



Education  
Advisory  
Board

Advancement Forum

# Reorienting Toward the Top

Acquiring Top Prospects Early

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# Nearing a Saturation Point

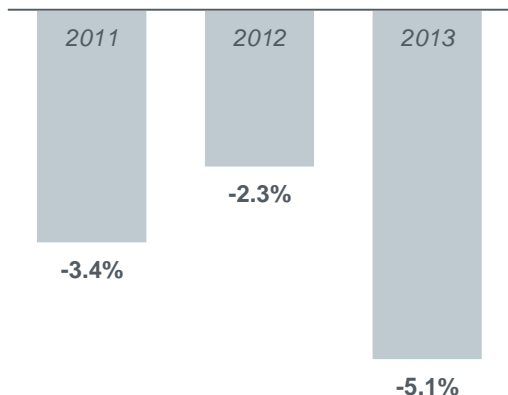
## Decreasing ROI in Alumni Giving Highlights Need for a Broader Base



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### Median New Donor Revenue Change

*Blackbaud, 2011-2013*



“

### Beyond the Usual Suspects

“Donations to charities are inching up so slowly that it could take at least five more years for most organizations to raise as much as they did in 2007. [Charities] forecasting the best outlook for 2013 and beyond are those making innovations in how they attract gifts and diversifying their sources of revenue.”

*Debra Blum and Holly Hall  
The Chronicle of Philanthropy*

Sources: Blackbaud, 2013 *donorCentrics Annual Report on Higher Education Alumni Giving* (2013), [https://www.blackbaud.com/files/resources/downloads/2014/04-14\\_TA\\_donorCentrics\\_HEAnnualReport\\_UPDATED.pdf](https://www.blackbaud.com/files/resources/downloads/2014/04-14_TA_donorCentrics_HEAnnualReport_UPDATED.pdf); Debra Blum and Holly Hall, *Donations Barely Rose Last Year as Individuals Held Back*, *The Chronicle of Philanthropy*, June 7 2013, <http://philanthropy.com/article/Fundraisings-Recovery-Could/139801/>; EAB interviews and analysis.

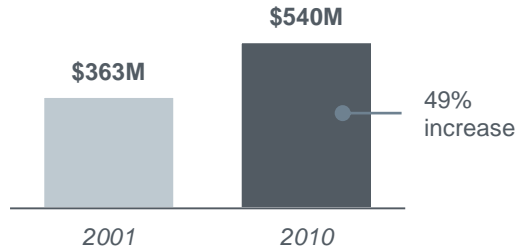


# The Meteoric Rise of Parent Giving Programs

## A New Source of Fundraising Revenue

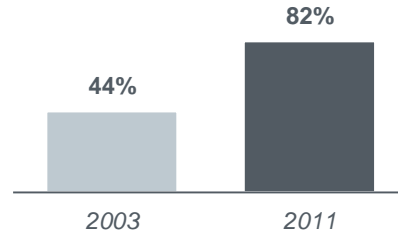
### Parent Giving to Higher Education

*Voluntary Support of Education Survey, 2001-2010<sup>1</sup>*



### Percent of Parent Programs that Fundraise

*National Survey of College and University Parent Programs, 2003-2011*



### A Growing Landscape

**500+**

Institutions invest in parent programs

**59%**

Started their programs between 2001 and 2013

**50%**

Increase in attendance at CASE parent program conferences from 2009 to 2013

Sources: Marjorie Savage, National Survey of College and University Parent Programs 2011, University of Minnesota, <http://www.aheppp.org/assets/Parent-Program-Research/2011.pdf>; Council for Aid to Education, *Voluntary Support of Education Survey* (2010), <http://vse.cae.org>; Lydia Lum, *The Family and Friends Plan*, CASE, 2011, [http://www.case.org/Publications\\_and\\_Products/2011/NovemberDecember\\_2011/The\\_Family\\_and\\_Friends\\_Plan.html](http://www.case.org/Publications_and_Products/2011/NovemberDecember_2011/The_Family_and_Friends_Plan.html); EAB interviews and analysis.

