RNL Regional Workshop

Donor Engagement and Fundraising

WELCOME

Workshop Welcome

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Housekeeping items

Introductions

- Name
- Title
- Institution

Agenda Review

Round Table Lunch Topics

- Current Trends in Philanthropy (continued)
- 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

RNL

1

National Data, Trends, and Insights

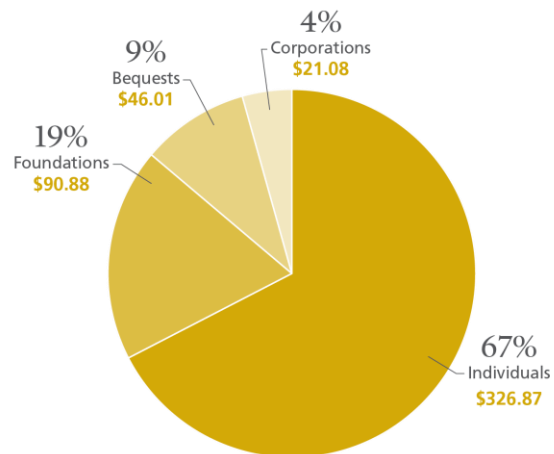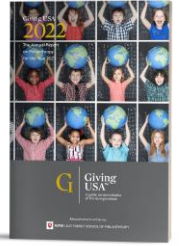# Giving plateau

2021 contributions: $484.85 billion by source of contributions

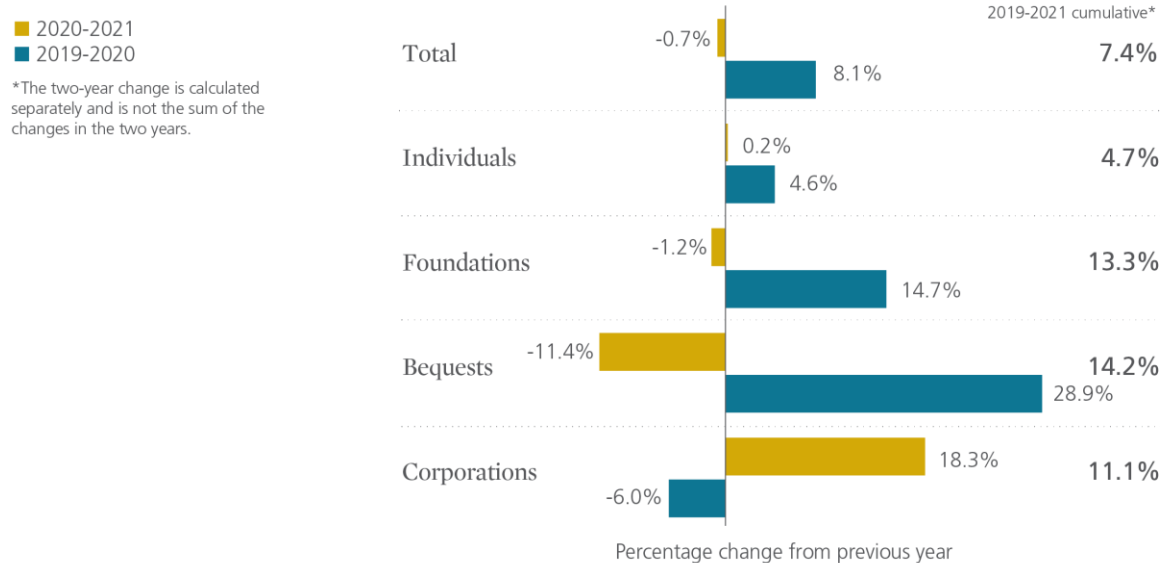(in billions for dollars – all figures are rounded)

4%
Corporations
$21.08

9%
Bequests
$46.01

19%
Foundations
$90.88

67%
Individuals
$326.87

Increase:
+4.0%

After inflation:
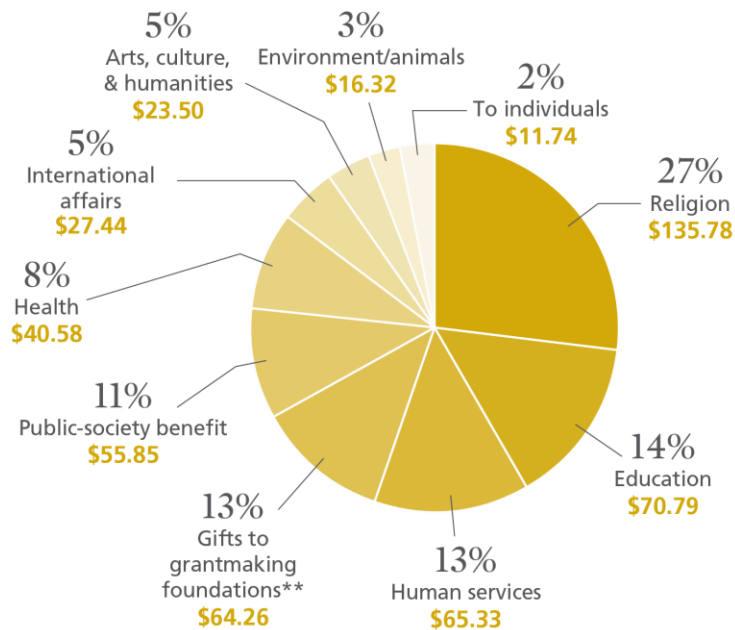**-.7%**

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)

■ 2020-2021
■ 2019-2020

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

	2019-2021 cumulative*
Total	7.4%
	-0.7% (2020-2021), 8.1% (2019-2020)
Individuals	4.7%
	0.2% (2020-2021), 4.6% (2019-2020)
Foundations	13.3%
	-1.2% (2020-2021), 14.7% (2019-2020)
Bequests	14.2%
	-11.4% (2020-2021), 28.9% (2019-2020)
Corporations	11.1%
	18.3% (2020-2021), -6.0% (2019-2020)

Percentage change from previous year

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

(in billions for dollars – all figures are rounded)

5%
Arts, culture,
& humanities
$23.50

3%
Environment/animals
$16.32

2%
To individuals
$11.74

5%
International
affairs
$27.44

27%
Religion
$135.78

8%
Health
$40.58

11%
Public-society benefit
$55.85

13%
Gifts to
grantmaking
foundations**
$64.26

13%
Human services
$65.33

14%
Education
$70.79

*   Total includes unallocated giving,
    which totaled -$26.75 billion in 2021.
** Estimates developed by the Indiana
    University Lilly Family School of
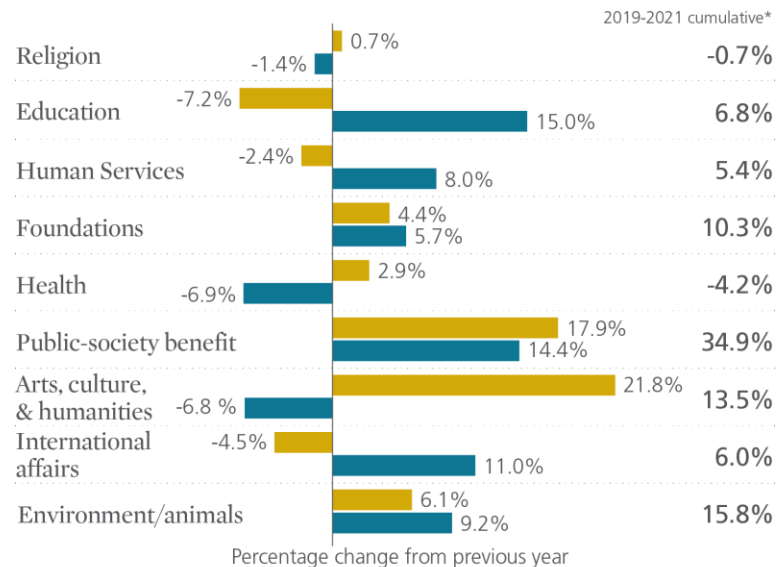   Philanthropy using data provided by
    Candid.

