EAB

Leadership Giving Programs

Advancement Forum

Rebecca Stefaniak
Research Associate

Anna Krenkel
Senior Research Manager

Table of Contents

1) Executive Overview

Key Observations

Leadership giving programs seek to recognize donors who give larger, more consistent gifts than the average annual fund donor, but whose donations do not qualify as major gifts. The amount for major gifts ranges from $25,000-$50,000 at contact institutions. To be considered leadership-level donors, donors to four of five contact institutions must give a minimum of $1,000 per year. At **Institution E**, leadership giving begins once a donor has given $50,000 in their lifetime. Leadership giving funds at all profiled institutions are unrestricted.

Directors of leadership giving programs establish leadership giving societies to incentivize consistent donations and organize giving levels within the societies in tiers to encourage donors to increase their gifts. Members of leadership giving societies enjoy benefits such as invitations to events with the university president, discounts on athletic tickets, and access to monthly newsletters. Leadership-level donors at all five contact institutions are invited to join leadership giving societies, but membership becomes more exclusive and benefits expand as a donor's gift amount increases and they obtain access to new tiers. Contacts at three of five profiled institutions report that donors increase their gifts to reach a new tier, and contacts at all institutions observe increases in gifts to join the society.

Contacts address concerns about an aging population of leadership donors by offering discounted membership for leadership giving societies to young alumni. Price structure varies by institution, but membership dues increase incrementally for donors each year since graduation. For example, alumni who graduated from the law school at **Institution D** within the past five years pay a discounted rate of $100 per year to join the leadership giving society; the amount increases to $400 per year for those who graduated within the past six-to-eight years. Alumni who graduated more than ten years ago must pay full membership dues to the society, which is $1,000 per year.

Development directors share that successful contact with leadership giving donors is more targeted and personal than in other areas of development. Because gift officers ask leadership donors to give more frequently, it is especially important to promote loyalty. Leadership donors are also a smaller group than annual fund donors, and are often more connected with the institution, so customized outreach is more feasible for directors and has a greater impact on donors' giving patterns. Examples of targeted, personal outreach is sending birthday cards to donors, allowing donors to meet one-on-one with students, and recognizing donors through a "donor honor roll" published in the institution's magazine or newsletter.

Directors of leadership giving programs collect feedback from conversations with donors and email surveys. However, contacts report that they gather more valuable feedback through candid conversations with donors or focus groups. Leadership giving administrators apply donor feedback to implement changes in their programs. For example, after hearing that many donors were upset that they could not always travel to campus for events, leadership giving program directors at **Institution A** and **Institution C** began to plan more events in other parts of their countries and internationally.

2) Program Structure and Donor Benefits

Leadership Giving Levels and Societies

At Most Institutions, Leadership Giving Begins at $1,000 per Year

At **Institutions A, B, C,** and **D**, donors must give at least $1,000 per year to be considered leadership-level donors. Donors' leadership status is contingent upon renewing their gifts annually, and all leadership annual giving funds are unrestricted. At **Institution E,** leadership giving is separate from the annual fund and begins when donors give at least $50,000 in their lifetime to any area of the institution. Development administrators at Institution E designate non-leadership annual giving funds to priority areas on campus, such as student scholarships, academic programs, and infrastructure.

Contact institutions establish leadership giving programs to recognize those who donate more money to the annual fund than the average donor, but whose gifts do not typically reach the level of major gifts (i.e., gifts of $25,000-$50,000 in less than five years). While it is possible for leadership donors' gifts to qualify as major gifts, most leadership donors give smaller amounts of money (e.g., $1,000-$10,000) at one time, but they donate more frequently.

Incentivize Consecutive Years of Giving through Membership in Leadership Giving Societies

Leadership giving programs emphasize the importance of consistent donations and loyalty to the institution through their leadership giving societies. At most profiled institutions, donors must renew their gifts each year to maintain membership status. Three of five contacts report that donors are willing to increase their gifts to achieve membership in a leadership giving society after learning about events and member benefits. Leadership giving societies are also a more intimate and exclusive means of networking with other alumni and donors, because there are fewer members and everyone has a strong connection with the institution, as demonstrated through their frequent gifts.

The annual giving society at **Institution E** recognizes donors who give at least $1,000 per year. It is similar in function to leadership giving societies, but leadership giving at Institution E begins at $50,000 in cumulative gifts.

