

# RNL Regional Workshop

Donor Engagement and Fundraising

WELCOME



# Workshop Welcome

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**Greta Daniels, CFRE**  
Senior Vice President

**Rebecca Widmer**  
Vice President

**Justin Marquart**  
Vice President



# Housekeeping items

## Introductions

- Name
- Title
- Institution

## Agenda Review

## Round Table Lunch Topics

- Omni-Channel Grateful Patient Programs
- Hyper-Personalized Donor Engagement
- Mining Your Annual Giving Program for Major Prospects

## Wi-Fi Network Info on Tables

# Goals for today

- 1 Connect with other university leaders
- 2 We want you to leave today armed with additional context and research focused on:
  - National philanthropic, financial, economic trends that impact giving
  - Behaviors and expectations in tomorrow's major giving prospects and gift officers
  - Key characteristics of high-quality donor engagement strategies
  - Patterns of success we have observed in this market
- 3 We want you to leave today energized with at least one actionable idea you take back to campus

# 1

## National Data, Trends, and Insights

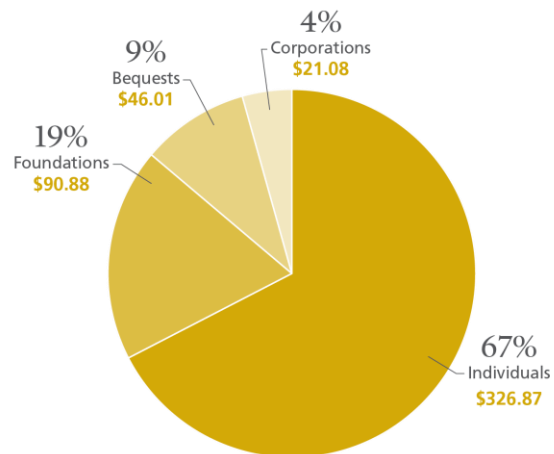


# Giving plateau



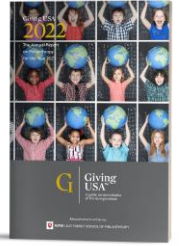
## 2021 contributions: \$484.85 billion by source of contributions

(in billions for dollars – all figures are rounded)



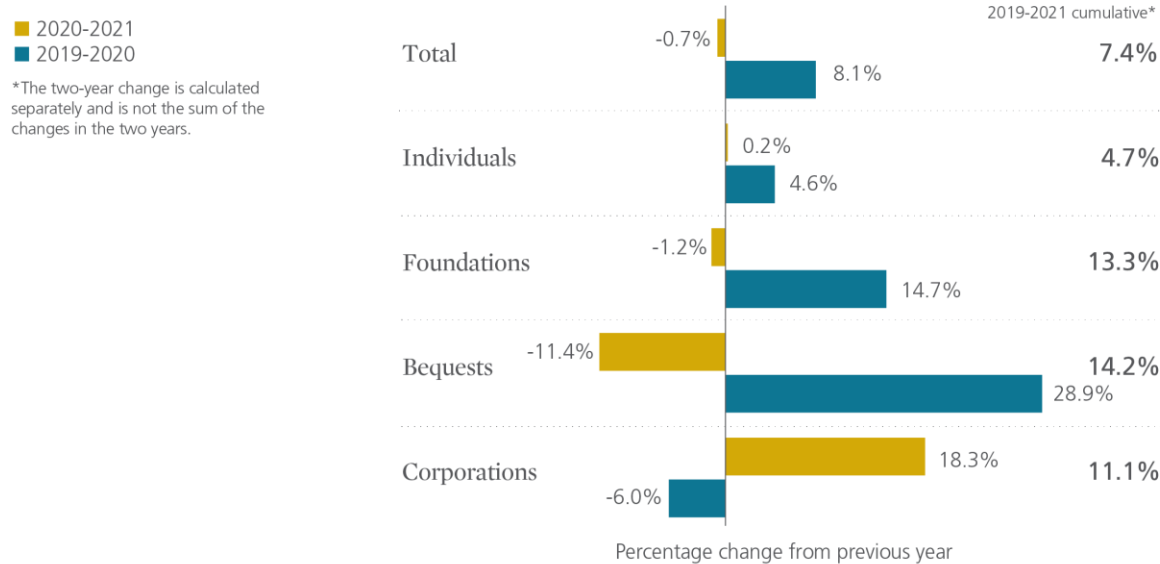
Increase:  
**+4.0%**  
After  
inflation:  
**-.7%**

# Big swings require cautious planning and diversified revenue streams



## Changes in giving by source: 2019–2020 and 2020–2021, 2019–2021 cumulative

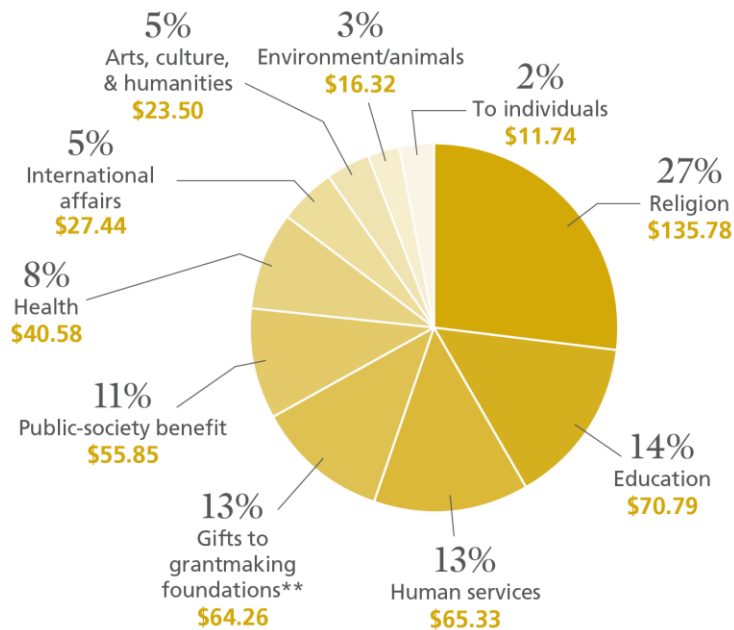
(in inflation-adjusted dollars, 2021 = \$100)



\*The two-year change is calculated separately and is not the sum of the changes in the two years.

# 2021 contributions: \$484.85 billion by type of recipient organization\*

(in billions for dollars – all figures are rounded)



\* Total includes unallocated giving, which totaled -\$26.75 billion in 2021.

\*\* Estimates developed by the Indiana University Lilly Family School of Philanthropy using data provided by Candid.





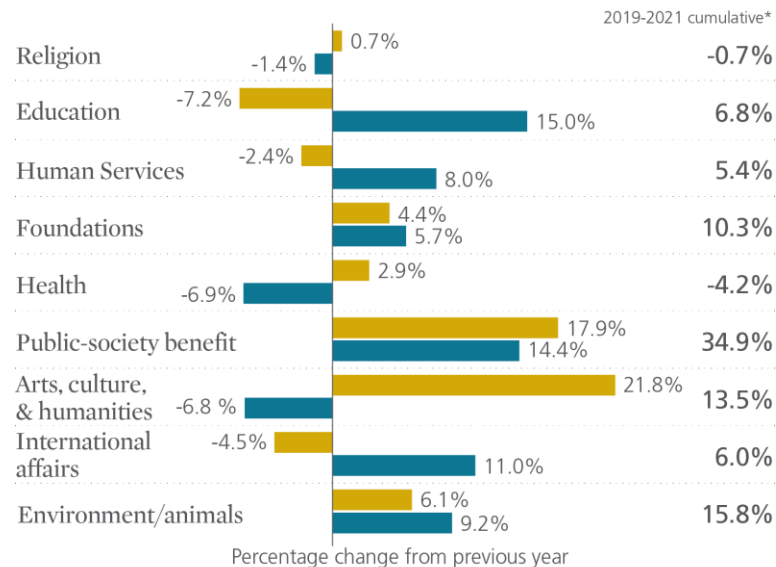


# Changes in giving by type of recipient organization: 2019–2020 and 2020–2021, 2019–2021 cumulative

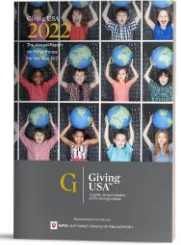
(in inflation-adjusted dollars, 2021 = \$100)

■ 2020-2021  
■ 2019-2020

\*The two-year change is calculated separately and is not the sum of the changes in the two years.