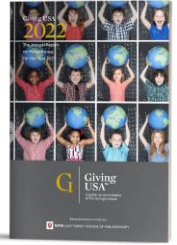# Changes in giving by type of recipient organization: 2019–2020 and 2020–2021, 2019–2021 cumulative

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

■ 2020-2021
■ 2019-2020

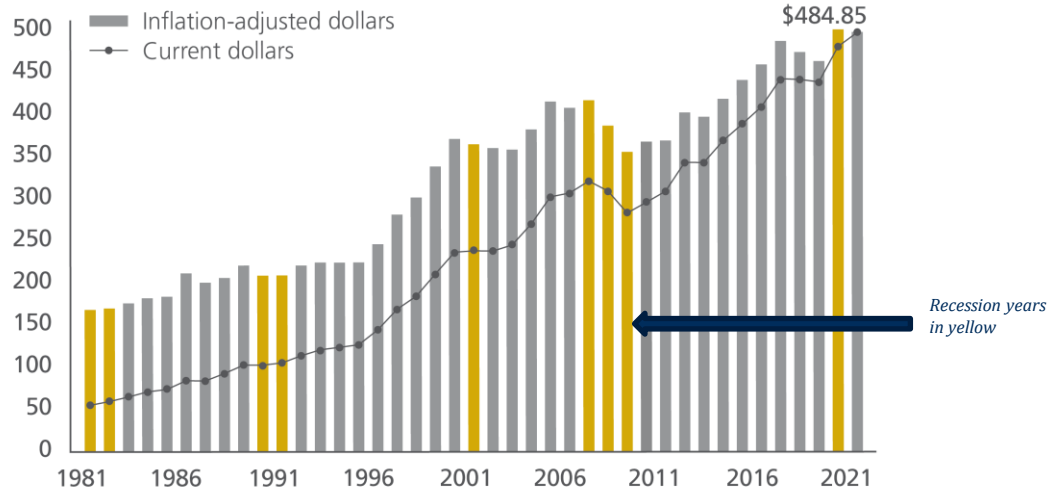*The two-year change is calculated separately and is not the sum of the changes in the two years.

2019-2021 cumulative*

Type	2020-2021	2019-2020	2019-2021 cumulative*
Religion	0.7%	-1.4%	**-0.7%**
Education	-7.2%	15.0%	**6.8%**
Human Services	-2.4%	8.0%	**5.4%**
Foundations	4.4%	5.7%	**10.3%**
Health	2.9%	-6.9%	**-4.2%**
Public-society benefit	17.9%	14.4%	**34.9%**
Arts, culture, & humanities	21.8%	-6.8 %	**13.5%**
International affairs	-4.5%	11.0%	**6.0%**
Environment/animals	6.1%	9.2%	**15.8%**

Percentage change from previous year

Researched and written by IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY

Giving in tough economic circumstances

Total giving, 1981-2021
(in billions of dollars)

$484.85

Inflation-adjusted dollars
Current dollars

Recession years
in yellow

Giving USA
A public service initiative of The Giving Institute

THE Giving Institute
Shared Intelligence.
For the greater good.

Researched and written by   IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY

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."
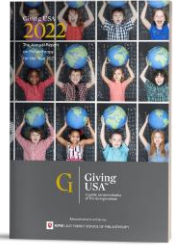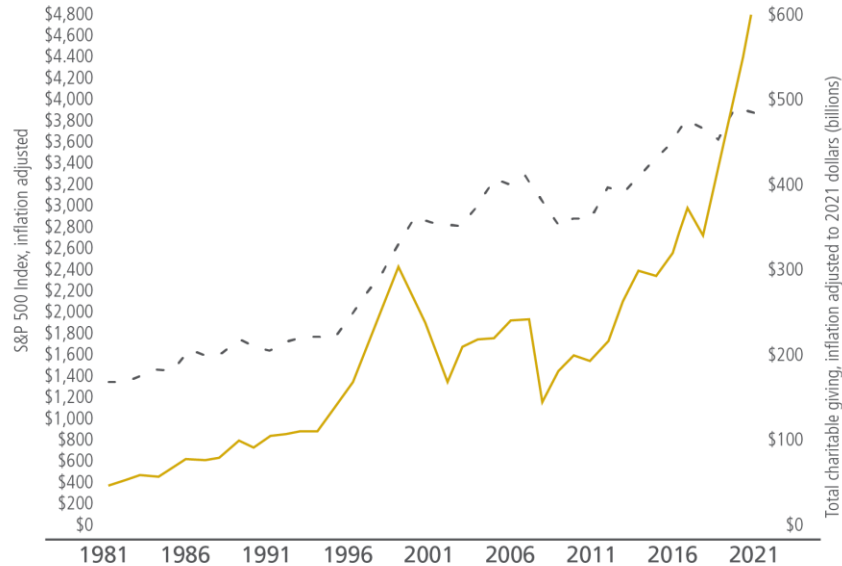
-25%

S&P decline since January 1

S&P predicts major giving

Total charitable giving graphed with the Standard & Poor's 500 Index, 1981-2021
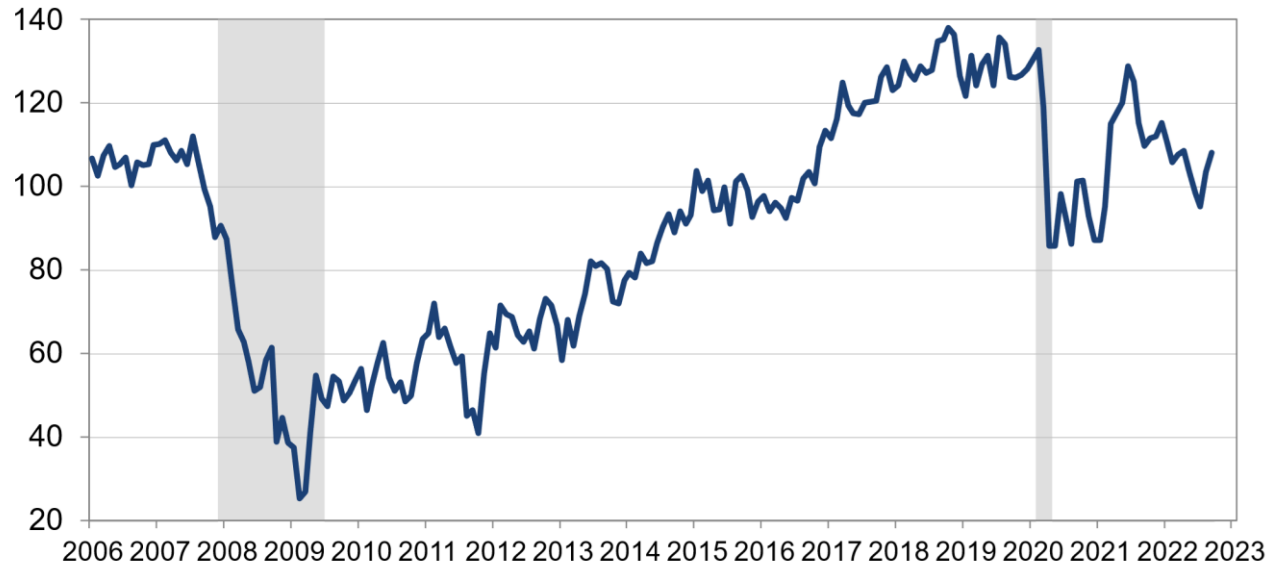
(in billions of inflation-adjusted dollars, 2021 = $100)