<sup>1</sup> Figures are in actual dollars, not adjusted for inflation

# Grounding the Helicopter Parent

## Institutions Funnel Parent Enthusiasm Into Giving



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### An Excess of Enthusiasm

**25%** Of young adults keep in touch with their parents several times per day

**17%** Of parents attended a career fair for or with their student

**31%** Of parents submitted a resume on behalf of their student



### From Hovering Parents to Donors

“Bringing parents close to your academic and philanthropic mission helps you deal strategically with helicopter parents. It’s better to have them close and giving than having them on the outside poking in. Bringing them into a donor role can help us answer their questions while also keeping them invested in the institution.”

*Evan Bohnen, AVP of Development  
Indiana University of Pennsylvania*

Sources: Lois Collins, *Helicopter parenting cramps young-adult lives*, Desert News, October 16 2012, <http://www.deseretnews.com/article/765612119/Helicopter-parenting-cramps-young-adult-lives.html?pg=all>; Jonel Aleccia, *Helping or hovering? When 'helicopter parenting' backfires*, NBC News, May 26, 2013, <http://www.nbcnews.com/health/kids-health/helping-or-hovering-when-helicopter-parenting-backfires-f6C10079904>; EAB interviews and analysis.

# A Boon to Unrestricted Giving



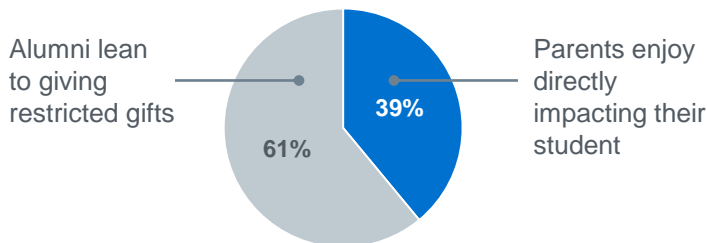
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Parents Have a Vested Interest in Providing Current Use Dollars

## Percentage of Annual Fund Provided by Parents

*Public University*

*2009*



“

### The Icing on the Cake

“Unlike alumni annual gifts, parent annual gifts are largely unrestricted. This year, 75% of parent annual gifts were unrestricted. Parents like giving unrestricted gifts especially to the individual schools/colleges. And since deans are very dependent on annual fund dollars, they are very grateful to the parents’ fund. Although parent fundraising is the icing of the cake for the overall fundraising machine, we are very important in the annual fund.”

*Penny Chick, Director of Parent Programs  
Cornell University*

# Parents Influence Their Children

## Young Alumni Donors Follow Their Parents' Examples



### Parents Largely Influence Their Children

**80%** Odds of a child becoming a donor when their parent is involved in a non-profit

**20%** Odds of a child becoming a donor when their parent is not involved in a non-profit



### Generosity Across Generations

“We did a focus group with young alumni and asked the donors why they were donors. One by one, they said ‘Well, my parents give. They managed to pay \$50K a year in tuition and still support the university. How could I not?’”

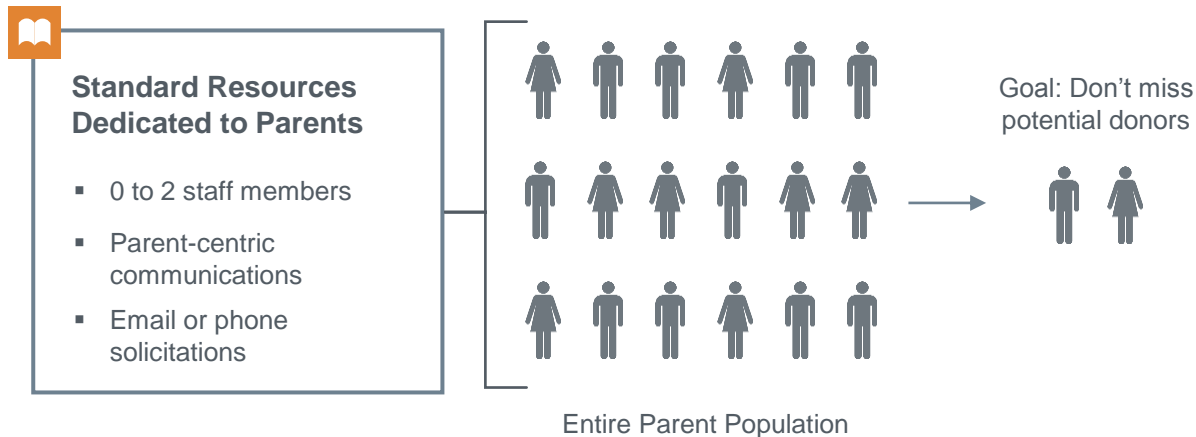
*Senior Director of  
Parent Philanthropy  
Private University*

