



Breaking the Three Constraints on Fundraising Growth

A Data-Driven Playbook for Peak Performance

Part III: Creating Pathways for Transformative Impact

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AIFI: A Best-in-Class ROI Index



Industry-Leading Insights into Investments Needed to Achieve Success

Institutional ROI



- ▶ Overall investment in advancement and the outcomes it yields

Key Data

- FTEs by division and by role
- Personnel and operating expenditures
- ROI and fundraising productivity

Individual KPIs



- ▶ Performance against goal by frontline fundraisers across the institution

Key Data

- Visits, proposals, and gifts
- Portfolio composition and churn
- Tenure and fundraiser compensation

- ▶ Comprehensive investment data from all participating member institutions allows for **“apples-to-apples” comparisons**

- ▶ Granular activity data allows advancement leaders to **pinpoint cultivation bottlenecks**

EAB Dataset: A Broad, Diverse Cohort of Institutions

320+

Institutions participating since launch

\$192B+

In cumulative fundraising production, 2013-2020

22K+

Advancement staff at participating institutions

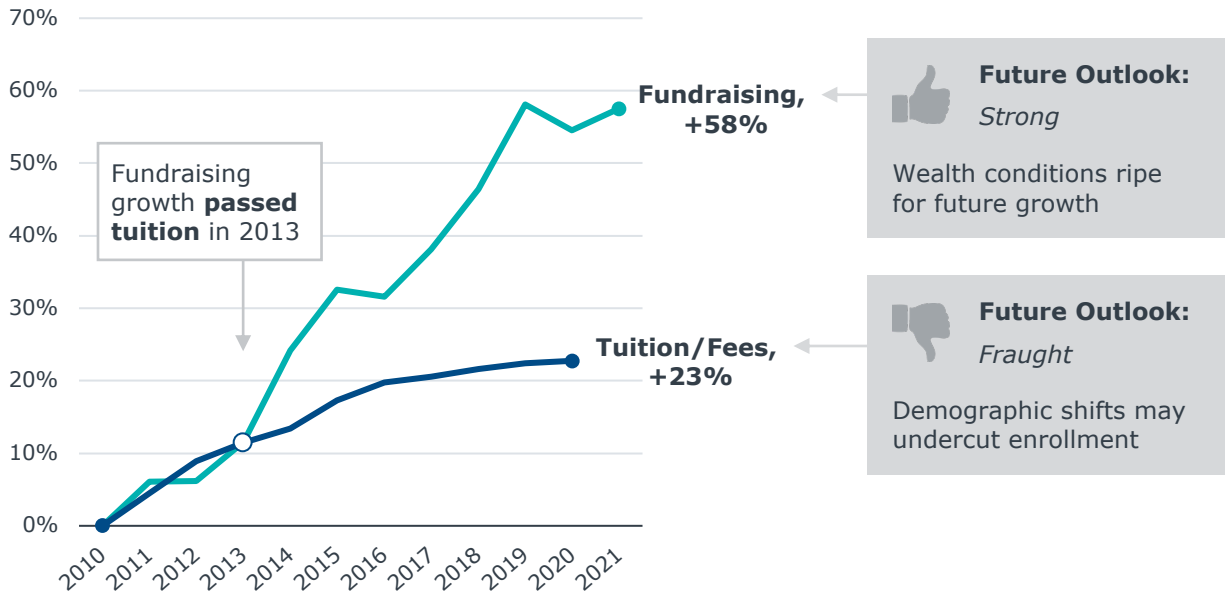
The Era of Good Feelings (About Fundraisers)



With Higher Ed Revenues Faltering, Advancement Emerges as a Bright Spot

Advancement Growth Outpaces Stagnating Tuition

Cumulative Fundraising Cash-In and Tuition/Fee Revenue Change, 2010-2021¹



1) Inflation-adjusted to 2020 dollars.

