Inventing New Ways to Attract Recent Graduates to Donate,” The Chronicle of Philanthropy, September 8, 2014; Advancement Forum interviews and analysis.

Failing to Convince Skeptical Alumni

Millennial Alumni Skeptical about Giving to Higher Ed

Often very generous...

61%

Of Millennial donors give to 3 or more nonprofits annually

...but prefer charities...

75%

Would give to another nonprofit before their alma mater

...over higher education

55%

Have never donated to their alma mater



Higher Ed Not Delivering on Impact

"It would never cross my mind to give to my school. If I can only give \$100, **you get to see that go so much farther with a smaller, more localized cause.** If you give \$100 to a school you might get a thank-you note. It almost feels like giving your money to the mall."

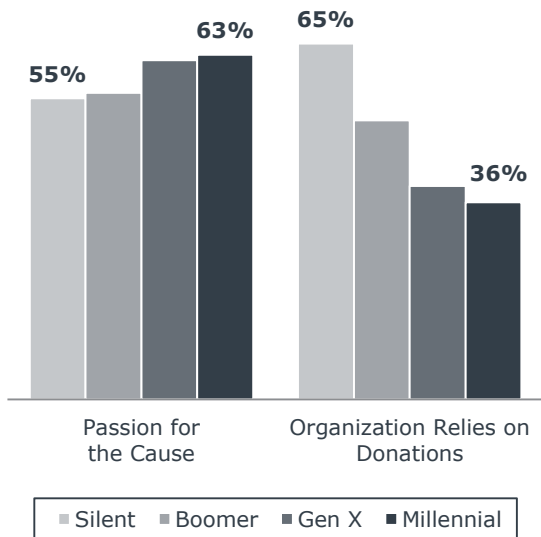
*Katie Randall
25-Year-Old Augustana College Graduate*

A Socially Conscious Generation

Millennials Support What's Meaningful to Them

Giving Motivations Diverge by Generation

Primary Reason for Giving

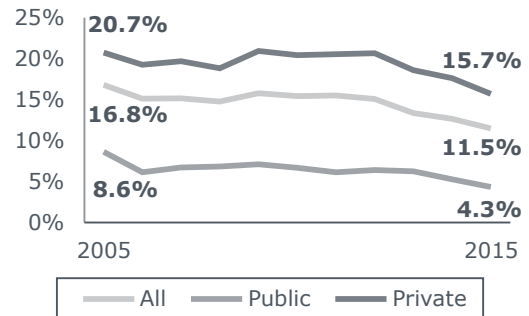


A Belief in Big Impact

52% Gave to a social issue in the past month

82% Would give to specific projects and purposes

Unrestricted Giving's Share of Total Giving



Source: Abila, Donor Loyalty Study: A Deep Dive into Donor Behaviors and Attitudes, 2016, <http://www.abila.com/pgs/donorloyaltystudy/>; Johnson, Grossnickle and Associates, Millennial Impact Report 2016; VSE Data Miner; Advancement Forum interviews and analysis.

Welcome to the Attention Economy

Fleeting Mindshare Makes It Harder to Win Alumni Donors

WIRED Attention Shoppers!

FORTUNE The Attention Economy
and the Implosion of
Traditional Media

THE WALL STREET JOURNAL
Attention Pays

“It's beginning to dawn on people who ponder these kinds of things that it's attention, not information, that lies at the heart of the new online world. In a world full of information, the **scarcest commodities are your eyeballs and ears.**”

Key Features of the Attention Economy



Information Overload

Individuals must sort through more information than every before



Split-Second Decisions

Appeals for money or attention elicit gut-check responses from busy consumers



Top of the Inbox Wins

Endless influx of communications means consumers focus on the last organization to reach out



Relevance Is Paramount

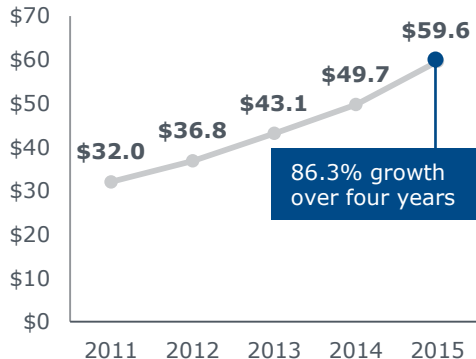
Consumers stay tuned in and primed to buy as long as the organization is engaging them with content that is relevant to their lives

Flooding the Airwaves with Appeals

Commercial Organizations and Nonprofits Amp Up Outreach

Digital Ad Spending Skyrockets

Dollars Spent on Digital Ads (in Billions)