# An Emphasis on Numbers

## Status Quo Parent Fundraising Approach Targets All Parents



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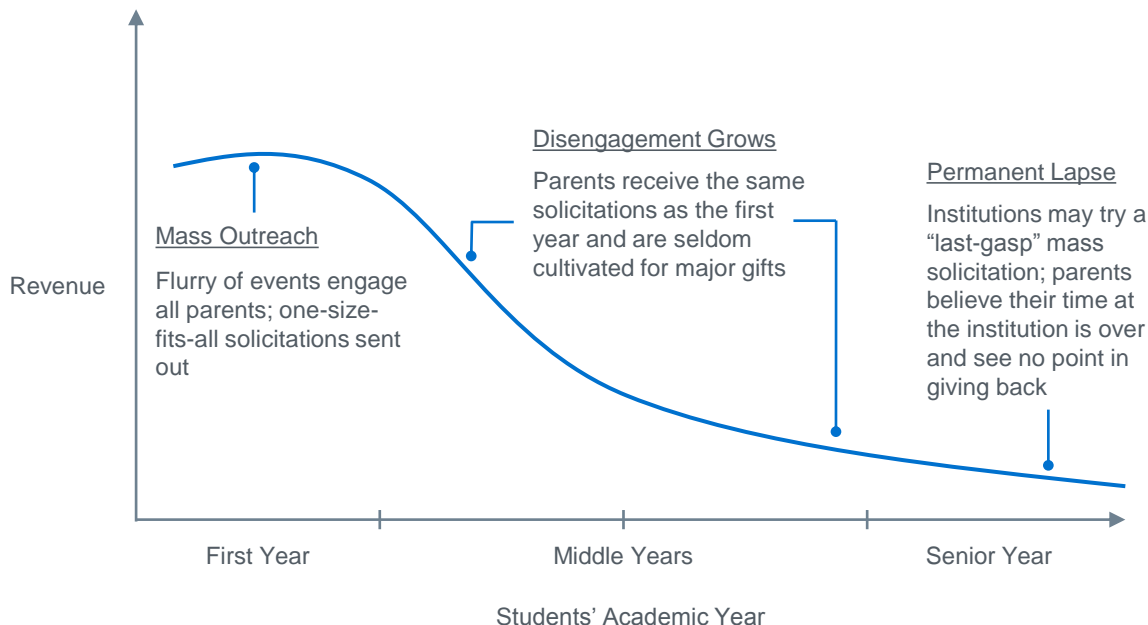
# The Perils of the Status Quo

## Quantity Over Quality Approach Fails to Inspire Sustained Parent Giving



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### The Parent Giving Arc





# Targeting the Top of the Pyramid

Innovative Institutions Focus Primarily on High-Capacity Parents



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## Status Quo Approach Challenges



### Skeptical of Giving

*Parents are already meeting rising tuition costs. Do we dare ask them for additional gifts?"*



## New Approach Benefits

### Primed for Philanthropy

Past giving to private secondary schools and other charities set expectations about support



### Too Little Time

*"Parents are with us for only four years. Alumni are with us for their entire lives."*



### Inclined to Give Quickly

High net worth and instant affinity shorten cultivation timeline.