Membership Criteria and Benefits of Leadership Giving Societies

Institution	Membership Criteria	Member Benefits
Institution E	Cumulative donations of $50,000 over one's lifetime	• Invitation to dinner during homecoming weekend • Access to lunch series, faculty speakers, and Q&A sessions • Ability to purchase athletic tickets in advance
Institution C	Annual donations of at least $1,000, membership renewable each year	• Invitations to dinners/galas • Acknowledgement in annual donor honor roll • Special entry at athletic events • Discounts at the university bookstore and local hotels and restaurants

Institution	Membership Criteria	Member Benefits
Institution B	Annual donations of at least $1,000, membership renewable each year	• Invitations to special events with the president and other administrators • Quarterly mailings of university magazine with donor honor roll • Specialty gifts with the university logo (e.g., tote bags, coolers)
Institution D	Annual donations of at least $1,000, membership renewable each year	• Invitations to fall gala and spring cocktail hour • Access to monthly newsletter and recognition in donor honor roll • Birthday card signed by the dean

Foster Donations from Young Alumni through Discounted Membership for Leadership Giving Societies

Leadership annual giving program directors express concern that the majority of their donor base is aging, because most donors are over 50 years of age due to the financial commitment of leadership-level

The Young Alumni Law Club at Institution D

Alumni who graduated from the law school at **Institution D** within the last decade are eligible to join the Young Alumni Law Club, which grants similar benefits and networking opportunities as their leadership giving society at a discounted rate. Membership dues increase every three years after a donor's graduation, up to $800 per year. Once donors are able to give $1,000 per year, they are granted access to leadership giving society.

giving. To address this issue, development directors establish pathway programs for young alumni with the purpose of cultivating them as leadership donors. These pathway programs offer discounted membership into leadership giving societies to young alumni (e.g., those who are less than ten years from graduation). For example, **Institution C** discounts membership to the annual giving society from $1,000 to $500 for alumni who are less than ten years from graduation. Institutions also offer monthly and biannual payment plans for young alumni who cannot afford to pay membership dues all at once.

Encourage Donors to Increase Gift Amounts by Establishing Tiers within Leadership Giving

Because leadership giving falls in between annual giving and major gifts, it encompasses a broad range of donations (e.g., $1,000-$50,000). As a strategy to encourage leadership donors to increase their gift amounts, development directors establish tiers within leadership giving that are tied to certain benefits such as invitations to events, meetings with college administrators, and discounts at local restaurants. Benefits and access to events and high-level administrators become more exclusive as the level of giving increases. However, program directors do not specify which benefits are associated with each level on their websites or in marketing materials, since benefits and level designation may change from year-to-year.

Tiered Leadership Annual Giving at *Institution C*

Level 8
($100,000+)

Level 7
($50,000 - $99,999)

Level 6
($25,000 - $49,999)

Level 5
($10,000 - $24,999)

Level 4
($5,000 - $9,999)

Level 3
($2,500 - $4,999)

Level 2
($1,500 - $2,499)

Level 1
($1,000 - $1,499)
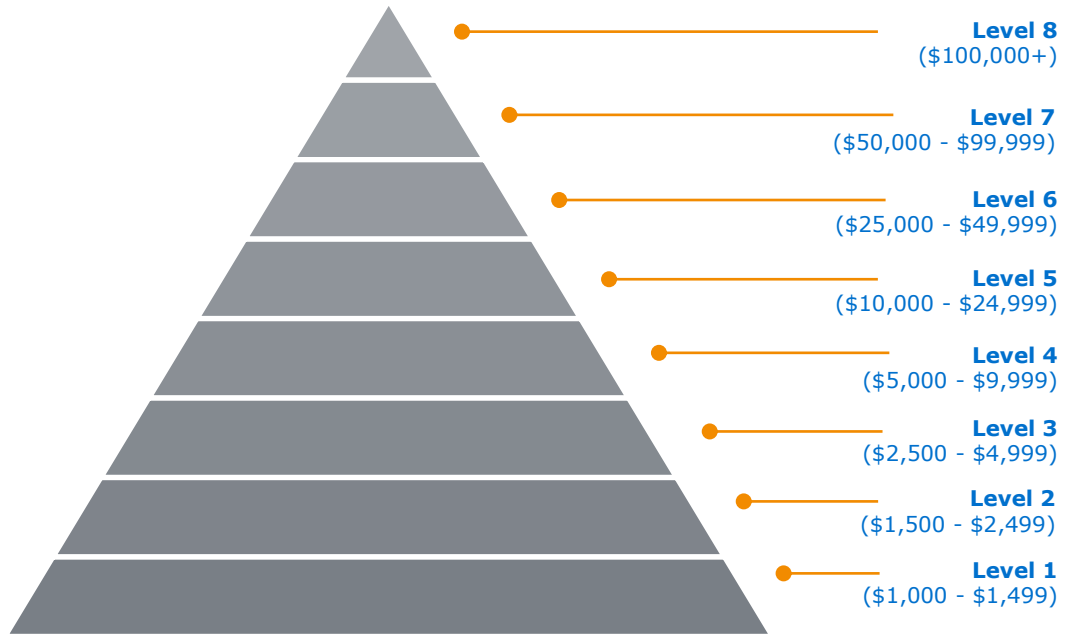
Staffing Leadership Giving Programs

