RESEARCH BRIEF

Financial Aid Stewardship Structure and Practices

At Mid-to-Large Research Universities

Advancement Forum

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1) Executive Overview

Key Observations

Financial aid stewardship is a shared responsibility between financial aid, donor relations, and academic units. Financial aid staff notify students of the expectation to engage in stewardship (e.g., writing a note, attending an event) when they send scholarship award letters. Stewardship teams in central donor relations offices typically manage the majority of contact with donors, including sending thank-you notes from students and planning university-wide events for scholarship donors. Academic units plan smaller events for donors in their departments and send newsletters about their students, faculty, and programs.

Financial aid stewardship practices at contact institutions include sending student thank-you notes, hosting annual events to connect donors and students, and generating financial reports. Donor relations staff collect thank-you notes from students and send the notes to donors along with endowment reports and other materials (e.g., invitations to events, information about scholarship impact, campaign materials). While no institution has a donor-facing portal through which donors can learn about scholarship recipients, contacts in donor relations at five of eight institutions indicated that their offices are considering creating portals for donors in the future.

Donor relations administrators recommend implementing customized stewardship practices for top scholarship donors (e.g., those who have donated one million dollars or more to student scholarships). Examples of customized stewardship practices include sending video messages from students to donors, creating photo books for donors, and arranging one-on-one meetings between donors and students. Contacts explain that delivering personalized stewardship requires careful attention to donor preferences, but is an effective means of pleasing principal donors and encouraging gift renewals or increases.

Between one and three stewardship staff members in central donor relations offices oversee financial aid stewardship. Stewardship staff employ internal databases (e.g., shared Excel spreadsheets, CRM software) to promote consistency in programs and practices across schools and academic departments. At four of eight contact institutions, central donor relations offices manage stewardship for the institutions' top scholarship donors while stewardship teams within individual schools at those institutions steward the remainder of donors for their academic units.

Administrators evaluate the success of financial aid stewardship through dollars raised, gifts upgraded, and qualitative feedback from donors. Stewardship staff indicate that it is difficult to measure if a particular gift or gift upgrade was the result of a stewardship event or communication with a donor. As a result, contacts state that qualitative feedback from donors is the most reliable means of assessing stewardship programs and practices. Administrators collect qualitative feedback from donors through communication with development officers and emailing surveys after events, although contacts explain that surveys typically restate positive feedback from satisfied donors.

Donor relations staff share that donors are generally pleased with stewardship practices and donor relations offices have not implemented any major changes to their stewardship programs based on donor feedback. Contacts explain that donor concerns typically occur on a smaller scale and relate to a specific donor's funds and preferences (e.g., interest in viewing historical data for fund performance on endowment reports, desire to meet their scholarship recipient for lunch rather than at a banquet). Donor relations staff address these concerns on a case-by-case basis according to donor interests.

2) Organization and Implementation of Financial Aid Stewardship

Financial Aid Stewardship Organizational Structure

Donor Relations, Financial Aid, and Academic Units Share Responsibilities for Financial Aid Stewardship

At all eight contact institutions, no single department or unit executes the entire process of stewarding scholarship donors. Typically, the central donor relations office at each institution oversees the majority of stewardship for scholarship donors (e.g., planning events, arranging meetings with students, sending thank-you notes and financial reports). Financial aid offices manage operations such as assigning all scholarship funds and matching students to endowed scholarships. At **Institution A**, **Institution D**, **Institution F,** and **Institution G**, stewardship offices within schools or colleges also host events for donors and send materials about students, faculty, and programs.