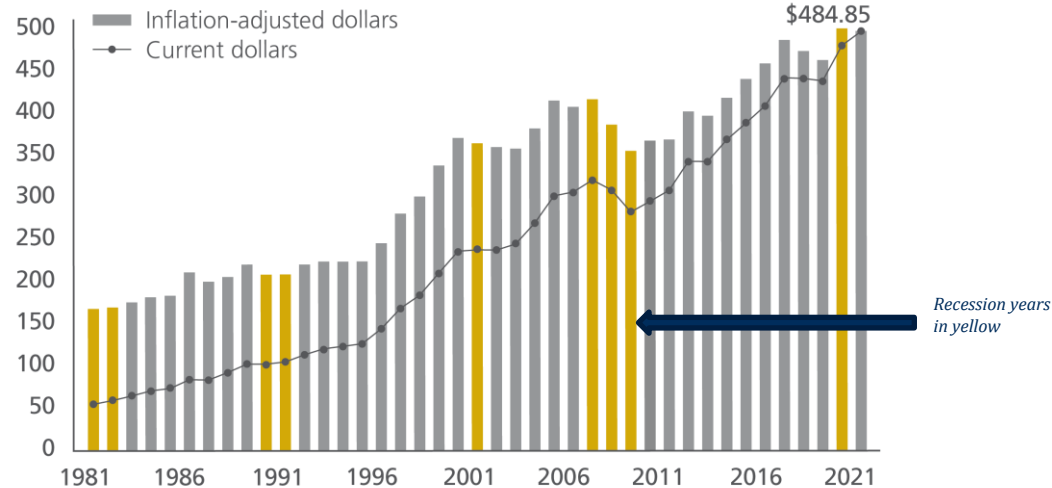


# Giving in tough economic circumstances



## Total giving, 1981-2021

(in billions of dollars)





## QUESTIONS TO CONSIDER

**How is this “recession”  
different from 2008?**

**What are your predictions for next  
2-3 years in giving trends?**

# How is this “recession” different from 2008?

- “Americans step up in times of need. The initial year of every recession has consistently shown *increased giving* in the last 40 years.”
- “One reason we know the Great Recession was so ‘great’ was that giving declined in the second and third year.”
- “This economic moment is also different, because it comes on the wings of significant 2020 giving for immediate need. Donors may be ‘tapped out’ to a greater degree than in previous recessions, which came after massive economic upturn and stock market inflation.”



**-25%**

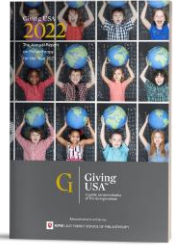
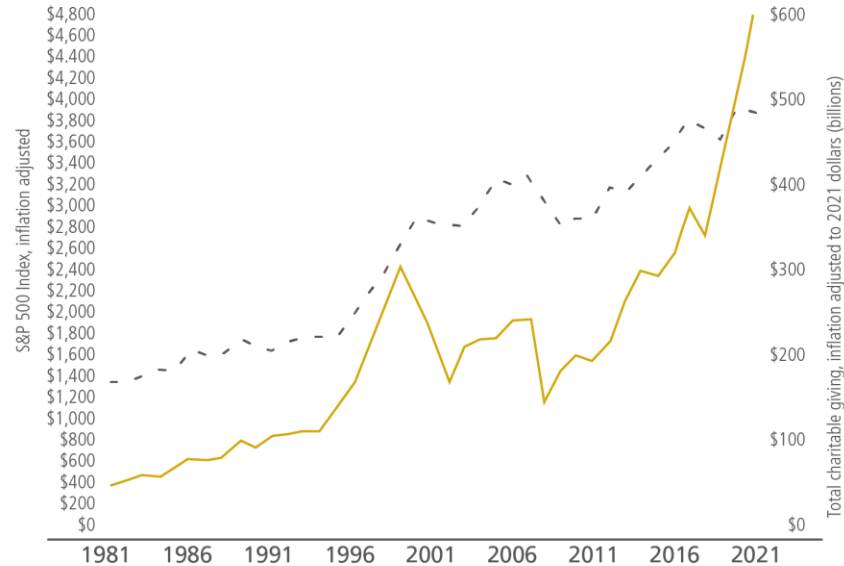
S&P decline since  
January 1

# S&P predicts major giving

## Total charitable giving graphed with the Standard & Poor's 500 Index, 1981-2021

(in billions of inflation-adjusted dollars, 2021 = \$100)

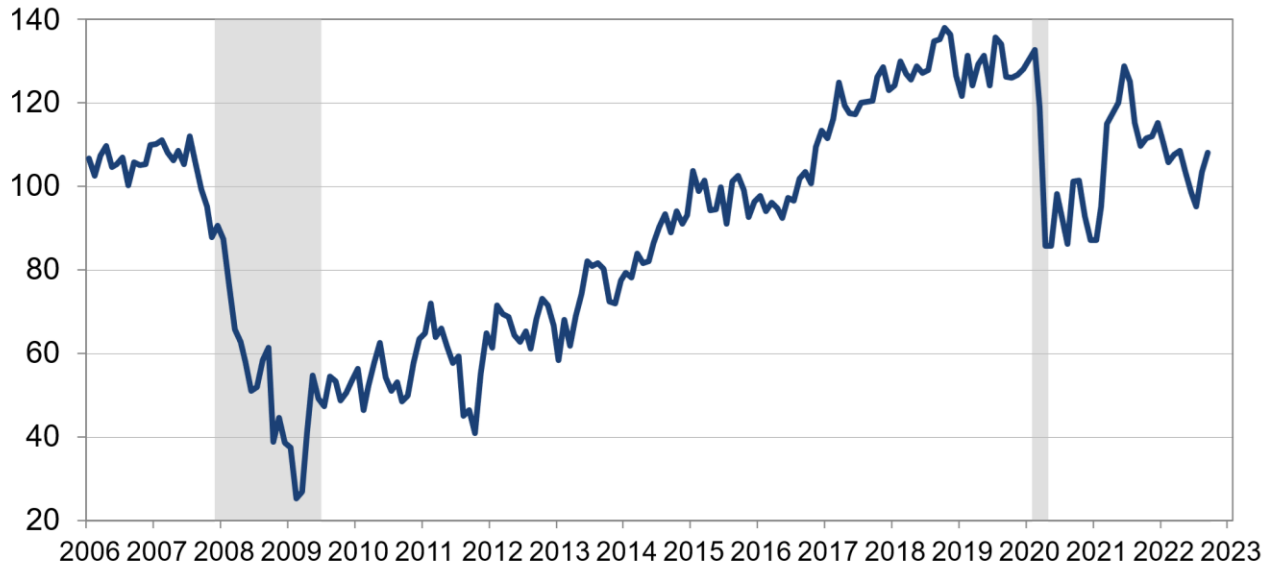
- S&P 500, inflation-adjusted dollars
- - Total giving, inflation-adjusted dollars



# Consumer confidence predicts annual giving

## Consumer Confidence Index®

Index, 1985 = 100



\*Shaded areas represent periods of recession.  
Sources: The Conference Board; NBER  
© 2022 The Conference Board. All rights reserved.

# Additional context and philanthropic trends

- *Online giving grew 9% in 2021, representing a three-year increase of 42%.*
- *Foundations increased giving by 3% and have increased 10 of the last 11 years.*
- *Wealthy donors were more insulated from the effects of Covid, but now face liquidity issues related to securities decline.*
- *Corporate giving tends to be tied to pre-tax profits and GDP and was down.*
- *Giving by bequest was up but tends to fluctuate year over year.*
  - *Expect to see trend upward from Baby Boomer effect!*

*What other trends have you observed that impact your work?*



## QUESTION TO CONSIDER

**To what extent do you factor in economic or behavioral trends when organizing fundraising priorities or preparing your gift officers for the ask?**



A person is shown from the chest down, wearing a blue checkered shirt. They are holding a smartphone in their right hand and have their left hand on a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. The text "How else has the landscape changed?" is centered in white, sans-serif font.

How else has the  
landscape changed?

# Impact of national trends on fundraising orgs

**Paused campaign launches**

**Interrupted donor outreach**

**Turnover and leadership change**

**Replacing fundraising activities rapidly, with little data**



# What are your greatest challenges?



# What are your greatest challenges?

Declining trust in institutions culturally means we have an uphill battle **convincing young alumni that we're a cause worthy of investment.**

New donor acquisition. Finding new ways to engage younger donors is a challenge.

Leadership turnover slows us down. Introducing new players in a virtual world is difficult.

Underdeveloped donor pool, a difficult CRM, and new staff.

Lack of empathy for one another and challenges created by the pandemic that are unresolved.

## **Budget.**

We have great ideas and plans but not enough funds to handle everything at the moment.

Lack of investment in staff and lack of operating/unrestricted funds.



# QUESTIONS TO CONSIDER

**What are the biggest  
potential opportunities?  
What holds the most promise?**



# What do you believe holds the biggest promise?

Advances in new technology and flexibility have equipped us with tools to make our work more engaging, and we've just started to scratch the surface of their potential.

A solid team. Trying new technology and embracing new ideas along with student philanthropy initiatives on campus.

**Personal connections.** The phonathon program has boomed this last year, and I believe it's in part people's desire to once again connect with those around them. So many people lacked human interaction or so long that even a call from a student you don't know can be the highlight of someone's day.