Directors of Annual Giving Typically Oversee Leadership Giving Programs

At **Institution C**, one director of development oversees leadership giving and reunion giving, but this is a new position created to accommodate their growing leadership and reunion giving programs. At other contact institutions, leadership giving is part of annual giving and program directors manage other programs as well (e.g., senior class giving, young alumni giving, annual fund campaigns). However, all directors note that dedicating staff to solely oversee leadership giving would benefit donors and help to expand their programs.

Sample Organizational Structure for Leadership Giving Departments
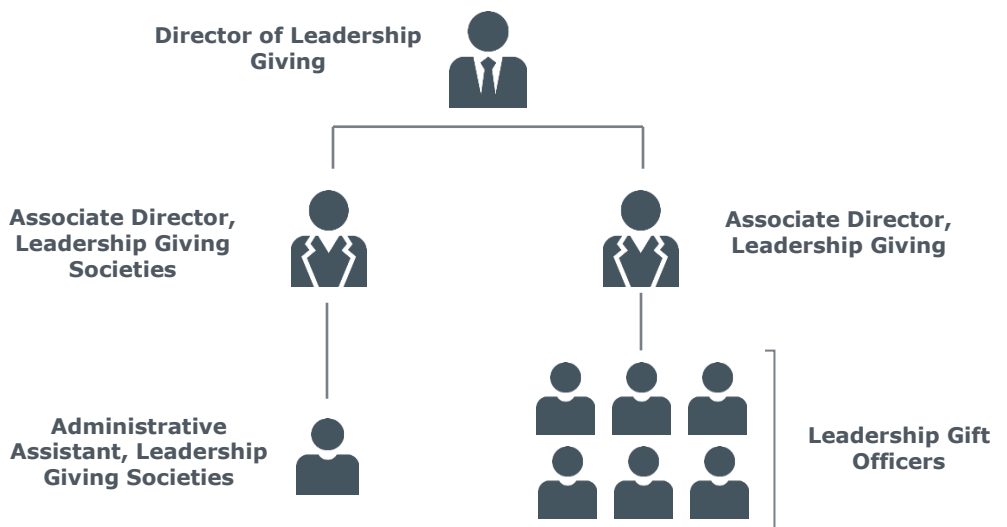
Director of Leadership Giving

Associate Director, Leadership Giving Societies

Associate Director, Leadership Giving

Administrative Assistant, Leadership Giving Societies

Leadership Gift Officers

Facilitate Communication among Development Units through Monthly Meetings and Lunches

Donors who participate in leadership giving programs also interact with development staff from offices of annual giving and major gifts, although contacts observe the most overlap of donors in leadership giving and major gifts. Communication between these development units occurs through monthly meetings, during which gift officers and directors discuss the donor pipeline and events within development, such as campaigns or initiatives. Development directors at **Institution C** recently established staff lunches after these monthly meetings to encourage staff to network and share ideas and strategies.

3) Marketing and Assessment of Programs

Recruitment and Retention of Leadership Donors

Secure Leadership-Level Donations through Targeted Outreach to Current Donors

Leadership giving donors are typically already in contact with development staff at the university through previous donations to annual giving or major gifts. Consequently, existing donor databases generate donor identification and outreach for leadership giving. Because leadership giving programs ask donors to give larger, more frequent donations than they are used to, it is especially important to reach out to donors with whom development staff have already built relationships. At **Institution A,** leadership giving staff collaborate with the marketing department to send outreach materials that correspond with prospective leadership donors' interests, schools of graduation, and previous areas to which they have donated. Leadership giving teams at Institution A also launch specialized leadership giving campaigns for groups with higher giving capacity, such as lawyers, doctors, and engineers.

Maintain Ongoing Relationships with Leadership Donors through Intimate Events and Personal Outreach

Contacts emphasize the importance of building close relationships with leadership donors through more exclusive benefits that other donors do not receive. For example, leadership giving staff may send a handwritten note to a leadership donor instead of an email, or a tote bag instead of a pen. Leadership donors also enjoy

invitations to smaller, more intimate events. Development directors share that breakfasts or lunches with deans and other administrators are popular among leadership donors because donors receive more attention from university leadership. Events such as these also help to increase support for leadership giving programs from deans and administrators because they have the opportunity to speak one-on-one with donors and advertise their schools' programs.

Examples of Personal Outreach for Leadership Donors

Leadership donors appreciate **handwritten thank-you notes**, especially in an age where most communication is electronic.