Distribution of Responsibilities for Financial Aid Stewardship

	**Central Financial Aid Office**	• Assign students to stewarded scholarship funds • Send award letters to scholarship recipients • Notify recipients of the expectation to participate in stewardship activities (e.g., writing thank-you notes, attending events)
	**Central Stewardship Office**	• Gather and send student thank-you notes, financial reports, and scholarship impact materials to donors • Plan university-wide scholarship events for donors and students (e.g., luncheons, banquets) • Arrange one-on-one meetings with students for principal donors as requested
	**Academic Units or College-Level Stewardship Offices**	• Send materials to donors regarding developments in the college and the impact of scholarships • Plan events for scholarship donors specifically for the college • At some institutions, collect and send student thank-you notes to donors

One-to-Three Staff Members in Central Stewardship Offices Manage the Majority of Financial Aid Stewardship

Typically individuals more involved in financial aid stewardship are directors, assistant directors, or managers in central stewardship/donor relations offices. Responsibilities for financial aid stewardship often overlap with other areas, such as stewardship for athletics and annual giving. However, administrators at two of eight institutions designate specific individuals to oversee scholarship stewardship. For example, at **Institution G**, an assistant director of scholarship support oversees the scholarship stewardship program with the assistance of a coordinator. Both individuals report to the central division of development and alumni relations, but they communicate weekly through email or in-person meetings with financial aid regarding new or upgraded gifts. Financial aid offices assign one to two staff members to manage the donor and recipient matching process for endowed scholarships and sending scholarship award letters. General stewardship staffing in academic units ranges from one to four individuals depending on how active the department is in planning events for donors.

The central donor relations office at **Institution F** also hosts annual meetings with development staff across campus to update their stewardship database and to discuss ways to make their practices more uniform across the institution.

Maintain a Database to Track Separate Stewardship Practices for Academic Units

Stewardship teams in central donor relations offices implement most stewardship practices for scholarship donors (e.g., annual events, thank-you notes from students, financial reports, scholarship impact reports). Individual schools occasionally host events or send additional materials, but central donor relations offices conduct the majority of donor outreach. At **Institution F**, however, development staff in certain academic units and at branch campuses send student thank-you notes and other stewardship materials to donors and host events. To promote consistency in their stewardship processes, a manager from the central donor relations office maintains a database with the practices and preferences of each academic unit. The stewardship manager also conducts outreach to directors in each division to gather information and ensure that required materials are sent to donors (e.g., financial reports, student thank-you notes).

Financial Aid Stewardship Programs and Practices

Stewardship Teams Send Financial Reports, Scholarship Impact Materials, and Thank-You Letters to Donors

Stewardship teams at all eight contact institutions send financial reports and thank-you letters from students to scholarship donors. The content of financial reports varies based on whether the scholarship is endowed or renewed annually, but most reports contain information about the fund's allocation and performance during the previous fiscal year. Typically, stewardship teams send financial reports in the fall and student thank-you notes in the spring. Additional materials may accompany student thank-you notes, such as campaign updates and general information about the impact of scholarships across the institution.

Thank-You Reports for Scholarship Donors at *Institution G*

In February, stewardship staff at **Institution G** compile materials to send to scholarship donors a "thank-you report." Reports include thank-you notes from scholarship recipients, general information about the recipient (e.g., major, hometown, hobbies), and stories from recipients about how scholarships have impacted their lives.

Inform Students of the Expectation to Thank Donors When They Receive their Scholarship Awards

Stewardship administrators in central donor relations offices start collecting thank-you notes from scholarship recipients in the beginning of the spring semester. However, financial aid administrators notify students in the early fall that they will need to write a thank-you note and may be expected to meet their donor at an event. Stewardship teams contact students via email in January with instructions on how and when to submit their thank-you notes, along with guidelines of what to include in their notes (e.g., topics to discuss, how to address their donors, how long the note should be). These notifications allow students time to think about the impact of their scholarship and to decide what information to share with their donor.

Strategies to Secure High-Quality Thank-You Notes from Students

Host Events for Students to Write Thank-You Notes

Stewardship staff host events that provide students with a space to write thank-you notes and ask questions about stewardship. Stewardship staff serve pizza or ice cream at letter-writing events to encourage students to attend. Staff also use these events to take photos of students for scholarship materials and to speak with students about the importance of stewardship.