I believe that truly being able to integrate an omni-channel strategy that is informed by **AI and machine learning** would allow for new growth in my program.

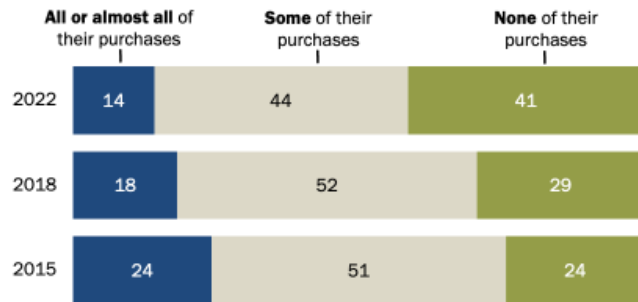
Leveraging learnings from the pandemic (virtual tools, etc.) to complement more traditional approaches to increase efficiency and reach new audiences.

Showing donors what their investment can accomplish so they know they are making a difference in the lives of our students.

# Trends in technology and communication

## Americans have become more likely to say they don't use cash for purchases in a typical week

% of U.S. adults who say they make \_\_\_ (including things like groceries, gas, services or meals) in a typical week using cash

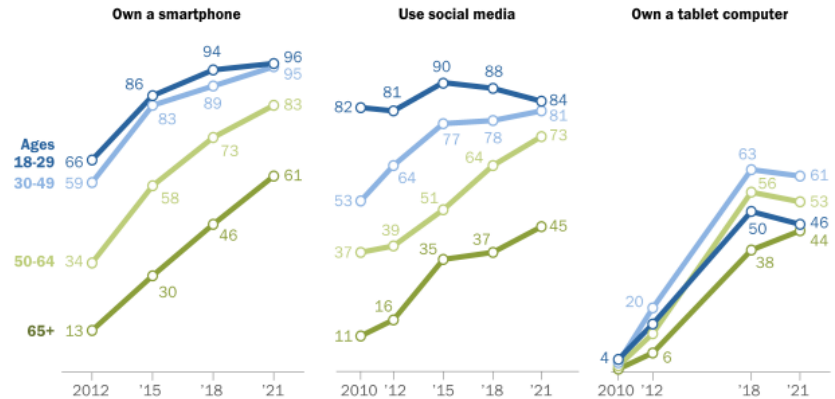


Note: Respondents who did not give an answer are not shown.  
Source: Survey of U.S. adults conducted July 5-17, 2022.

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## Smartphone ownership and social media use among older adults continue to grow

% of U.S. adults who say they ...



Note: Respondents who did not give an answer are not shown.  
Source: Survey of U.S. adults conducted Jan. 25-Feb. 8, 2021.

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# Key takeaways

- People still give, even when there is big economic stress.
- Major giving will largely follow S&P and we have to plan for economic uncertainty.
- Huge opportunity to engage donors through modern, digital channels and friction-free giving vehicles.
- Younger donors are prime prospects for financial planning and giving conversations.
- What are your key takeaways for this session?





# RNL Regional Workshop

Donor Engagement and Fundraising



# 2

## Leveraging Donor Engagement to Grow Major Gift Pipeline



# What characteristics describe your major givers?

connected trust  
aware communication  
invested engaged  
impact partner passionate  
educated

*Take the Survey: [RNL.com/ALS2022](https://RNL.com/ALS2022)*

# Changing the way we build pipeline

## Key Trends



Over half of gift officers say they are not spending enough time on solicitation/crafting the ask.



About a quarter of fundraising positions now sit open.



Donors require greater personalization in communications and outreach to act on *anything*.

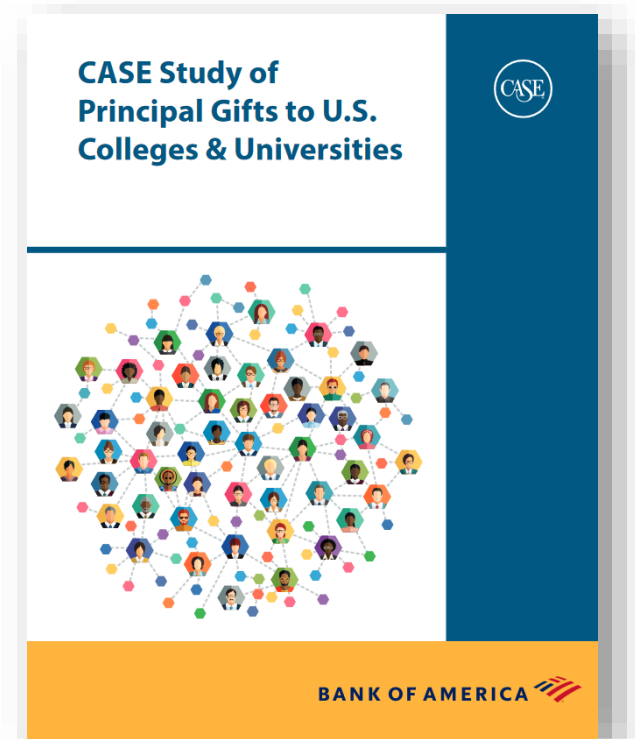


Technology and channels are ever evolving



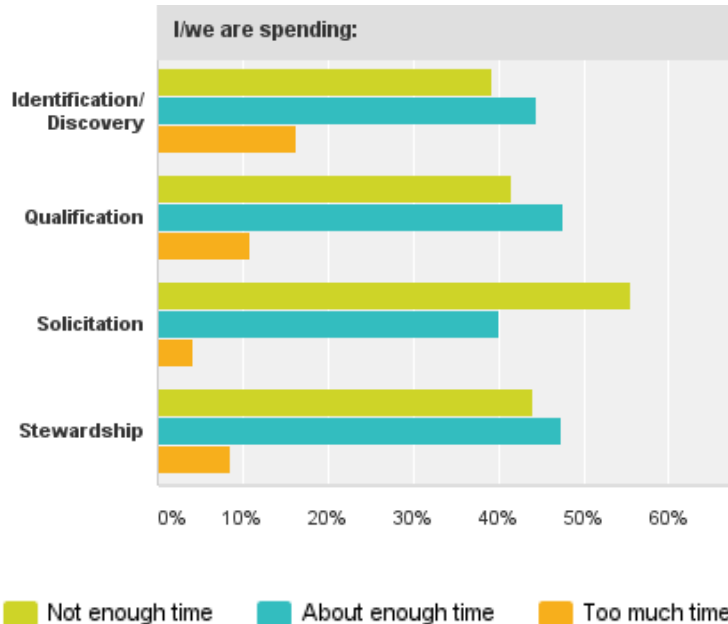
# Principal gifts take time

- More than half of principal givers have relationships of 11-40 years with the institution.
- Only 21% had been engaged less than 3 years.
- On average, it took 19.6 months from initial discussion to principal gift booking.
  - Average gift officer turnover rate = 16 months.



# Higher quality and efficient discovery leads to more successful solicitation

But gift officers are not spending enough time with the right prospects



55%

of gift officers  
feel they don't  
spend enough  
time in solicitation



# QUESTION TO CONSIDER

**What tools, resources, training, and strategies are you providing to your gift officers at the discovery/qualification phase so they can move prospects more effectively to solicitation?**

# The evolution of qualification

## ✗ THE OLD WAY

- ✗ Big prospect lists
- ✗ Our old friend Google
- ✗ Stressed prospect research
- ✗ Call, and call and call
- ✗ Fill in those appointments before you fly...

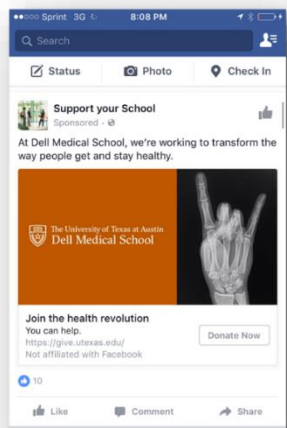
## ✓ MODERN STRATEGY

- ✓ Predictive modeling
- ✓ Personalized outreach at scale
- ✓ Donor “warming” campaigns
- ✓ Digital listening
- ✓ Low friction 1:1 engagement opportunities

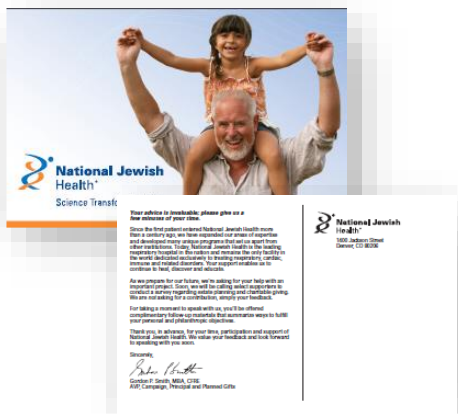


# Warming: Using annual giving tactics for major giving outcomes

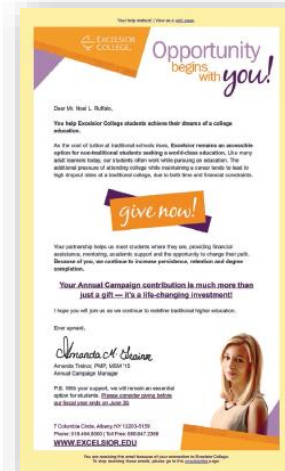
## Targeted Digital Advertising



## Direct Mail



## Email



It takes more than a cold call to engage your donors.