### Minimal ROI

*"How do we justify reaching out to all parents when our major gifts office wants to hire another MGO?"*



### Smarter Use of Resources

Staffing and other resources are dedicated to prospects who bring the greatest returns

# Reorienting Toward The Top

## Study Road Map



# “Our Mission is Engagement”

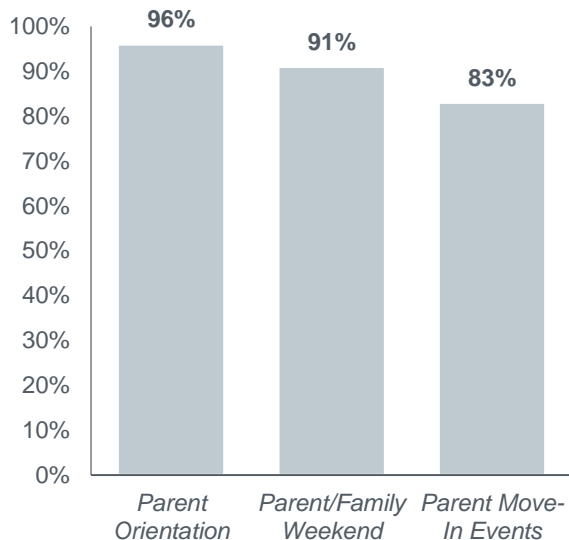


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## Parent Program Initiatives Typically Focus on Fundraising

### Services Offered by Parent Programs

*National Survey of College and University  
Parent Programs, 2011*



### Pride in Engagement

29%

Of parent programs are most proud of their **parent orientation efforts**

6%

Of parent programs are most proud of their **parent fundraising efforts**



### Fundraising Is an Afterthought

“Our parent program staff answer parents’ questions everyday, we have at least ten events for all parents at family weekend, and we send out a parent newsletter every month. We hope that after all that, they will give back to the institution.”

*Director of Parent Programs  
Private University*

# Too Little, Too Late



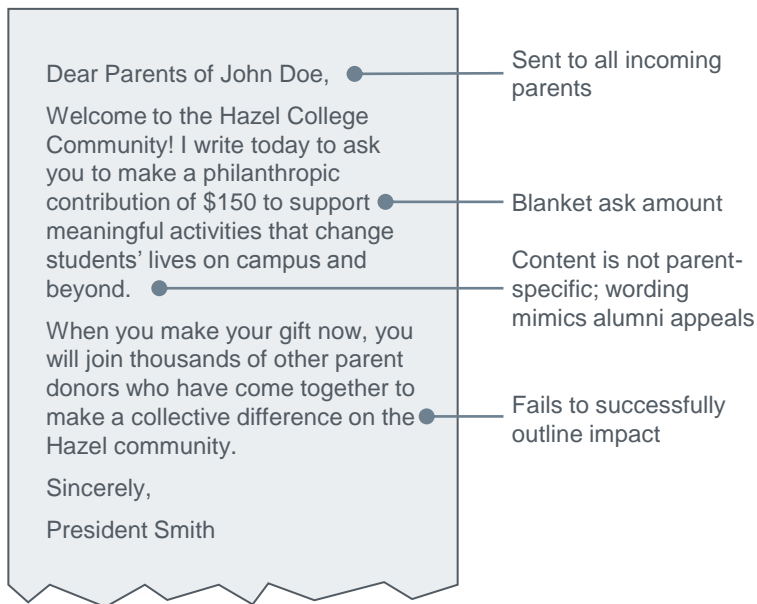
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## Low-Impact Mass Appeals Follow Engagement Efforts

### Status Quo Appeal Timeline



### An Appeal From Hazel College



# One Size Doesn't Fit All

Current Initiatives Leave No Room for Targeted, High-Return Strategies



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## Two Disadvantages of Business as Usual

1

### Mass engagement dominates resources allocation

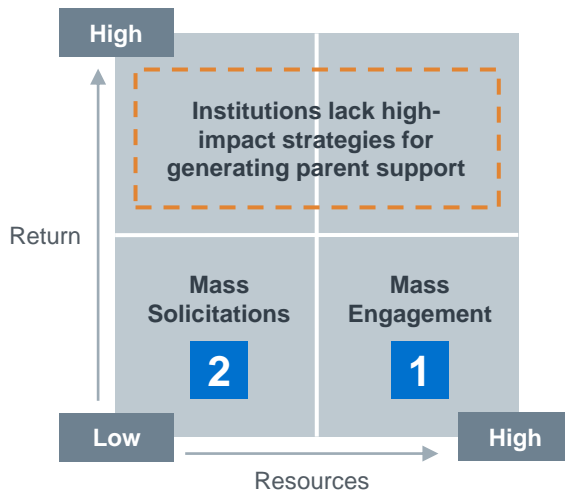
Resources go to engaging all parents rather than cultivating those with the highest net worth

