Trends Impacting Today's Donor Environment

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STRATEGIES
Audience research and planning for the mission-driven world.

Background

- A top tier university development office asked Slover Linett to present trends that will impact fundraising in higher ed

- Who we are:

  - a research and evaluation firm for higher ed and the arts

    → Student lifecycle research

    → Alumni and donor research

    → Assessment

  - Founded in 1997, staff of 14, based in Chicago

  - Focus on top research universities including Columbia, Georgetown, GWU, Harvard, Johns Hopkins, Stanford, UCLA, University of Chicago

Trend #1: People *are* giving

- Charitable giving in the U.S. was up 4% in 2011, to $298 billion

- Education is the second-largest category, at 13%

  - Grew 4% in 2011, 6% in 2010

- While the economic downturn has been tough, we're through the hard part

  - It's a time of opportunity for higher ed, as donors see value in the impact universities can have

Key questions for organizations:

- Are you tapping into this increase in philanthropy?

- How can offices best craft both annual fund and campaign messaging that is motivating for donors?

Source: Giving USA 2012

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Trend #2: DIY Donations

- Increasing opportunities to find ***personally-relevant*** causes to support

  - Kickstarter: online funding platform for the artistic projects

  - Kiva: online loans to individuals for small business start-ups worldwide

- Reduces the need/role for organizing entities

- Frames "support" not just as a donation but as an investment

Key question for organizations:

- How can you help connect all levels of potential donors to personally relevant causes within your organization, in addition to asking them to support the university at large?

Trend #3: Providing real-time information

- Online fundraising sites provide up-to-date information on dollars raised and other metrics

- Other societal changes create a culture of expecting both transparency and rapid feedback

- Donors want to know the impact their gifts make, but many say they see more impact from their giving to other non-profits

Key question for organizations:

- What opportunities can you create for more timely communication about the impact of gifts?

- How can organizations best demonstrate impact?

Trend #4: Creating virtual communities

- Admissions communications are no longer uni-directional, flowing from the university to prospects and parents

  - Now multi-directional: student blogs, third-party sites, admitted student sites

  - Move away from a single institutional "voice"

- Similar developments in alumni relations

  - A/R supports more alumni-to-alumni events/ communications

- Social media plays a big role, but not the only one

Key questions for organizations:

- How can you best create communities for donors and prospective donors? What is the organization's "voice" that can be shared across audiences?

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Trend #5: Paying attention to the lifecycle

- Satisfaction with both the student and alumni experience directly impacts whether they donate

  - A proven cycle at every school we've researched

  - One of the most influential variables in predicting and modeling alumni donation behavior

Key questions for organizations:

- How does you compare to peer schools in student and alumni satisfaction?

- How do student satisfaction and alumni satisfaction at your organization influence donation?

Trend #6: Turning students into advocates

- More schools are "training" students in what it means to be an engaged alum

- Setting expectations better for desired alumni behavior

  - Helping fellow alums and students

  - Staying engaged

  - Donating

- Creating a greater culture of philanthropy

Key question for organizations:

- How well is your organization establishing a philanthropic mindset at your school? How well are you tapping into young alums?

Trend #7: Personalize, personalize, personalize

- Donors expect more personalization in communications

  - Knowing what they gave (over time)

  - Sharing the impact of their gift(s)

  - Better coordination between departments

- Schools increase impact by personalizing the email sender

  - They also personalize the medium itself

- They want their alma maters to know them well

Key questions for organizations:

- Are you tapping into donors' full potential support?

- What technology would you need to deliver more personalized communications?

Trend #8: Divide (segment) and conquer

- Alumni and development teams are regularly using segmentation to better target communications, events, opportunities, etc.

  - Demographic (gender, age, life stage, geography)

  - Behavioral (donations, events, volunteering)

  - Attitudinal (priorities, beliefs, values, needs)

Key questions for organizations:

- How can organizations better segment their target audiences?

- How can Development and Alumni Relations best work together so the communications feel seamless?

Trend #9: Balance in communications

- **Left and right brain**: Development (and alumni relations) teams are using both rational and emotional components in their communications

- **Give and get**: Alums want balance in a school's requests

  - They don't want to feel like the only time they hear from the school is when it wants money

- **Preferences**: Donors want the ability to select communication media and frequency

Key question for organizations:

- In a communications audit, how would your messaging look on these dimensions?

Trend #10: Alums want to give back

- Today's 20- and 30-somethings want to make a difference

- But they want their alma maters to make it easy for them (and did we say personalized?)

  - Invite them to volunteer

  - Provide a variety of volunteering opportunities

  - Remember their interests

  - Follow up with specific recommendations

  - Engage current volunteers to reach out to peers

Key question for organizations:

- In what ways could organizations ignite the interest of alumni to give back?

Trend #11: Schools can feel like black boxes

- Often alumni of top schools see the university as unapproachable or confusing once they leave

  - Elements they once loved about the school are no longer accessible to them

  - Not clear that the school wants to have a relationship with them, besides writing a check

- Impacts alumni engagement and, eventually, their willingness to give

Key question for organizations:

- How easy is it for non-engaged alums or donors to get connected to you? What can organizations do to improve it?

Trend #12: Taming emails

- Most alumni and donors are inundated with emails from universities and want:

  - Fewer and shorter emails, which will increase readership

  - Greater coordination between departments

  - The ability to opt in to the content they want (fine-grained)

  - Specific subject lines, to make it easy to read or delete

  - Events that help them meet their goals (professional networking, meet new friends, lifelong learning, connect with old friends, etc.)

Key question for organizations:

- How can your organization best coordinate communications across the entire university so that each one is relevant?

Trend #13: Maximizing social media

- Most universities focus on Facebook, Twitter, YouTube and LinkedIn

  - LinkedIn best for professional schools

- Recognize people's desire to connect face-to-face still

- Monitor SM trends (still rapidly changing)

- Ensure that all social media activities are linked to an overall strategy or larger integrated campaign

  - Don't go overboard with social media, as donors don't yet use them to connect strongly to institutions

Key question for organizations:

- Where does SM have a role within your development organization? What might an integrated program look like?

Trend #14: Metrics rule

- More schools are using a variety of measurements to gauge progress

- Not just dollars donated

  - Looking at non-financial support

  - Developing engagement indices

- Developing systems to track improvements

  - Highly segmented

Key questions for organizations:

- What metrics have you used in the past that have been useful? What's missing?