# Pipeline development is a team sport

*Personal 1:1 engagement through many conduits*



Student  
Ambassadors



Leadership  
Gift Officers



Board  
Members

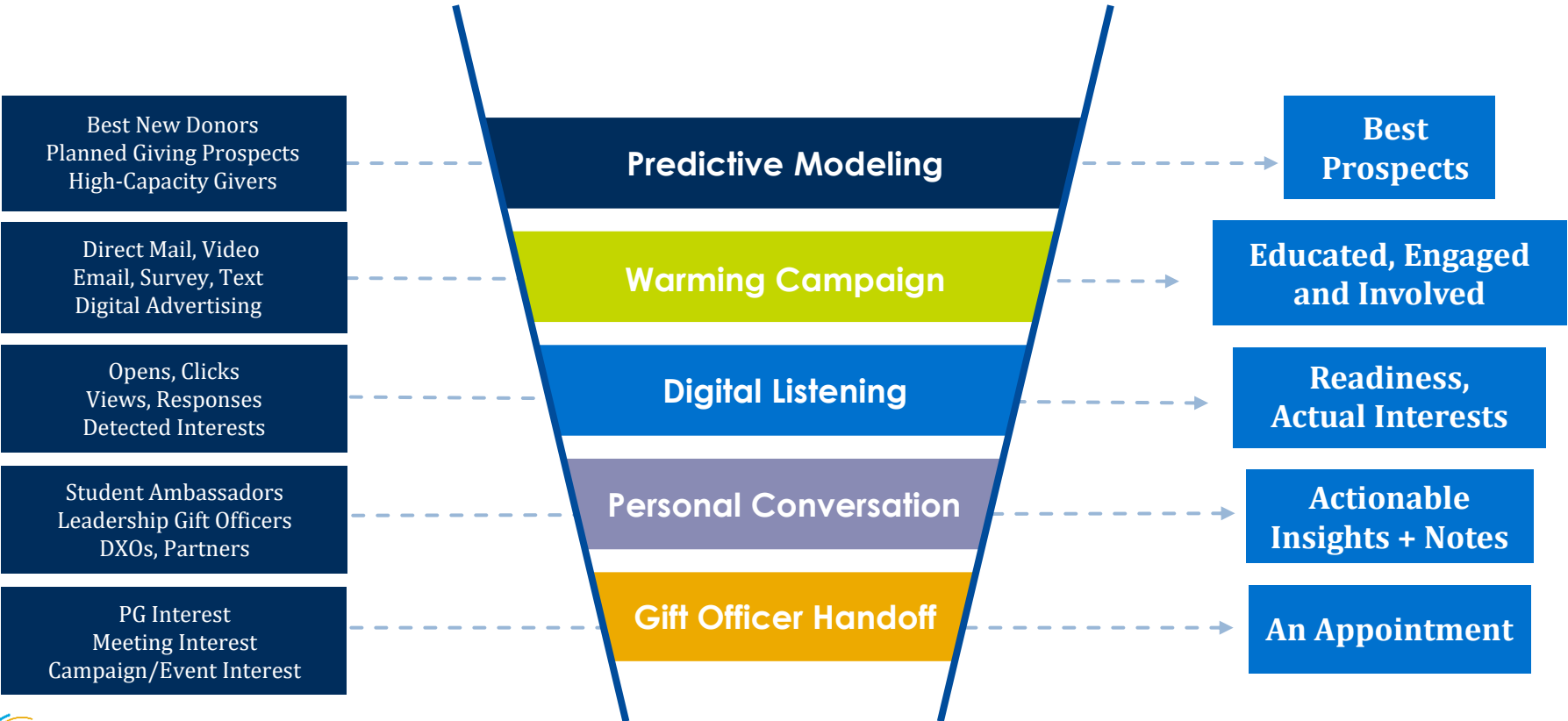


Volunteers



Partners

# Leveraging modern qualification to drive major gifts





# QUESTIONS TO CONSIDER

**How is your campus measuring “engagement” today?**

**Have you adopted the CASE Alumni Engagement Metric used to measure/assess staff or overall performance?**

# CASE Alumni Engagement Metrics Framework

## Inputs

- Number of Contactable Alumni
- AR Staff FTE
- AR Staff Salary Budget
- AR Program Budget

## Philanthropic

Financial support that is meaningful to the donor and supports the institution's mission and strategic goals

## Volunteer

Formally defined and rewarding volunteer roles that are endorsed by and valued by the institution

## Experiential

Meaningful experiences that inspire alumni, are valued by the institution, promote its mission, celebrate its achievements, and strengthen its reputation

## Communication

Interactive, meaningful, and informative communication that supports the institution's mission, strategic goals and reputation

# Key takeaways

- Organizations should leverage the modern qualification process to better utilize the investment in their gift officers.
- Tactics and tools used for other development silos (e.g., annual giving) can accelerate donor pipeline and improve portfolio performance.
- Engagement is a metric worth measuring for predicting growth potential.
- What other takeaways do you have from this session?



# **RNL Regional Workshop**

Donor Engagement and Fundraising



# 3

## Harnessing the Giving Potential of Millennials and Gen Z







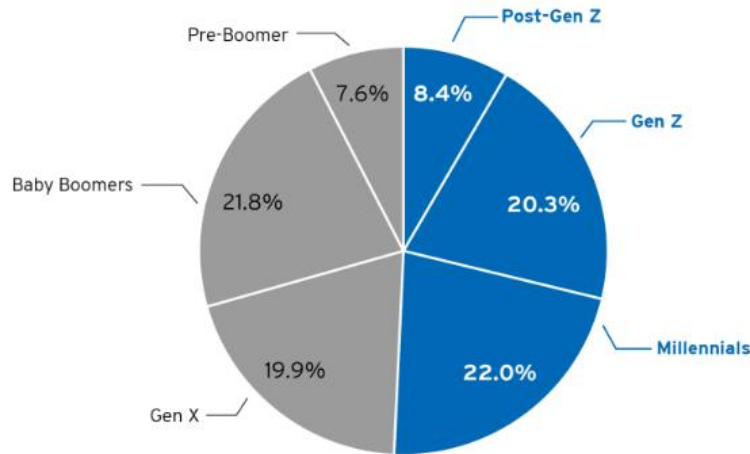
# QUICK POLL:

What percentage of your donor base is made up of younger donors?

# Generational Breakdown of Population

FIGURE 2

## Share of US population by generation



Numbers pertain to July 1, 2019

Note: Birth years are as follows: Post Gen Z (2013+), Gen Z (1997-2012), Millennials (1981-1996), Gen X (1965-1980), Boomers (1946-1964), Pre-Boomer (1945 and earlier).

Source: William H. Frey analysis of Census Bureau population estimates released June 25, 2020.

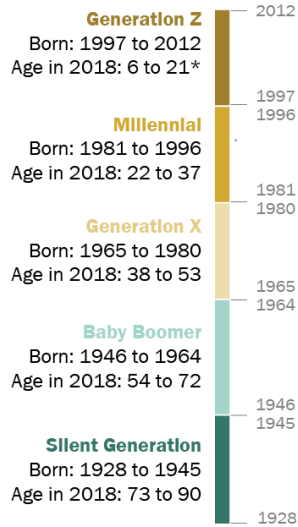
**B** Metropolitan Policy Program  
at BROOKINGS



Does your donor pool reflect the current U.S. population?

# Understanding Millennials/Gen Z

## The generations defined

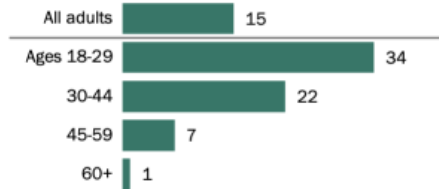


\*No chronological endpoint has been set for this group. For analytical purposes, Generation Z is defined as those ages 6 to 21 in 2018.

- Millennials' average net worth more than doubled during the pandemic, jumping to \$127,793 during the first quarter of 2022.
- The largest percentage of millennial assets is real estate, making up more than one-third of their wealth.
- Experts suggest focusing on other assets, such as building retirement plans and other long-term investments.

## About one-third of those ages 18 to 29 currently have student loan debt

% of adults saying they currently have outstanding student loan debt for their own education



Source: Pew Research Center analysis of Federal Reserve Board's 2018 Survey of Household Economics and Decisionmaking.