2

### Mass solicitations are scattershot and diluted

Most parents won't give, and those who will are not inspired to give to capacity

## Resource Allocations for Parent Initiatives



# Cultivating the Right Prospects



## Targeted, Proactive Approaches Jump Start High-Value Relationships

“

### The Window of Opportunity

“We want to be able to screen, identify, and get in front of the right parents within the first three semesters that their child is here. After that, it’s much more of a challenge. That window is open widest early on when parents are still feeling excited.”

*David Lieb  
Senior Associate Vice-President for Development  
Pennsylvania State University*

### Three Steps to Acquiring High Net-Worth Prospects

1

**Systematically  
gather parent  
information**

2

**Qualify parents  
quickly**

3

**Deploy segmented,  
high-touch  
solicitations**

# The Information Bottleneck



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## Challenges to Collecting Parent Information Impede Cultivation Efforts

### Barriers to Gathering Parent Information



#### **Lack of Coordination Among Campus Units**

Campus departments gather parent information individually, but neglect to share it with each other and advancement staff



#### **Absence of Campus Buy-in**

Admissions, financial aid, or institutional research resist efforts to share information between units



#### **Potential Legal Hurdles**

State and federal law may prohibit advancement staff from aggregating or sharing parent information

# Quick Wins for Data Gathering

## Institutions Tweak Existing Initiatives to Clear Information Hurdles

*Achievable Within  
Advancement*

*Campus Partnerships  
Required*

**Capitalize on  
Campus Visits**

**Leverage Established  
Engagement Initiatives**

**Partner with  
Enrollment Functions**



### **Orientation Contact Cards**

*(University of  
North Alabama)*

Collects detailed  
parent information  
through five  
orientation sessions



### **Career Services Partnership**

*(Bloomsburg University  
of Pennsylvania)*

Partners with career  
services during  
orientation to request  
employer information



### **Parent Association Sign-Up Mining**

*(McGill University)*

Uses the online sign-  
up process for free  
parents' association  
membership to  
collect parent details



### **Post-Acceptance Information Collection**

*(Penn State University)*

Collects parent details  
through optional online  
questionnaire when the  
student accepts their  
admissions offer





# New Qualification Strategies Needed

## Parent Giving Demands Quicker, Less Costly Discovery Tactics

### Benefits and Challenges to Existing Qualification Methods

Qualification Methods	Benefits	Challenges
<b>Wealth Screenings</b>	Reveal estimated capacity	But do not capture hidden wealth, family details, and affinity
<b>One-time Mass Solicitations</b>	Reach many donors and determine baseline affinity and inclination to give	But take a long time to sift out the most promising prospects and fail to capture true capacity
<b>Frontline Fundraisers</b>	Conduct alumni discovery visits to determine true capacity	But don't have the time to do parent discovery visits

# Shifting Discovery to Parent Volunteers

## Tufts University Uses Peer Welcome Calls To Qualify New Parents



### Welcome Call Process for Parent Leadership Council Volunteers

*July to September*



# Promising Early Results at Tufts

Calls Surface Major Gift Prospects and Engage Council Members



## Results from 2014

**200+** Parents received calls

**15** Promising prospects passed along

**5** Parents qualified as major gift prospects



## Projected Results for 2015

**600** Parents receive calls due to additional outreach for early admitted students



Increase in parents qualified as major gift prospects

## Collateral Benefits

### Engages Parent Leadership Council Members

*"It is as great a tool for identifying prospects as it is for stewarding and cultivating parent leadership council members."*

### Starts Conversations with Future Parent Donors

*"It's an opportunity to get in front of freshman parents and say hello really early when they are feeling good. We want to build that relationship as quickly as possible."*

# Getting on the Fast Track



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“The Best Way to Qualify Is to Solicit”

## The Solicitation-Qualification Model

Institutions use appeals to determine prospects' capacity and propensity to give

Key Advantages	
✓	Fast-tracks parents with high capacity and giving inclinations to major gift cultivation
✓	Demands fewer resources
✓	Secures gift revenue immediately while filling long-term pipeline



### Appeals Can Raise a Positive Flag

“Qualification happens all along, and segmented appeals are a large part of that—any gift of \$5K or more means that they will get more research and attention, and that we will look at where and how they gave.”