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

Consumer confidence predicts annual giving

Consumer Confidence Index®

Index, 1985 = 100

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?

RNL *Statistics from GivingUSA and Blackbaud.*

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?

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?

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

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

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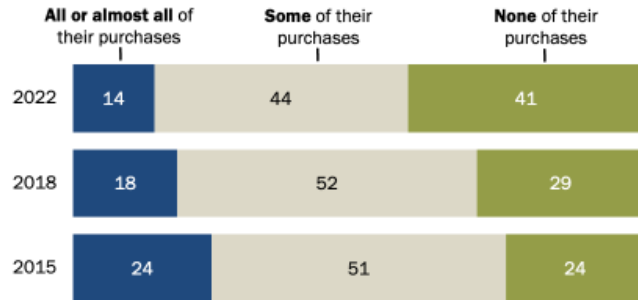
Leveraging learnings from the pandemic (virtual tools, etc.) to complement more traditional approaches to increase efficiency and reach new audiences.

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

	All or almost all of their purchases	**Some** of their purchases	**None** of their purchases
2022	14	44	41
2018	18	52	29
2015	24	51	24

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 ...
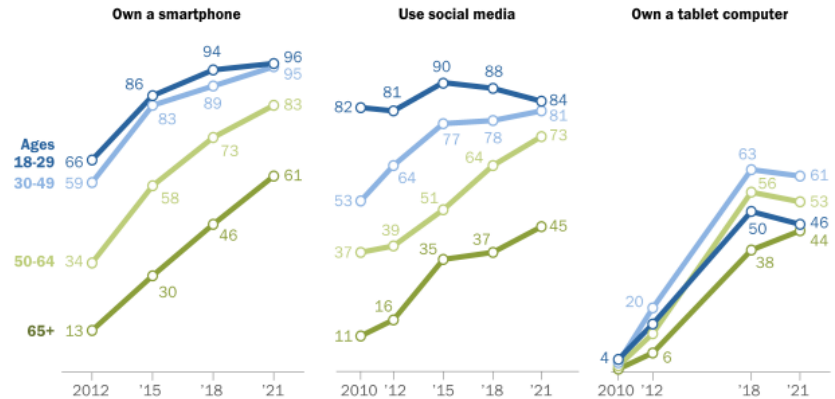

Own a smartphone / Use social media / Own a tablet computer

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

PEW RESEARCH CENTER

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?

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Donor Engagement and Fundraising

2

Leveraging Donor Engagement to Grow Major Gift Pipeline

connected

trust

aware

communication

invested

engaged

impact

partner

passionate

educated

Take the Survey: 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.

CASE Study of Principal Gifts to U.S. Colleges & Universities

CASE

BANK OF AMERICA
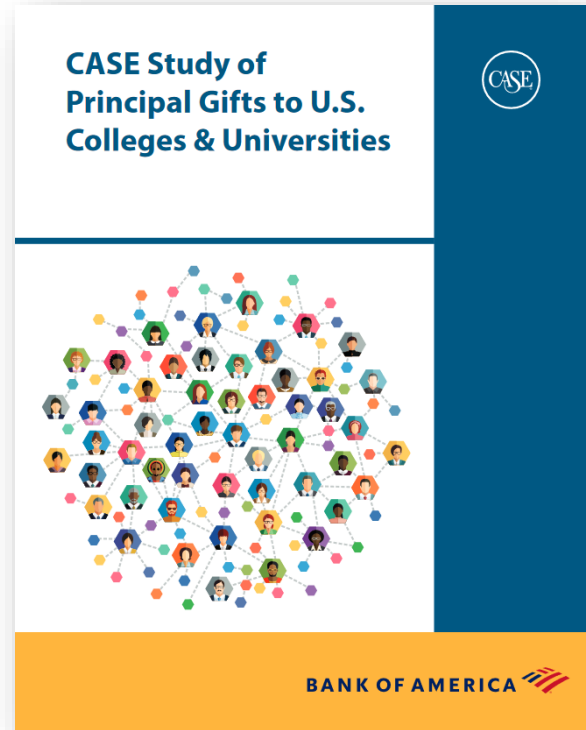
Higher quality and efficient discovery leads to more successful solicitation

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

I/we are spending:

- Identification/Discovery
- Qualification
- Solicitation
- Stewardship

Legend: Not enough time · About enough time · Too much time
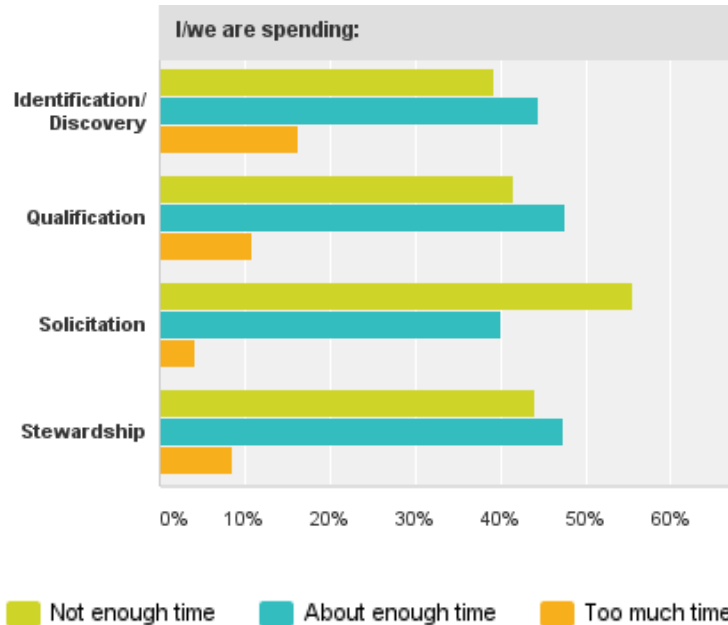
55% of gift officers feel they don't spend enough time in solicitation

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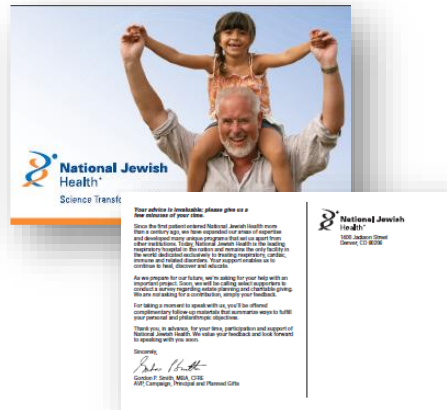
Email
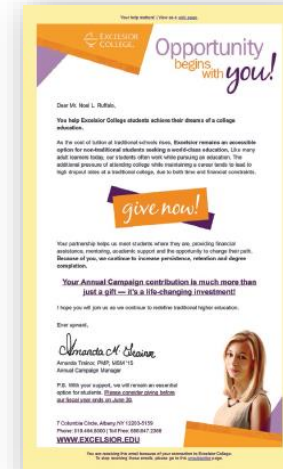
It takes more than a cold call to engage your donors.