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- Gen Z's purchasing power is projected to represent \$33 trillion in income by 2030, surpassing millennial income by 2031<sup>5</sup>
- According to the 2021 Bank of America Study of Philanthropy, 81% of millennials and younger gave to charitable organizations in 2020
- Millennials and Gen Z were the most likely to have provided monetary assistance to someone during the pandemic<sup>6</sup>
- 55% of donors ages 38 and younger say they are more focused on the issues or causes they consider most important than on organizations (34%)<sup>7</sup>

Merrill Lynch



# Understanding Millennials and Gen Z

## 1 Adoption of a subscription-based economy

**90%** of Gen Z shoppers use subscription services, ranking it the highest cohort.

**70%** of Millennials use them.



## 2 General skepticism

**165M** records were exposed from data breaches in 2019.

**Greater scrutiny and skepticism** of institutions and organizations.



## 3 Trouble reaching donors

**36%** of contact data decays per year.

**Alumni are harder to stay in contact with**—more mobile, moving frequently and staying in jobs for shorter periods.



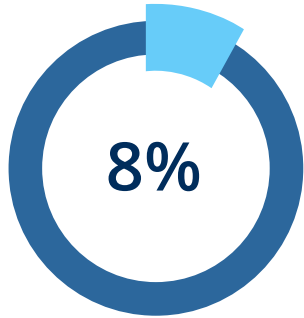


## QUESTION TO CONSIDER

**How are you engaging Millennial  
and Gen Z donors/prospects on  
your campus today?**



# National survey of young alumni



**Response rate**

**Feedback  
from 40,000  
alumni**

## Project goals

- Discover volunteer and giving behaviors and priorities
- Examine motives and needs
- Learn more about content and communications preferences
- Examine differences in alumni population
- Use feedback to shape outreach and inform future engagement strategies

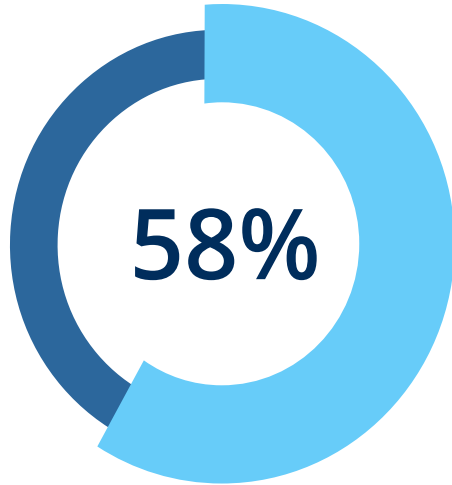
## Four launch dates in November and December 2018

- Second phase of three-year project
- 36 participating schools
- Sent to over 500,000 alumni
- 10-15 minute survey

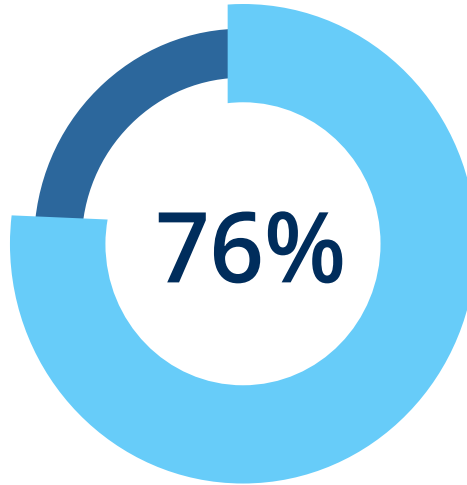
**Full report included in your workshop materials**