*Tammie Brush-Campbell  
Assistant Director of Parent Relations  
Gettysburg College*

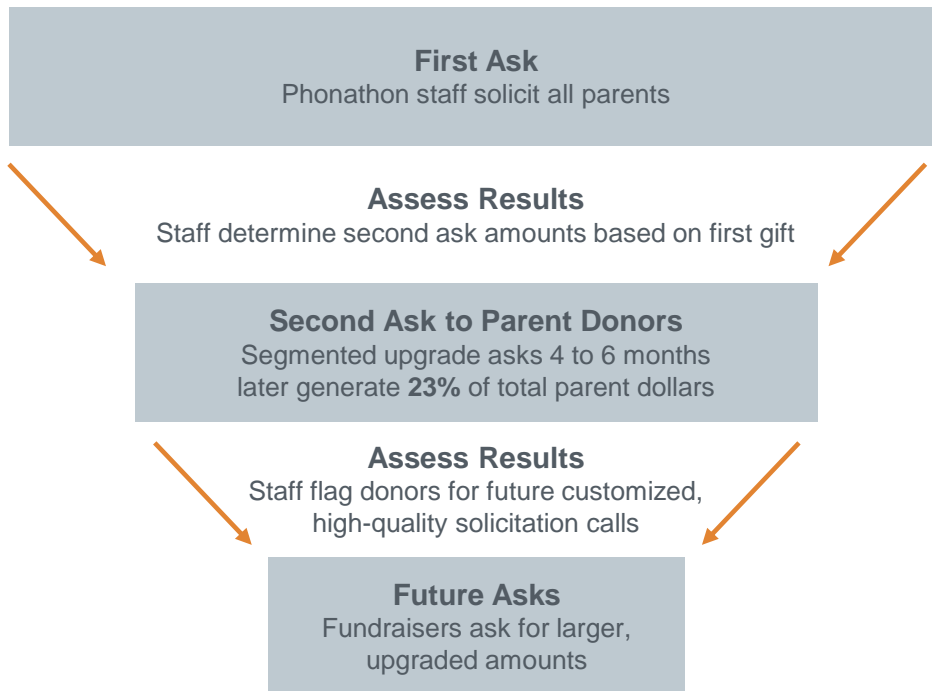
# Winnowing Down The Donor Pool

CSU-Chico Uses Multiple Asks to Sift Out the Most Promising Donors



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## Surfacing High-Quality Prospects for Cultivation



# Asking for the Right Amount

## University of Virginia's Parent Fund and Committee Appeals Map to Capacity

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### Parent Committee Appeals

THEN (2010) ▶

▶ NOW (2014)

#### Blanket Ask Amount

All parents with some known capacity receive solicitations to become parents committee members at **\$2,500** annually

Staff map appeals to projected capacity



#### Targeted Ask Amounts

All parents with some known capacity receive solicitations with ask amounts ranging from **\$2,500 to \$25,000** annually

**\$522K**

Raised annually for the Parents Fund from parents

**0**

Parents making five-figure gifts to the Parents Fund

**\$1M**

Raised annually for the Parents Fund from parents

**17**

Parents making five-figure gifts to the Parents Fund

# The Old Model: Missing Prime Prospects

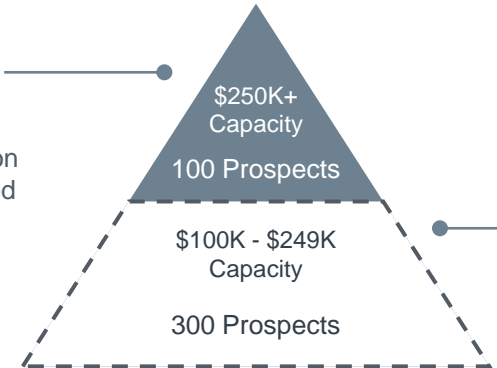
Cornell's Previous Visit Approach Resulted in Low ROI