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

Inputs	Funnel Stage	Outputs
Best New Donors, Planned Giving Prospects, High-Capacity Givers	**Predictive Modeling**	**Best Prospects**
Direct Mail, Video, Email, Survey, Text, Digital Advertising	**Warming Campaign**	**Educated, Engaged and Involved**
Opens, Clicks, Views, Responses, Detected Interests	**Digital Listening**	**Readiness, Actual Interests**
Student Ambassadors, Leadership Gift Officers, DXOs, Partners	**Personal Conversation**	**Actionable Insights + Notes**
PG Interest, Meeting Interest, Campaign/Event Interest	**Gift Officer Handoff**	**An Appointment**

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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

CASE, Alumni Engagement Metrics White Paper, August 2018

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?

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
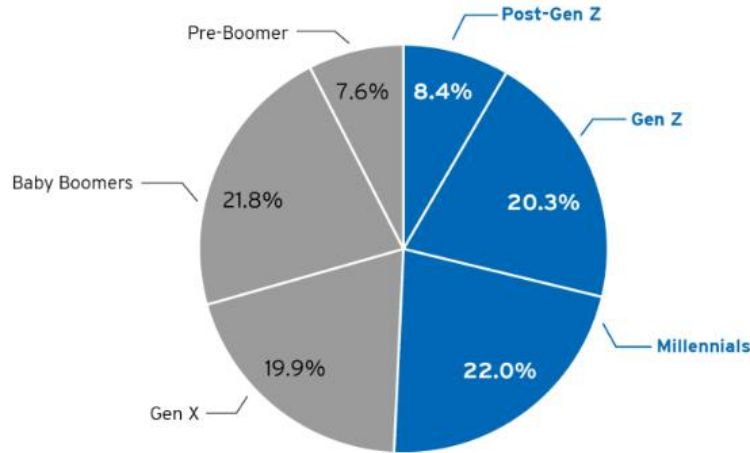
Numbers pertain to July 1, 2019
Note: Birth years are as follows: Post Gen Z (2013+), Gen Z (1997-2012), Millennials (1981-1996), Gen X (1965-1980), Boomers (1946-1964), Pre-Boomer (1945 and earlier).

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

Generation Z
Born: 1997 to 2012
Age in 2018: 6 to 21*
2012

1997
1996

Millennial
Born: 1981 to 1996
Age in 2018: 22 to 37
1981
1980

Generation X
Born: 1965 to 1980
Age in 2018: 38 to 53
1965
1964

Baby Boomer
Born: 1946 to 1964
Age in 2018: 54 to 72
1946
1945

Silent Generation
Born: 1928 to 1945
Age in 2018: 73 to 90
1928

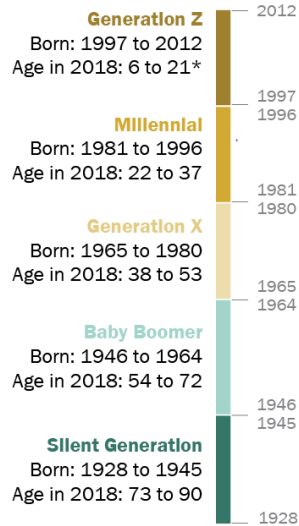*No chronological endpoint has been set for this group. For analytical purposes, Generation Z is defined as those ages 6 to 21 in 2018.

- 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

All adults	15
Ages 18-29	34
30-44	22
45-59	7
60+	1
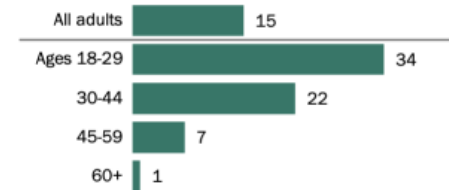
Source: Pew Research Center analysis of Federal Reserve Board's 2018 Survey of Household Economics and Decisionmaking.

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- Gen Z's purchasing power is projected to represent $33 trillion in income by 2030, surpassing millennial income by 2031[5]
- 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[6]
- 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%)[7]

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.

183 million subscribers

100 million subscribers

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

8%
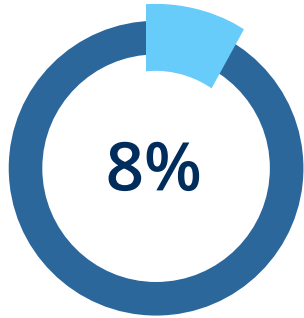
Response rate

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!
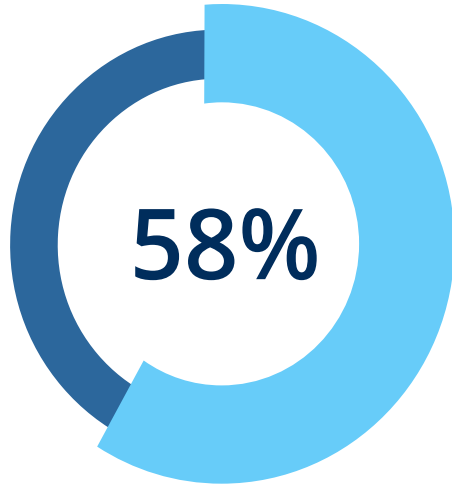
58% — **Volunteer**
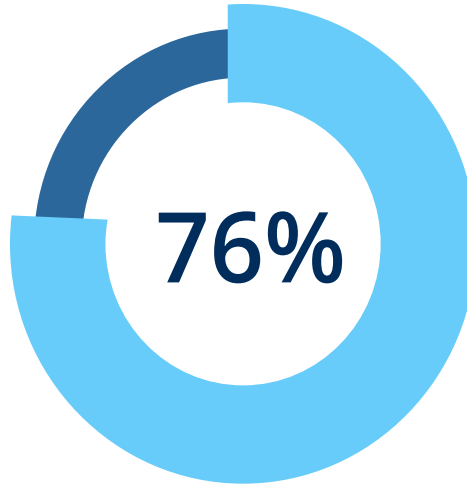
76% — **Donate**
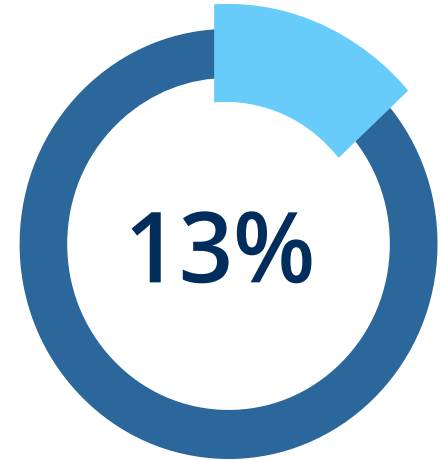
13% — **Neither**