# Philanthropic activity

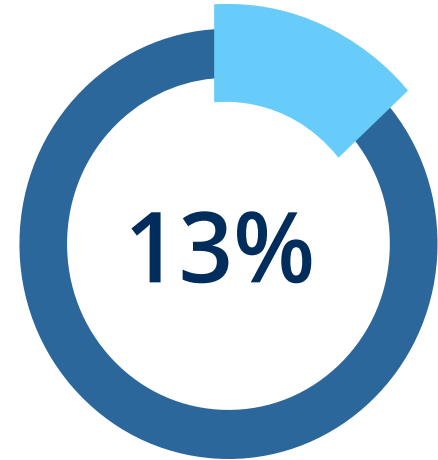
*Young alumni are philanthropic!*



**Volunteer**

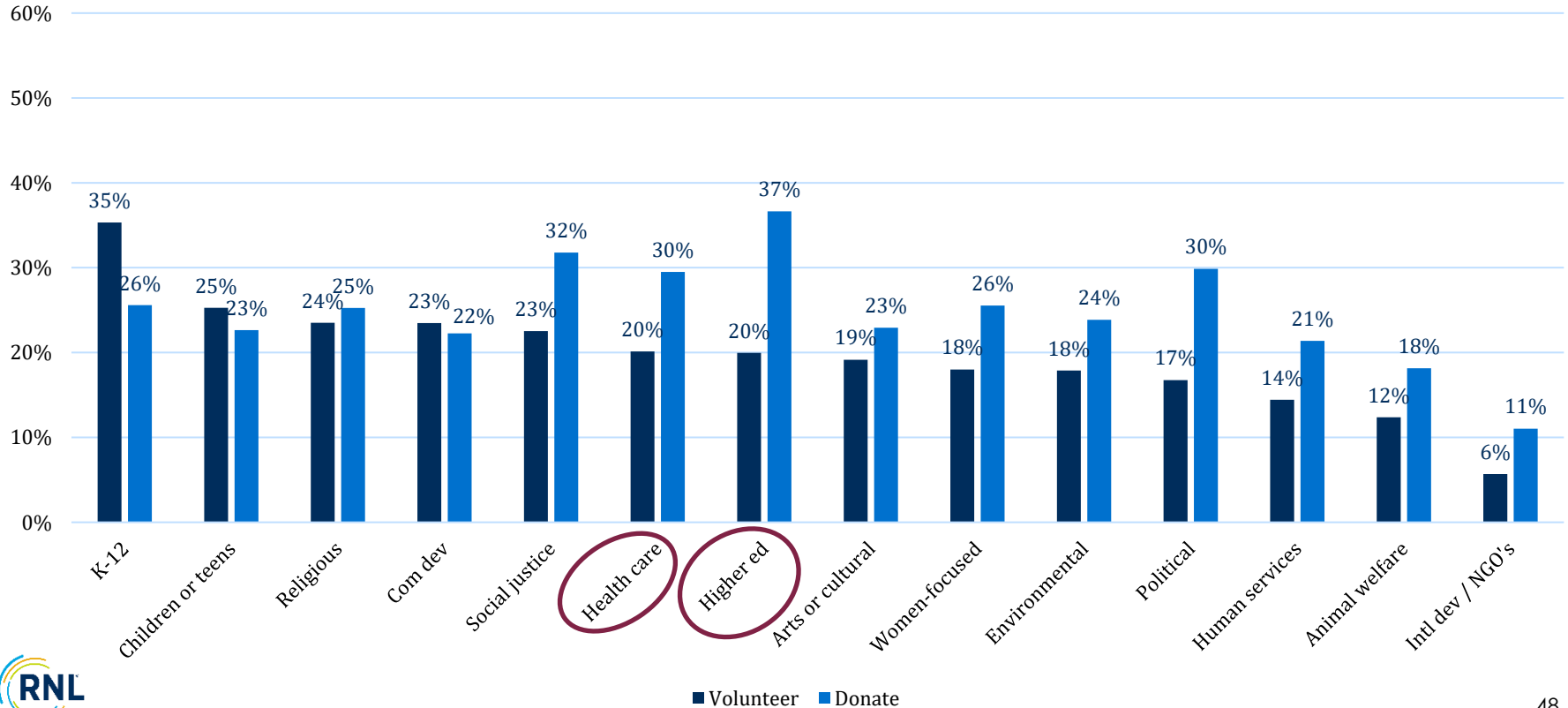


**Donate**



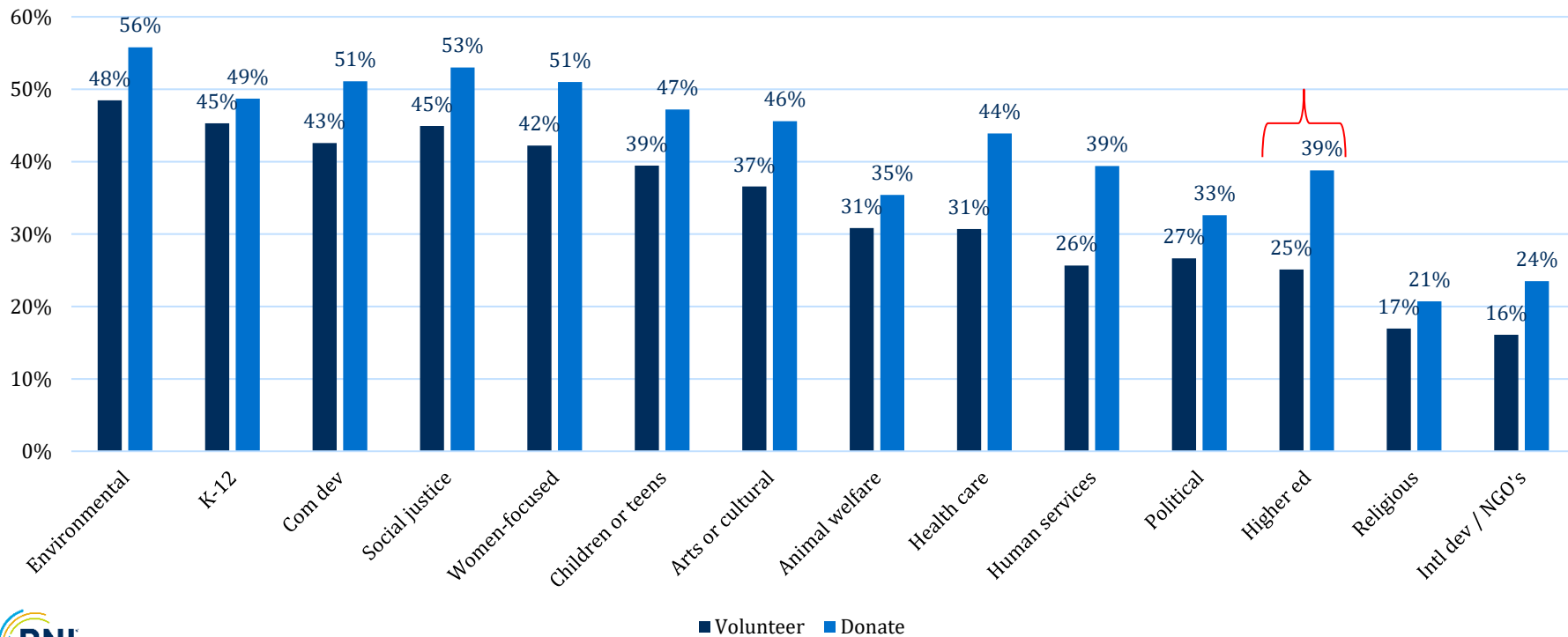
**Neither**

# Which types of orgs do Millennials/Gen Z currently support?





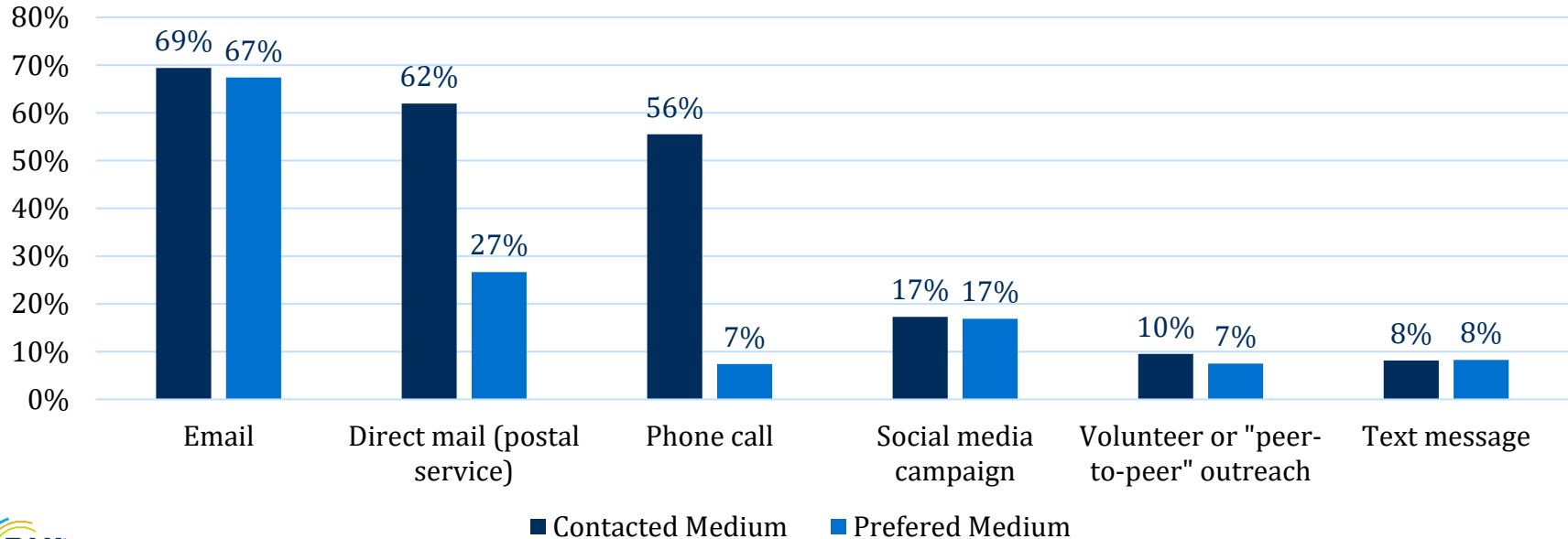
# “If you had the resources, which types of orgs would you like to support?”



# Omnichannel approach

*86% report being contacted to make a gift; 21% prefer to not be contacted*

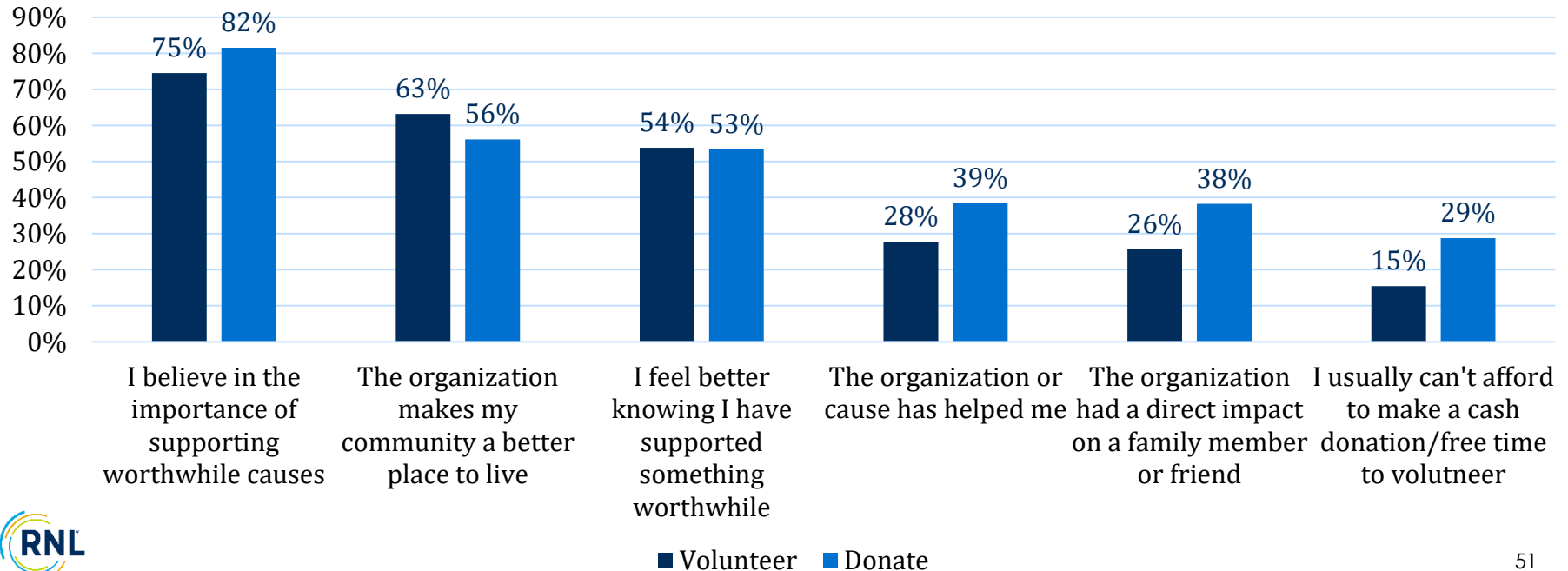
How have you / would you like to be contacted to make a gift to [Institution]? (select all that apply)



# Motivations of Millennial and Gen Z prospects

## *Supporting causes and community driven*

What motivates you to volunteer/donate in support of an organization or cause? Select all that apply.