Leadership donors receive **specialized university memorabilia** such as coolers, tote bags, and customized calendars.

Leadership giving staff send **greeting cards** to donors on special occasions such as birthdays and society membership anniversaries.

When leadership donors visit campus, directors may arrange a **meeting or tour with a current student**.

When Marketing Programs, Emphasize Student Impact over Donor Benefits

The most successful leadership giving events and marketing materials are those that allow donors to learn about the impact of their gifts directly from students. Leadership giving and communications staff work to find new ways to message the impact of leadership giving to donors (e.g., sharing student testimonials at events, newsletters featuring student stories).

Additionally, many development offices focus less on large costly events such as galas, and dedicate more resources to events that connect donors and students. Directors state that donors derive the most enjoyment from events like cocktail hours and breakfasts where they can interact with students, instead of large formal dinners. Donors also appreciate the institution's frugality when planning events and feel more confident that their gifts will go directly to institutional priorities.

Assessment of Leadership Giving Programs

Program Directors Measure Success through Number of Donors, Dollars Raised, and Event Attendance

Leadership giving staff typically evaluate their programs through number of leadership donors and number of dollars raised. For leadership giving societies, membership renewal rates, attrition rates, and event attendance are valuable performance indicators. Contacts at Institution A note that they also consider outlier behavior, such as a donor who triples their gift amount of changed areas of giving, or an event with two times the number of attendees than in previous years. Because of the susceptibility of leadership donations to change based on the economic market, directors avoid establishing specific goals for giving and prefer to track metrics to retroactively evaluate performance.

Collect Event Feedback from Donors through Conversations and Emailing Surveys

After an event, some leadership giving program directors email surveys to attendees with questions about their satisfaction with event communication and execution. However, not all contacts rely on survey data for event feedback, and those who do send surveys report low response rates. Due to the personal relationships fostered through leadership giving programs, development directors share that anecdotal evidence from conversations with donors is a more effective means of gathering feedback. Depending on the size and scale of the event, directors may engage in conversation about the program with high-level donors, or they may speak with donors who have previously offered helpful suggestions. A contact from **Institution C** seeks to have a personal conversation with every donor in their leadership giving society and seek their feedback.

> **!**
>
> ### Incorporating Donor Feedback in Program Changes
>
> After receiving feedback from donors who were upset that they could not always travel to campus for events, leadership giving program directors at **Institution A** and **Institution C** began to plan more events in other parts of their countries and internationally. At **Institution B**, leadership giving staff consolidated their "thank-you" outreach into one personalized card mailed every November after they learned that leadership annual donors wished to receive fewer emails.

4) Research Methodology

Project Challenge

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

- How are leadership annual giving programs structured at contact institutions? What are the main objectives of leadership annual giving programs at contact institutions?

- What dollar amount constitutes a leadership annual gift?

- What was the motivation behind the development of a leadership annual giving program? What parties were involved in its development? How did contact institutions launch their leadership annual giving programs?

- Which annual giving recognition events or activities have been most successful at contact institutions? For what reasons do contacts believe these events were the most successful?

- How are leadership annual giving programs staffed at contact institutions? Do individuals oversee only leadership annual giving, or are they also responsible for other annual giving programs?

- How do leadership annual giving programs collaborate with other development offices on campus?

- Which tactics do contact institutions find most successful to communicate information about leadership annual giving programs to donors? Which tactics do they use to communicate information to internal constituents?

- What strategies do contacts find most successful to increase buy-in for leadership annual giving programs among internal campus constituents?

- How do contacts convey and reinforce to donors the concept of "annual" in the context of an annual gift commitment?

- Which metrics or key performance indicators do contacts use to evaluate the success of their leadership annual giving programs? What structural or programmatic changes has analysis of this data informed?

- What programs or initiatives related to leadership annual giving did contact institutions launch that were not as successful?

- While reflecting on leadership annual giving programs, are there any strategies to engage donors and other stakeholders that contacts would either implement or alter?

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)

- Institution websites

Research Parameters

The Forum interviewed directors of annual giving and directors of leadership giving at public institutions in the U.S. and Canada.

A Guide to Institutions Profiled in this Brief

Institution	Location	Approximate Institutional Enrollment (Undergraduate/Total)	Classification
Institution A	Canada	22,900 / 32,400	N/A
Institution B	Northeast	7,300 / 10,100	Public, Research Universities (high research activity)
Institution C	Northeast	18,500 / 22,200	Public, Research Universities (very high research activity)
Institution D	Northeast	700 / 6,300	Public, Medical schools and medical centers
Institution E	Midwest	30,700 / 42,700	Public, Research Universities (very high research activity)