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

Organization	Volunteer	Donate
K-12	35%	26%
Children or teens	25%	23%
Religious	24%	25%
Com dev	23%	22%
Social justice	23%	32%
Health care	20%	30%
Higher ed	20%	37%
Arts or cultural	19%	23%
Women-focused	18%	26%
Environmental	18%	24%
Political	17%	30%
Human services	14%	21%
Animal welfare	12%	18%
Intl dev / NGO's	6%	11%

■ Volunteer ■ Donate
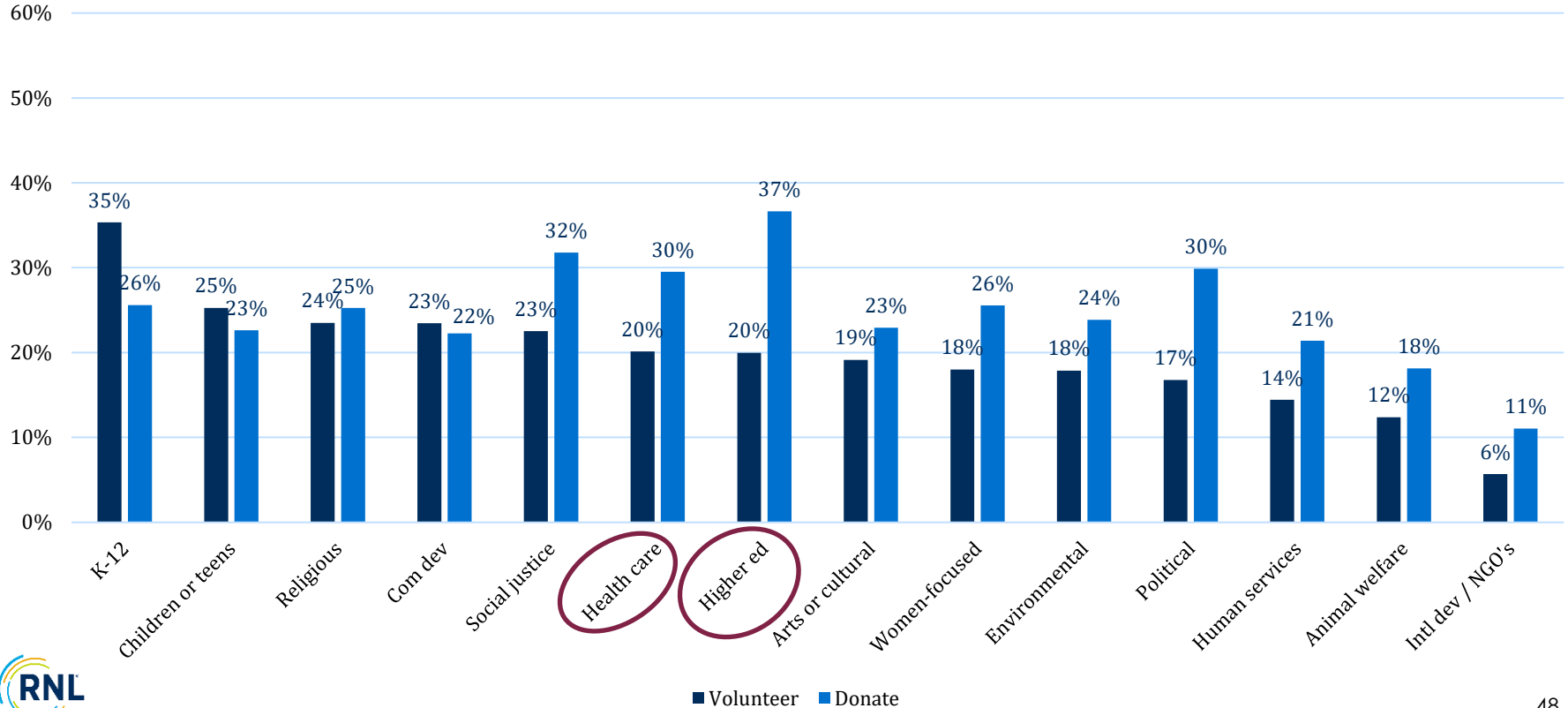
"If you had the resources, which types of orgs *would you like to support?*"

	Volunteer	Donate
Environmental	48%	56%
K-12	45%	49%
Com dev	43%	51%
Social justice	45%	53%
Women-focused	42%	51%
Children or teens	39%	47%
Arts or cultural	37%	46%
Animal welfare	31%	35%
Health care	31%	44%
Human services	26%	39%
Political	27%	33%
Higher ed	25%	39%
Religious	17%	21%
Intl dev / NGO's	16%	24%

■ Volunteer ■ Donate

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49
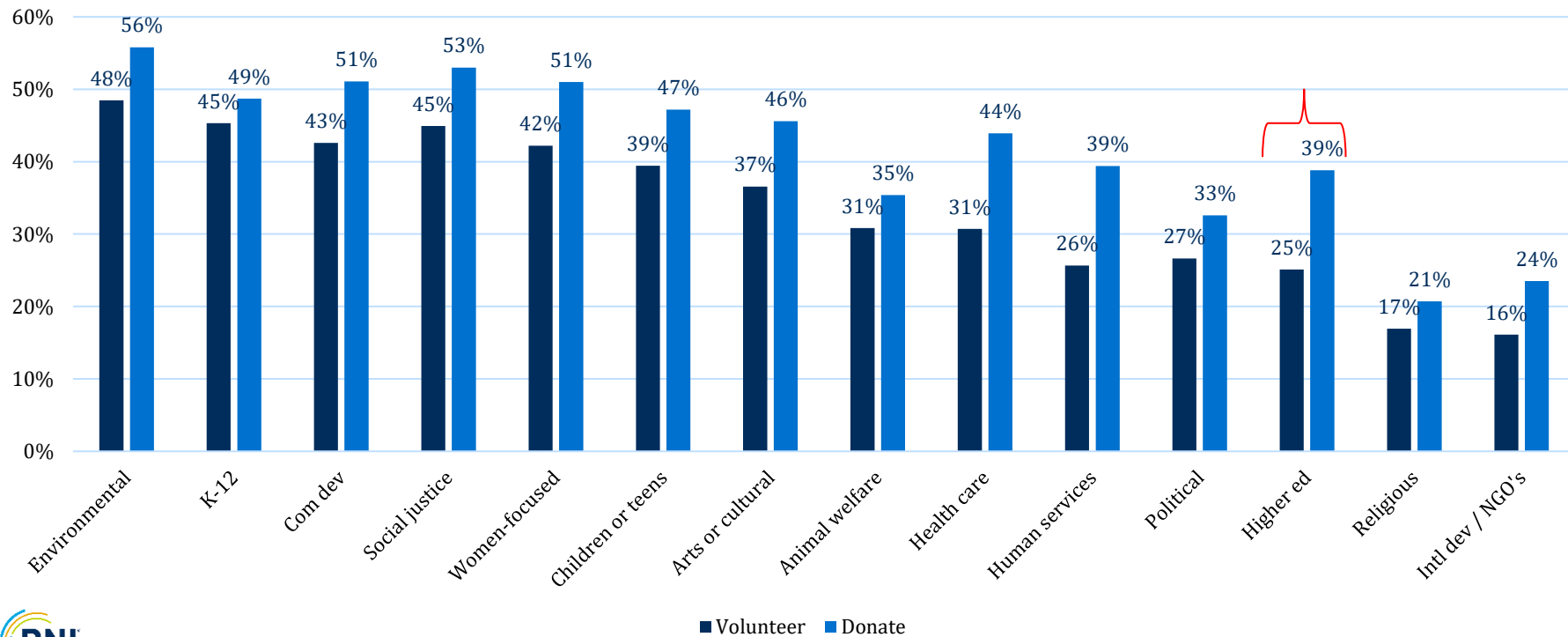
Omnichannel approach