# National survey of young alumni



**44% give for direct impact** of the cause on their family, friends, or themselves.



42% give if the cause **clearly demonstrates the impact.**



**1 in 10**

**young alumni strongly agree that their gift to their alma mater makes a difference**

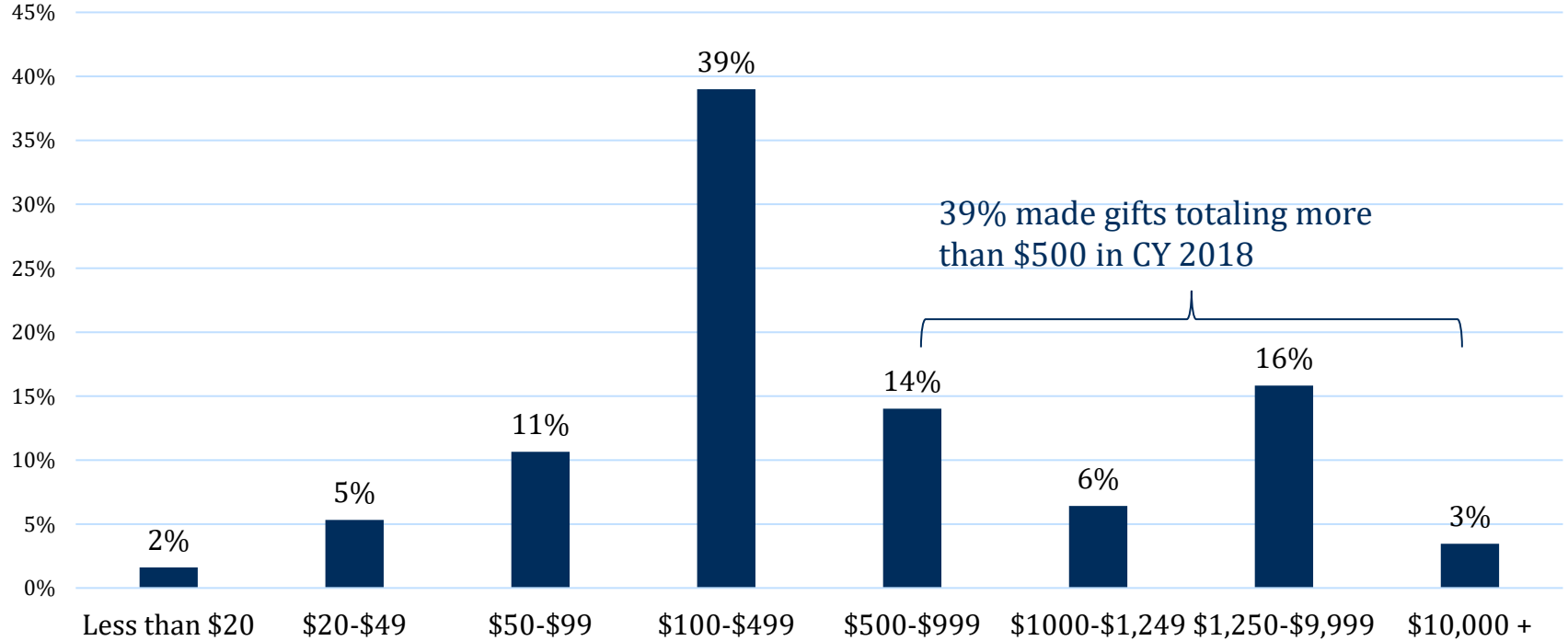


## QUESTION TO CONSIDER

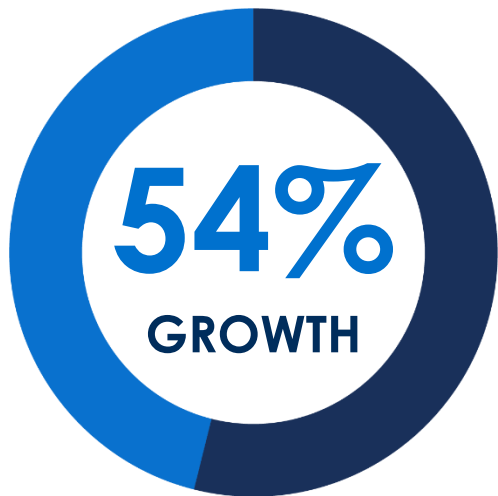
**Are younger donor cohorts part of  
your campaign plan?**

# Overall donations in 2018

## *Do not discount capacity*



# Survey insights impact growth for participating campuses



Colleges achieved a 54 percent growth in the young alumni donor base and 74 percent donor retention

# Key takeaways

- Young alumni need to **feel a connection** to the fundraising opportunity. Targeted micro-campaigns were effective.
- People rally around big tent initiatives; **giving days and challenge events** delivered an average of 2,405 donors last fiscal year.
- Don't set the bar too low. Young alumni will give **higher amounts**, especially if we quantify collective impact.
- Tools that allow for personalization, real-time engagement, improve donor/volunteer experience, and create staff efficiencies are worth it.
- **What other takeaways do you have from this session?**





# **RNL Regional Workshop**

Donor Engagement and Fundraising



# 4

## The Framework for Growth



# Building a strong foundation for growth



**Decisions  
driven by data  
and analytics**



**Direction  
guided by a  
comprehensive  
strategic plan**



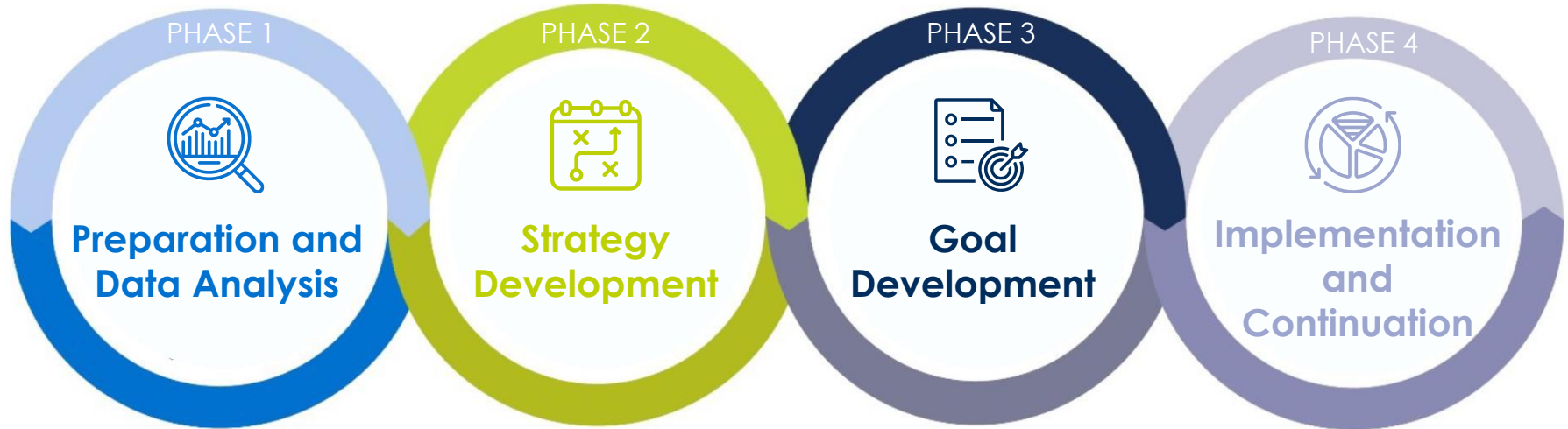
**Culture of  
investment**



**Remember  
your mission**

# Strategic planning for pipeline building

## *The four-phase recursive process*



- Build structure (team, tools)
- Identify top-level goals
- Collect and analyze available data
- Donor modeling/persona building

- Identify tactics
- Prioritize outcomes and initiatives
- ROI considerations

- Identify individual goals and KPIs

- Deploy plans
- Monitor, evaluate, and update the plan

# Building responsive annual plans

Suggested Outreach for Alumni LYBUNTs:



- Plus: Calendar Year End, Giving Day, and Fiscal Year End text as applicable

*The most effective programs are “operating a more fully-realized engagement model – blending email, text, personalized video, and calling in addition to data enrichment and modeling.”*

—From RNL’s consulting team

# Thank you for attending!

## EVALUATION FORM

Please complete evaluation form and leave at the table or hand to an RNL staff member

## RESOURCES

Resources are at the check-in table and online

## CONNECT WITH RNL

Let us know if you'd like to connect to discuss how we are partnering with campuses in any of the following areas:

- Omnichannel fundraising campaigns
- Expert consulting for giving days, digital fundraising, strategic planning
- On-campus digital engagement centers
- Digital fundraising tools: ScaleFunder and QuadWrangle
- Direct marketing and creative services