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## Effective Parent MGO Position



- High quality, in-person visits with all top-rated prospects
- Excellent ROI



## Ineffective Additional MGO Position



- High quality, in-person visits with a fraction of prospects
- Little or no cultivation for the remaining prospect pool
- Low ROI

“

## Capacity Ratings Are Not Enough

“We were leaving money on the table because we weren't finding the right prospects. There are factors outside of capacity ratings that we will never know, like how much debt parents have, how many children parents have. Capacity ratings are just a marker for us and we needed something more.”

*Penny Chick, Director of Parent Programs  
Cornell University*

# The New Model: Parent Qualification Fundraiser

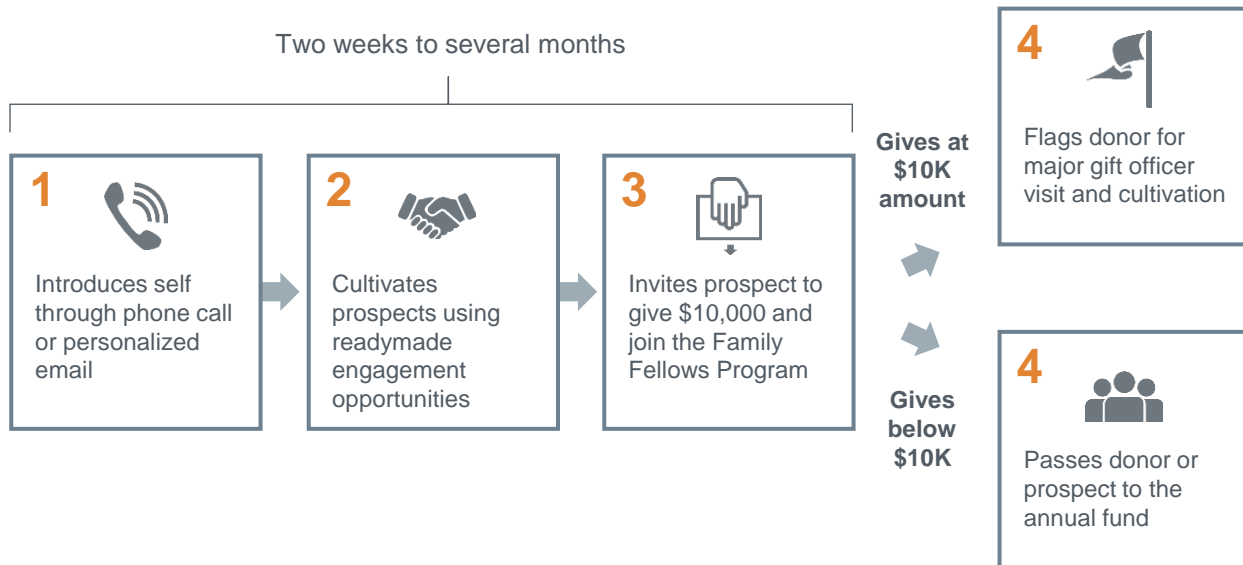
New Approach Uses High-Touch Phone and Email Cultivation



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## Qualification Fundraiser's Cultivation Process For Entire Prospect Pool

Two weeks to several months





# Cornell Sees Increased ROI

## Qualification Fundraiser Boosts Revenue and Fills The Pipeline



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### Impressive Early Results



#### Immediate Mid-Level Gifts

**10%-20%**

Of solicited prospects  
give at the \$10K level  
or above



#### Promising Major Gift Prospect Referrals

**15-20**

Strong major gift  
prospects passed to  
MGO between May  
and July 2014



#### Immediate Major Gifts

**10**

Freshman parents  
giving at \$100K who  
would have previously  
been asked for only  
\$10K in the first year



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