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)

| Contacted Medium | Prefered Medium |

- Email: 69% / 67%
- Direct mail (postal service): 62% / 27%
- Phone call: 56% / 7%
- Social media campaign: 17% / 17%
- Volunteer or "peer-to-peer" outreach: 10% / 7%
- Text message: 8% / 8%
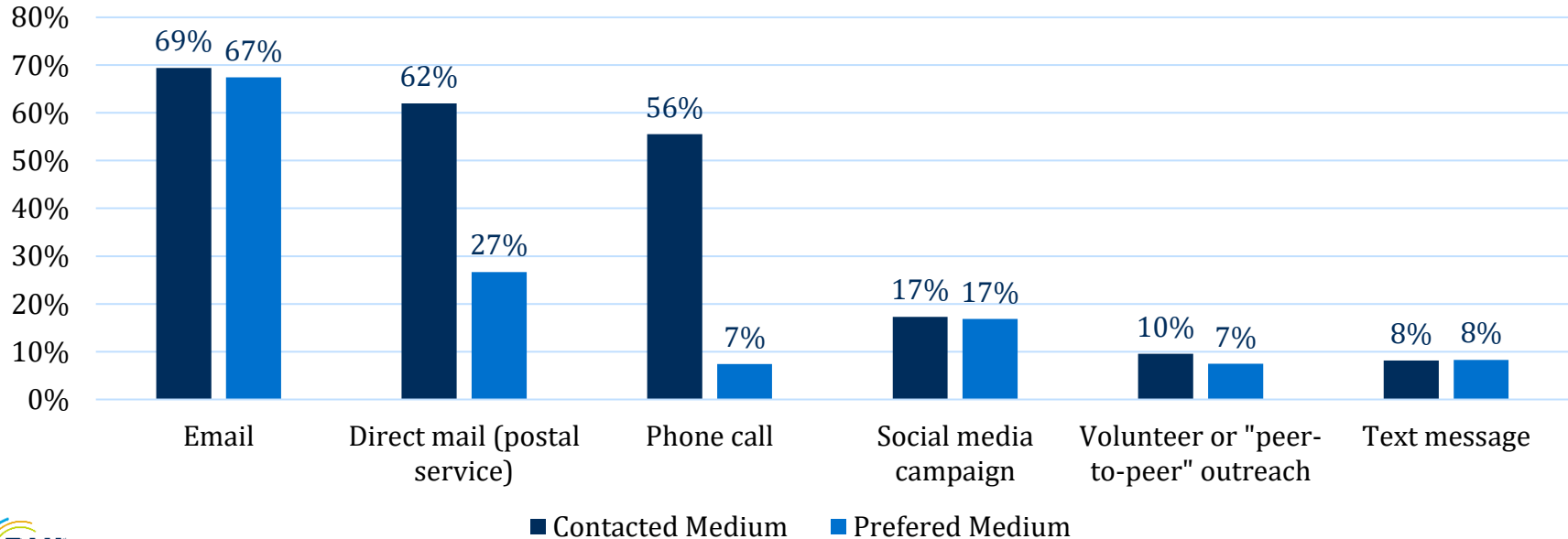
Motivations of Millennial and Gen Z prospects
Supporting causes and community driven

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

	Volunteer	Donate
I believe in the importance of supporting worthwhile causes	75%	82%
The organization makes my community a better place to live	63%	56%
I feel better knowing I have supported something worthwhile	54%	53%
The organization or cause has helped me	28%	39%
The organization had a direct impact on a family member or friend	26%	38%
I usually can't afford to make a cash donation/free time to volunteer	15%	29%

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

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Overall donations in 2018

Do not discount capacity

39% made gifts totaling more than $500 in CY 2018

Category	Percent
Less than $20	2%
$20-$49	5%
$50-$99	11%
$100-$499	39%
$500-$999	14%
$1000-$1,249	6%
$1,250-$9,999	16%
$10,000 +	3%
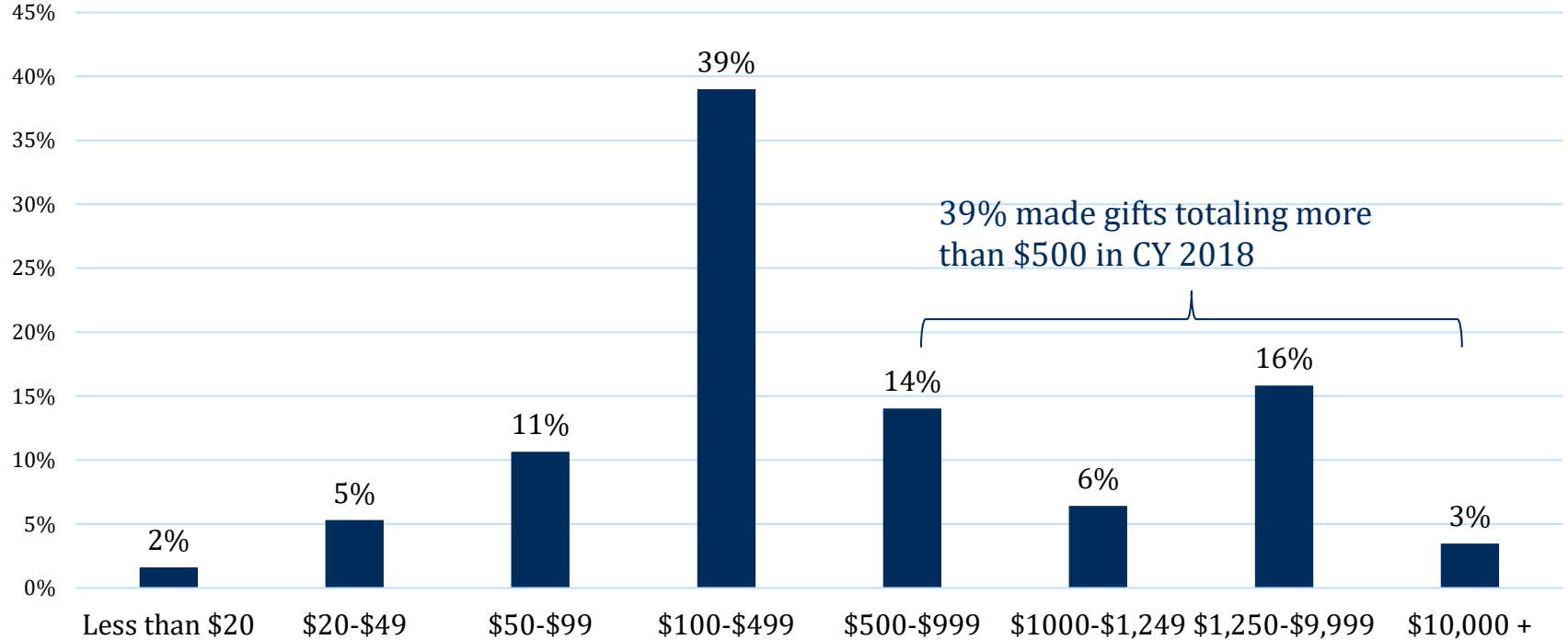
Survey insights impact growth for participating campuses