Offer Students a List of Topics to Include in Thank-You Notes

Contacts recommend giving students guidance on how to address their donor in their notes and which topics they could write about. Examples of topics include a student's favorite course or professor, family background, or career plans.

Edit Students' Notes for Grammar and Formatting Errors

Stewardship administrators read students' notes prior to sending them to donors to ensure that the content is appropriate and there are no grammar or spelling errors. At all institutions, donor relations staff do not change the majority of students' words in thank-you notes.

Include Open-Ended Questions on Recipient Information Forms to Develop More Detailed Student Biographies

Recipients of stewarded scholarships at all profiled institutions must provide basic information about themselves to share with their donor (e.g., hometown, major, extracurricular activities). Stewardship staff at four of eight contact institutions also write biographies to send to donors that include more personal information about the scholarship recipient (e.g., hobbies and interests, why the student chose that institution). Stewardship staff gather information for student biographies through a form that students complete when they receive financial aid notices. At **Institution C**, financial aid administrators also employ this information to match students with endowed scholarship funds. Contacts at **Institution C** recommend including open-ended questions to generate more detailed responses and make communication with donors more personal.

Open-Ended Questions for Student Information Forms

- If you could describe yourself in three words, what would those words be?
- If you could travel anywhere in the world, where would you go?
- What courses are you most excited about for next semester?

Differentiated Stewardship Practices

Recognize Principal Gift Donors through Special Events and Meetings with Students

Development teams design customized stewardship plans for their highest-level scholarship donors. Customized stewardship plans may involve arranging for a donor to meet one-on-one with a student, filming a thank-you video message from a student to a donor, or hosting a special event for donors with multiple scholarship recipients. Because top-level donors often give to multiple areas of the institution, central stewardship offices typically create customized stewardship plans. The amount of money and the frequency with which an individual must donate to receive special stewardship practices varies by institution and the individual donors' preferences. However, typically these donors or their families have given at least one million dollars and have had a relationship with the institution for several decades.

Administrators explain that customizing stewardship practices for top donors and establishing routine practices for the majority of donors enables their offices to more effectively manage stewardship for hundreds of individuals.

Examples of Customized Stewardship Practices for Principal Donors

Stewardship teams at **Institution H** compiled a book for a top scholarship donor that included photos of scholarship recipients and documented the donor's relationship with the institution.

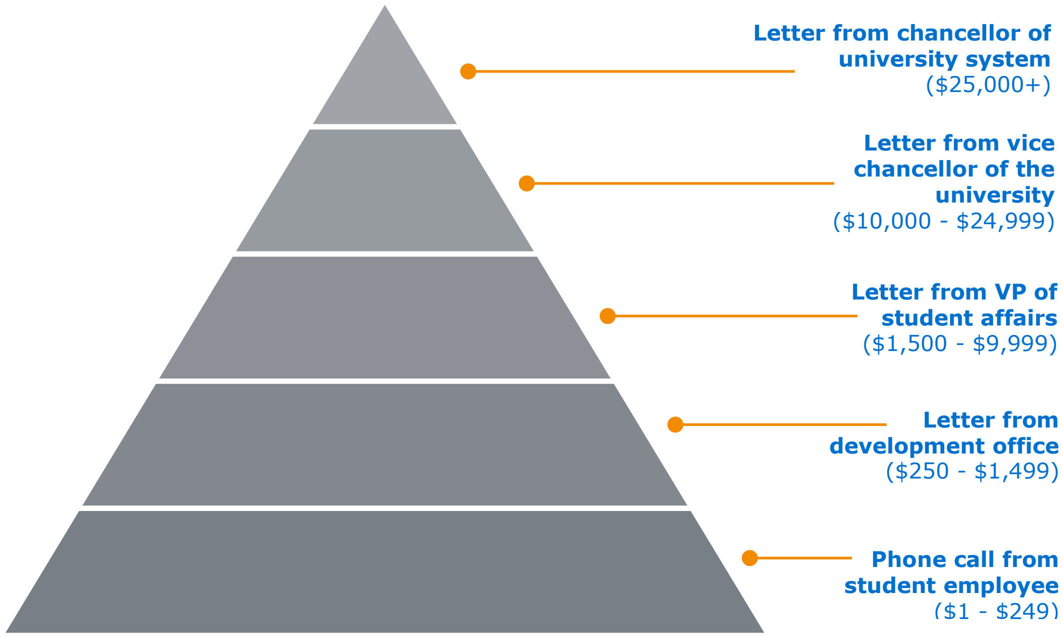
The central donor relations office at **Institution G** hosts an annual luncheon for one family who has six scholarship funds. Scholarship recipients attend the luncheon to meet their donors.