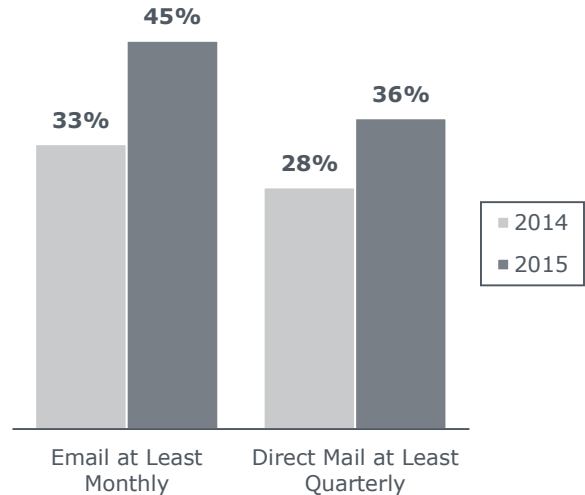


1,324

Digital ad exposures
per user per day in the
United States

Nonprofits Scramble to Be Heard

Frequency of Fundraising Appeals, 2014-2015

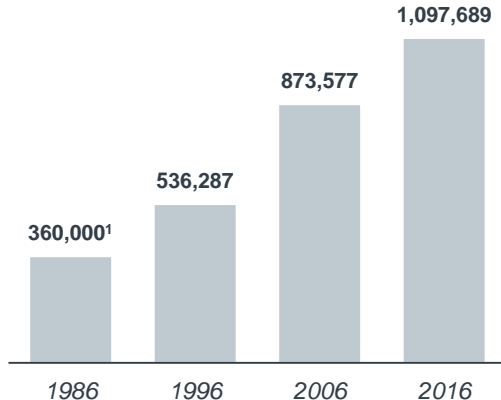


Competition Drives Down Donors for All

Crowded Philanthropic Sector Contributes to Fundraising Woes

Unprecedented Growth in the Size of the Sector

Number of Public Charities, 1986-2016



More Options, Less Support

“The long term trend continues to move towards giving to fewer causes, with 42% of the survey’s oldest donors supporting eleven or more charities versus only 22% of middle-age donors”

*Penelope Burk
The Burk Donor Survey 2014*

Source: National Center for Charitable Statistics, “The Number and Finances of All Registered 501(c) Nonprofits,” <http://nccsweb.urban.org/tablewiz/tw.php>; Arnsberger P, et al, “A History of the Tax Exempt Sector: An SOI Perspective,” Internal Revenue Service, <https://www.irs.gov/pub/irs-soi/tehistory.pdf>; Burk P, “The Burk Donor Survey: Where Philanthropy is Headed in 2014,” September 2014, http://www.cygresearch.com/files/free/Exec-Sum-2014_Burk_Donor_Survey_Report-US_Results.pdf; Advancement Forum interviews and analysis.

1) Approximate figure for 1986.

The Rise of Impulse Giving

Donor Loyalty Declines as Giving Options Grow

A Shift in Behaviors

“The next generation of donors have different philanthropic behaviors. **They do more one-off giving** than their predecessors. They come, they go. There’s been a shift away from doing checkbook philanthropy at the end of the year where you look up what causes you gave to last year and make those same gifts again.”

*Barbara Turman
AVP Annual Giving
Rutgers University*

Unpredictable



Predictable

42%

Impulse Givers

Support a constantly shifting roster of nonprofits whenever the mood strikes

6%

Habitual Supporters

Make regular donations, but to somewhat random causes

17%

Selective Givers

Give spontaneously, but do so to a fixed set of causes

16%

Philanthropic Planners

Routinely give and deliberately select nonprofits to support¹

1) Remaining 20% of respondents' survey answers did not place them into any one of the four categories.

Winning Donor Mindshare in the Attention Economy

Maximizing ROI Through Multichannel Annual Giving

Beginning at the End of the Annual Giving Pipeline



Make It Easy to Give



Opportunity Size



Population Size

Cut Through the Noise



Opportunity Size



Population Size

Connect Alumni to a Cause



Opportunity Size



Population Size

Goal: Plug Leaky Renewal and Acquisition Pipeline

Goal: Expand Pipeline to Include Interested Lapsed and Non-Donors

Goal: Augment Traditional Donor Constituencies with New Donors

2017 Research Initiatives

Unparalleled Source of Innovative Strategies and Practices

Member Rated Top Topics Under Consideration

Giving pyramids today look like inverted thumbtacks—where five percent of our donors account for 95% of our fundraising returns. Chief advancement officers are feeling pressure across the entire giving pyramid. At the top, there is increased urgency to widen the group of small, but extremely influential donors. But we can only accomplish this if we tap into the capacity that already exists in the middle of the pyramid and reach non-donor alumni with capacity that we've been unable to reach in the past. To do that, we not only have to deploy tactics that effectively steward and upgrade current donors over time, but we also have to deploy scalable discovery and cultivation tactics, including volunteer opportunities that expand our reach beyond the usual suspects to increasingly diverse alumni and parent populations.

- **Innovations at the Top of the Giving Pyramid**
New Approaches to Expand the Pool of High Dollar Donors
- **Diversifying Board and Volunteer Groups**
- **Overcoming Inertia in the Middle**
Leveraging Business Intelligence to Enhance Pipeline Development

Looking Forward to Sharing with EAB Members

Executive Roundtables

- July, 24-25, 2017; Washington, DC
- September 18-19, 2017; Chicago, IL
- October 16-17, 2017; Marina del Rey, CA
- January 29-30, 2018; Washington, DC

Large Shop Executive Roundtable

- July 31-August 1, 2017; Washington, DC

Small Shop Executive Roundtable

- November 9-10, 2017; Washington, DC

Team Summit

- September 26-27, 2017; Washington, DC
- January 18-19, 2018; Washington, DC