54% GROWTH
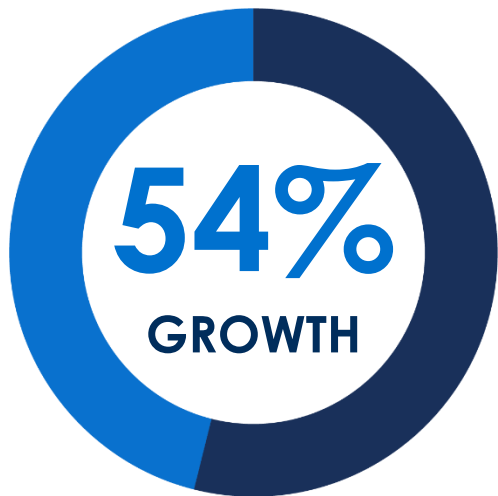
74% RETENTION

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?**

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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

PHASE 1	PHASE 2	PHASE 3	PHASE 4
Preparation and Data Analysis	**Strategy Development**	**Goal Development**	**Implementation and Continuation**
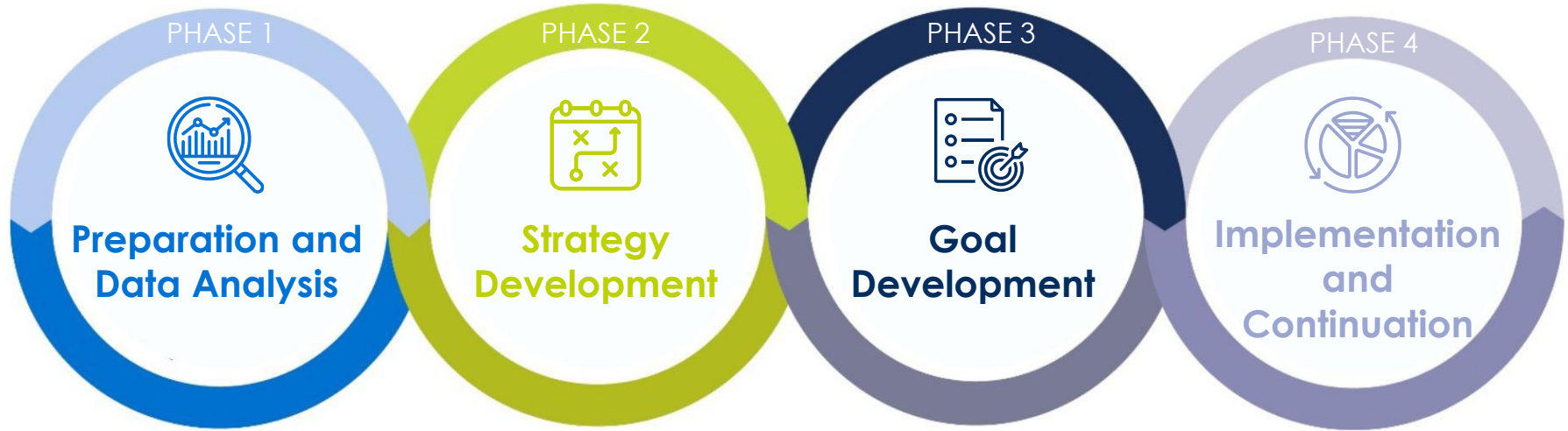
- Build structure (team, tools)
- Identify top-level goals
- Collect and analyze available data
- Donor modeling/persona building

- Identify tactics
- Prioritize outcomes and initiatives
- ROI considerations

- Identify individual goals and KPIs

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

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Building responsive annual plans

Suggested Outreach for Alumni LYBUNTs:

Attempts 1 and 2 *Phone*	**Attempt 3** *Phone + Text*	**Attempt 4** *Phone*
Attempt 5 *Personalized Video*	**Attempts 6 and 7** *Phone*	**Attempt 8** *Text*

- *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

RNL

Thank You

5
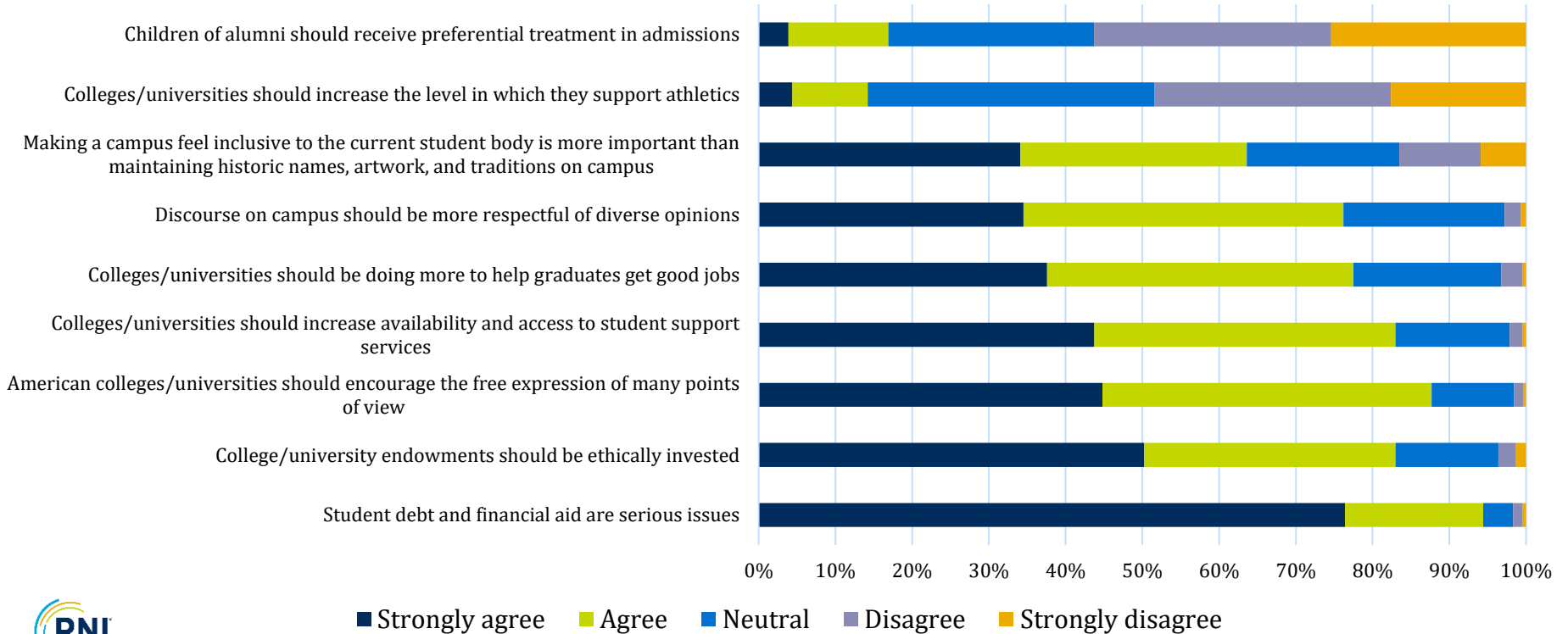
Appendix

Student debt is of concern

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

Children of alumni should receive preferential treatment in admissions

Colleges/universities should increase the level in which they support athletics

Making a campus feel inclusive to the current student body is more important than maintaining historic names, artwork, and traditions on campus