Donor relations teams at **Institution G** send thank-you video messages to donors. Staff filmed five students' messages for their individual donors and then integrated the video clips into a general video sent to all scholarship donors.

Consider Adding More Differentiation in Stewardship Practices for Levels of Scholarship Donations

At seven of eight contact institutions, there are two types of stewardship practices for scholarship donors: standard stewardship practices that all donors receive (e.g., thank-you notes from students, financial reports, information about the impact of scholarships), and customized stewardship plans for top donors. Stewardship staff also send endowment reports to donors with endowed funds, but little differentiation exists between levels and frequency of scholarship donations in terms of stewardship. Contacts at **Institution E** establish more specific stewardship practices for donors who give at certain levels.

Sample Stewardship Structure for Scholarship Donors



Consider Creating a Website for Students to Learn About their Donors

Although no development office has an online portal through which donors can locate information about scholarship recipients, financial aid stewardship teams at **Institution C** established a donor website for students to access information about their donors and scholarship funds. Stewardship staff send a customized hyperlink to students with their financial aid award notices. The hyperlink connects students to the webpage for their specific donor, which includes information about the fund’s establishment date and purpose, and personal information about the donor and their background. Donors or their families decide what and how much information to disclose on their webpages, and they can also choose to add a photo of themselves. Contacts at **Institution C** explain that the donor websites helps foster a more personal connection between donors and students and convey to students that their donors’ generosity should not be taken for granted.

Donor Information Webpage

The Bob E. Smith Scholarship Fund **Establishment date:** 1985 **Purpose of fund:** To provide educational opportunities for low-income students from Chicago interested in studying mechanical engineering at University X.	 Bob graduated in 1970 with a degree in mechanical engineering. He worked for a robotics company for fifteen years before returning to school to earn his Ph.D. Bob spent the remainder of his career teaching and conducting research at a university in his hometown of Chicago. Bob retired in 2010 and lives in Florida with his wife and two dogs.

3) Assessment of Financial Aid Stewardship

Stewardship Metrics and Donor Feedback

Track Dollars Raised and Number of Gift Upgrades to Measure Success of Stewardship Practices

Administrators explain that it is challenging to assess whether a new or upgraded scholarship gift is the result of a specific event or stewardship practice. As a result, stewardship staff evaluate general trends in scholarship donations (e.g., new gifts, upgraded gifts, changes in donor behavior) after events, mailings, and thank-you notes from students. During campaigns, administrators often set scholarship fundraising goals (e.g., raising $1 million in scholarship donations for the year), and development staff report that their offices typically meet these goals. Because of the personal nature of scholarship stewardship, contacts explain that gathering qualitative feedback from donors is the most reliable means of assessing the success of financial aid stewardship programs and practices.

Gather Donor Feedback from Development Officers

Stewardship administrators at all profiled institutions indicate that their primary means of collecting donor feedback is through their development officers and relationship managers. Because these individuals typically have the closest relationships with donors, donors feel more comfortable expressing concerns and suggesting changes to development officers. Development officers encourage donors to share their thoughts about stewardship practices or specific events during in-person meetings and through email and phone correspondence. Stewardship administrators state that donor dissatisfaction is rare, but they reach out to dissatisfied donors on a case-by-case basis to answer questions or make changes to stewardship practices for a particular donor.