# Thank You

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# 5

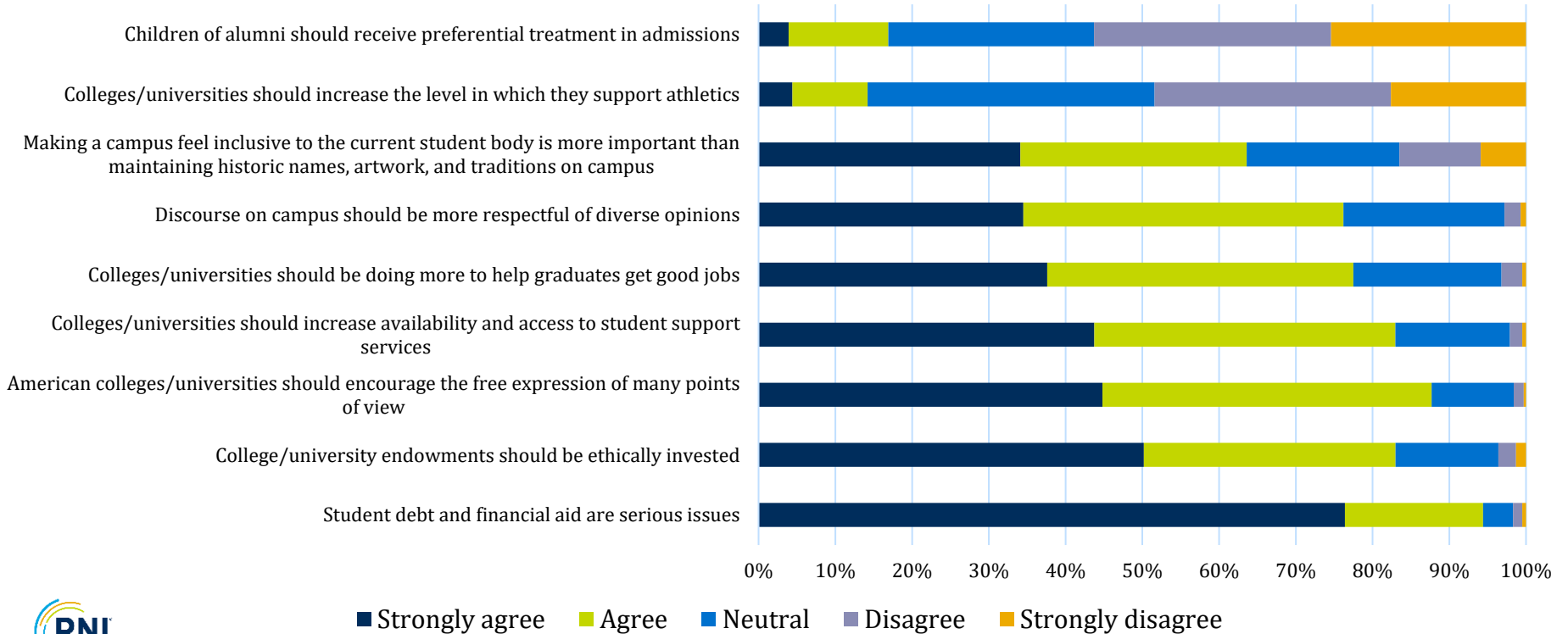
## Appendix





# Student debt is of concern

Please indicate your level of agreement or disagreement with each statement.



# Young alumni giving preferences

## TOP AREAS OF INTEREST FOR YOUNG ALUMNI

AREA FOR DONATION	DONOR SINCE GRADUATION	NON-DONOR
Scholarship and financial aid budget <sup>5</sup>	66%	54%
Specific department or major	45%	52%
Initiatives to assist first-generation students	44%	37%
Mental health services	43%	48%
Initiatives that build an inclusive campus environment	37%	28%
Programming that supports sustainability/environment	33%	31%
Specific student club/organization	28%	29%
Institution's annual fund	27%	6%

*Demonstrating impact is crucial.*



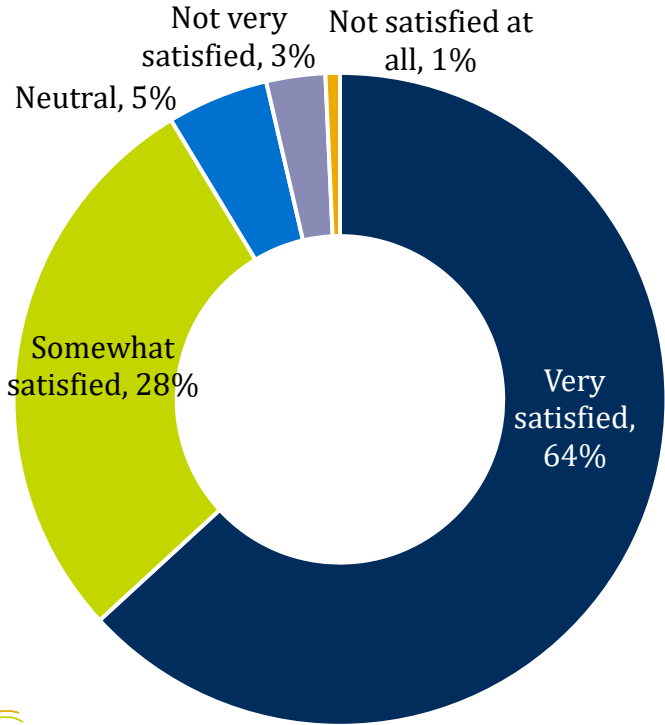
4X  
more likely

Alumni who reported higher rates of student satisfaction and a good sense of current connection were four times more likely to volunteer or make philanthropic contributions to their alma mater.

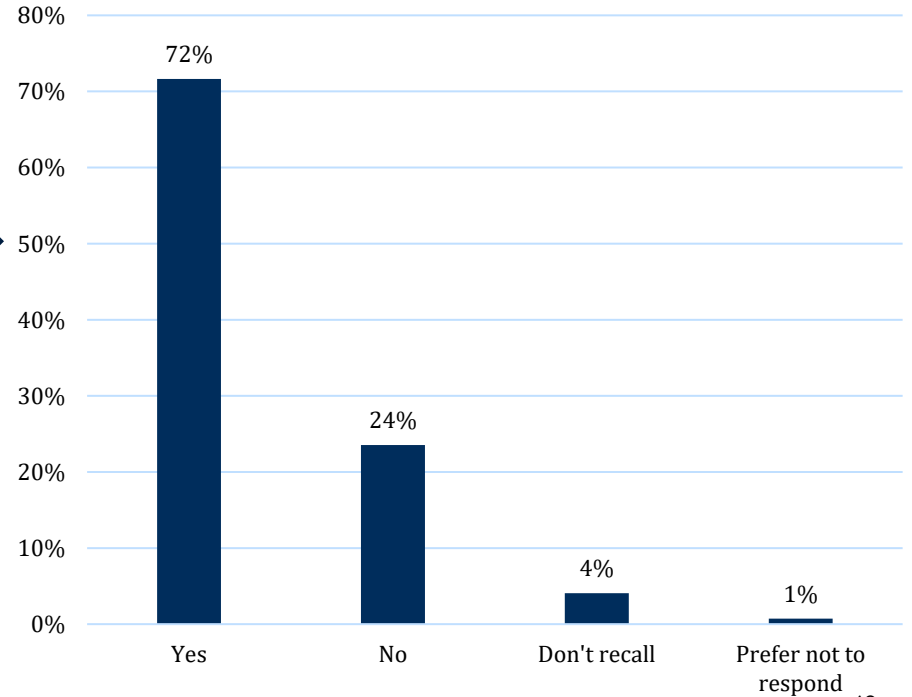


# Satisfaction and Giving













*Rate your overall satisfaction with your experience as a student at [Institution]*



### Very Satisfied By Donation Status



**Young adults more likely than older adults to cite friends as a source of meaning in life; people ages 65 and older more likely to emphasize their health**

	18-29	30-49	50-64	65+
Rank	Family	Family	Family	Family
<b>1<sup>st</sup></b>				
<b>2<sup>nd</sup></b>	Friends 	Occupation 	Occupation 	Material well-being 
<b>3<sup>rd</sup></b>	Occupation 	Material well-being 	Material well-being 	Health 

Note: Open-ended question. Rank within age groups reflects the total number of publics where the topic fell in the top three out of 17 sources of meaning that were coded. For more information, see "What Makes Life Meaningful? Views From 17 Advanced Economies," Appendix A.

Source: Spring 2021 Global Attitudes Survey, Q36.

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# General Decline in Trust

Shares of respondents who said they have "some" or "a lot" of trust in the following:



(Courtesy of Morning Consult)

## Change in Americans' Confidence in Major U.S. Institutions, 2021-2022

Now I am going to read you a list of institutions in American society. Please tell me how much confidence you, yourself, have in each one -- a great deal, quite a lot, some or very little.

	2021	2022	Change pct. pts.
	% Great deal/Quite a lot	% Great deal/Quite a lot	
Small business	70	68	-2
The military	69	64	-5
The police	51	45	-6
The medical system	44	38	-6
The church or organized religion	37	31	-6
The public schools	32	28	-4
Organized labor	28	28	0
Banks	33	27	-6
Large technology companies	29	26	-3
The U.S. Supreme Court	36	25	-11
The presidency	38	23	-15
Newspapers	21	16	-5
The criminal justice system	20	14	-6
Big business	18	14	-4
Television news	16	11	-5
Congress	12	7	-5

Institutions are ranked from highest to lowest confidence in 2022.

Get the data

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