Discourse on campus should be more respectful of diverse opinions

Colleges/universities should be doing more to help graduates get good jobs

Colleges/universities should increase availability and access to student support services

American colleges/universities should encourage the free expression of many points of view

College/university endowments should be ethically invested

Student debt and financial aid are serious issues

■ Strongly agree ■ Agree ■ Neutral ■ Disagree ■ Strongly disagree

65

Young alumni giving preferences

TOP AREAS OF INTEREST FOR YOUNG ALUMNI

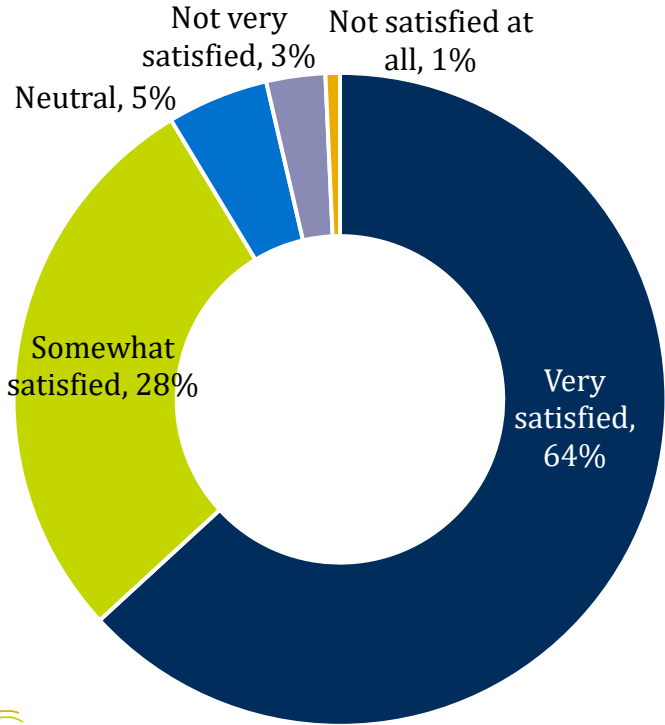| AREA FOR DONATION	DONOR SINCE GRADUATION	NON-DONOR
Scholarship and financial aid budget[5]	66%	54%
Specific department or major	45%	52%
Initiatives to assist first-generation students	44%	37%
Mental health services	43%	48%
Initiatives that build an inclusive campus environment	37%	28%
Programming that 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.
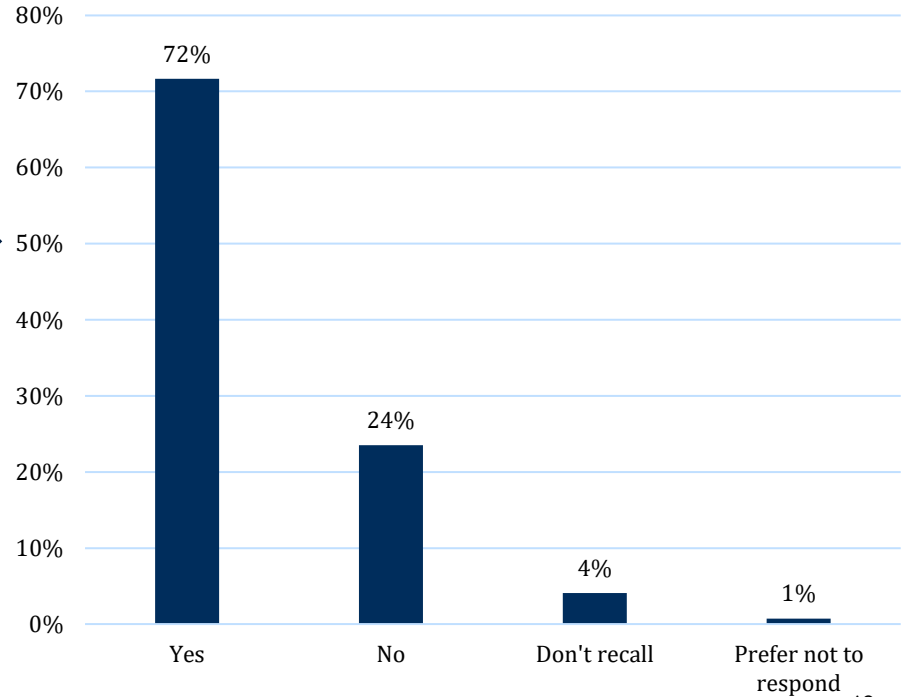
Satisfaction and Giving

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

Donut chart:
- Very satisfied, 64%
- Somewhat satisfied, 28%
- Neutral, 5%
- Not very satisfied, 3%
- Not satisfied at all, 1%

Bar chart: Very Satisfied By Donation Status
- Yes: 72%
- No: 24%
- Don't recall: 4%
- Prefer not to respond: 1%

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
1st				
	Friends	Occupation	Occupation	Material well-being
2nd				
	Occupation	Material well-being	Material well-being	Health
3rd				
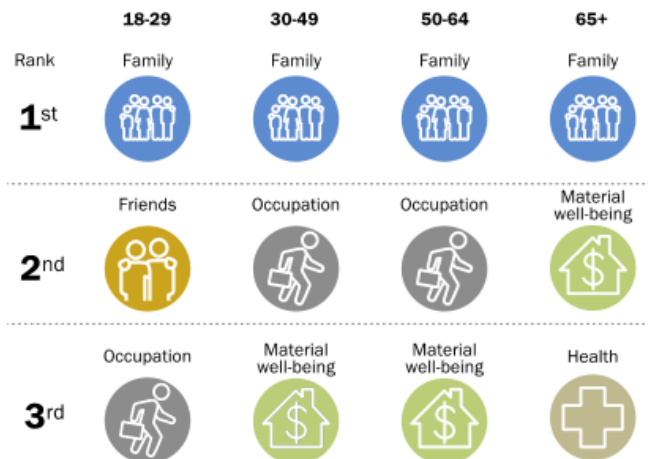
Note: Open-ended question. Rank within age groups reflects the total number of publics where the topic fell in the top three out of 17 sources of meaning that were coded. For more information, see "What Makes Life Meaningful? Views From 17 Advanced Economies," Appendix A.
Source: Spring 2021 Global Attitudes Survey. Q36.

PEW RESEARCH CENTER

General Decline in Trust

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

- ◆ U.S. media organizations
- ▲ U.S. corporations
- ■ The U.S. government
- ● U.S. universities and colleges

(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 % Great deal/Quite a lot	2022 % Great deal/Quite a lot	Change pct. pts.
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

GALLUP