Surveys Often Result in Low Response Rates and Reaffirm Positive Feedback from Satisfied Donors

Stewardship administrators occasionally send surveys via email after events, but find that surveys are ineffective due to low response rates (e.g., eight responses out of 200 recipients). Dissatisfied donors typically express concerns directly to development officers or to stewardship staff during the event rather than waiting to complete a survey. To encourage donors to share their feedback more informally than through a survey, stewardship staff include their contact information on financial reports, packets with student thank-you notes, and on materials distributed at events.

Future Changes in Financial Aid Stewardship

Administrators Anticipate Increasing Customization in Scholarship Stewardship and Use of Web Resources

Stewardship administrators agree that balancing a high volume of donors with personalization in communication is one of the greatest challenges in financial aid stewardship. As institutions' alumni bases evolve and diversify, contacts note that technology and more advanced online resources (e.g., databases, online portals) will become even more important in securing and maintaining scholarship donations. All profiled institutions are in the very early stages of implementing some of these practices, but by attending conferences and speaking with colleagues in development, contacts identified several anticipated developments that will influence the future of financial aid stewardship.

Anticipated Changes in Financial Aid Stewardship

- Developing online portals for donors to learn about and interact with scholarship recipients
- Sending video thank-you messages in place of handwritten notes
- Increasing the number of one-on-one meetings between donors and students
- Creating internal databases to track donors’ stewardship preferences

4) Research Methodology

Project Challenge

Leadership at a member institution approached the Forum with the following questions:

- Which department(s) are responsible for overseeing stewardship efforts for scholarship donors and what contributions do each make to the process?
- Which and how many staff members within these departments are responsible for organizing and managing financial aid stewardship?
- How does financial aid stewardship fit within the overall development structure at contact institutions?
- If multiple units coordinate financial aid stewardship, how or to what extent do contacts seek the application of uniform policies and practices across the institution?
- What programs or practices do institutions employ specifically to recognize scholarship donors and to demonstrate gift impact?
- How do these practices differ between different gift levels and frequency and types of gifts?
- How or to what extent do contact institutions employ donor-facing portals or other online systems to steward gifts, execute fund reporting, and/or promote engagement for scholarship donors?
- What feedback, if any, have contacts received from donors regarding financial aid stewardship? What changes, if any, have contacts made to stewardship programming or practices after receiving donor feedback?
- Which metrics do contacts measure to evaluate the success of financial aid stewardship programs? What demonstrable impacts, if any, have they documented?
- How do contacts assess donor satisfaction with financial aid stewardship programs and practices?
- How do contacts anticipate their stewardship program for financial aid and scholarships changing in the next five years? What investments would they make if they had the staff and financial resources to strengthen their stewardship program?

Project Sources

The Forum consulted the following sources for this report:

- EAB's internal and online research libraries (eab.com)
- The Chronicle of Higher Education (http://chronicle.com)
- National Center for Education Statistics (NCES) (http://nces.ed.gov/)

Research Parameters

The Forum interviewed financial aid and stewardship administrators at large public and private research universities in the U.S.

A Guide to Institutions Profiled in this Brief

Institution	Location	Approximate Institutional Enrollment (Undergraduate/Total)	Classification
Institution A	South	7,800 / 14,800	Private, Research Universities (very high research activity)
Institution B	Northeast	6,400 / 21,400	Private, Research Universities (very high research activity)
Institution C	Northeast	4,500 / 11,300	Private, Research Universities (very high research activity)
Institution D	Midwest	9,000 / 21,600	Private, Research Universities (very high research activity)
Institution E	West	24,800 / 30,700	Public, Research Universities (very high research activity)
Institution F	Northeast	18,400 / 26,500	Public, Research Universities (very high research activity)
Institution G	South	26,900 / 35,200	Public, Research Universities (very high research activity)
Institution H	Midwest	8,400 / 12,200	Private, Research Universities (very high research activity)