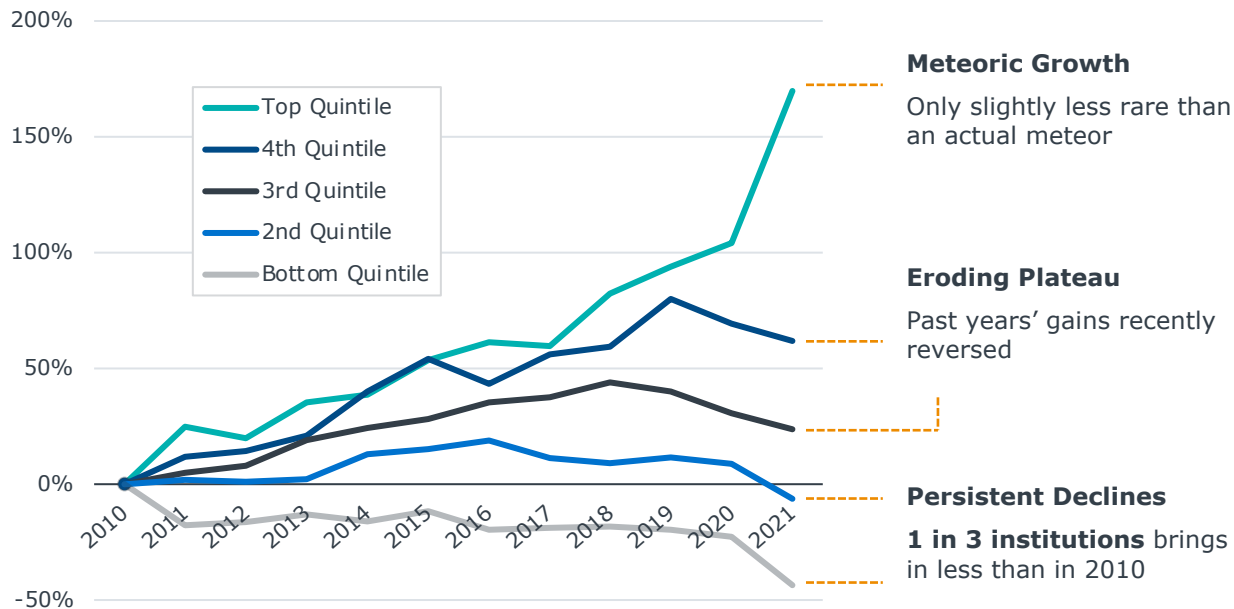
Actually, Far from Sunshine and Roses



Top-Line Growth Figures Hide a Tough Road for Many

Unimpeded Growth Is the Exception, Not the Rule

Cumulative Percentage Change in Fundraising Cash-In by Growth Quintile, 2012-2021¹



1) Inflation-adjusted to 2021 dollars. Quintile = 20% of the sample.

A Path to Growth

Overcoming the Factors that Hold Us Back

The 3 Constraints on Fundraising Growth



Our Strategic Imperatives

1 Capitalizing on a Growing Prospect Base

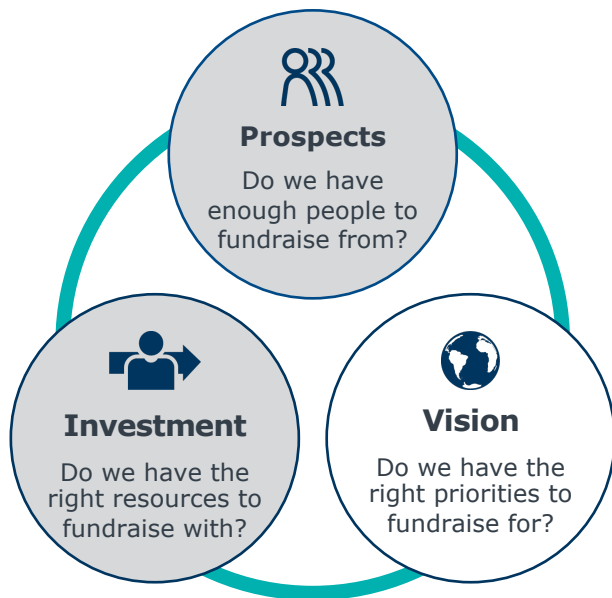
2 Aligning Resources with Institutional Ambition

3 Creating Pathways for Transformative Impact

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Our Strategic Imperatives

- 1 Capitalizing on a Growing Prospect Base
- 2 Aligning Resources with Institutional Ambition

Our Focus for Today

- 3 **Creating Pathways for Transformative Impact**



Creating Pathways for Transformative Impact



The Donor Investor

A New Outlook with High Expectations for the Organizations They Support

Donors' Decision-Making Grows Increasingly Strategic

PRO

Strategic Philanthropy: Shaking Up the Nonprofit Sector

FT

FINANCIAL TIMES

Why Seasoned Philanthropists Give More Strategically



Treat Donors Like Investors, a Top Philanthropist Urges

The Donor-Investor Seeks...



Transformative Impact

"How will this change the world?"



Compelling Ideas

"What's unique about this approach?"



Credible Connections

"Do I trust the leaders of this organization to execute?"

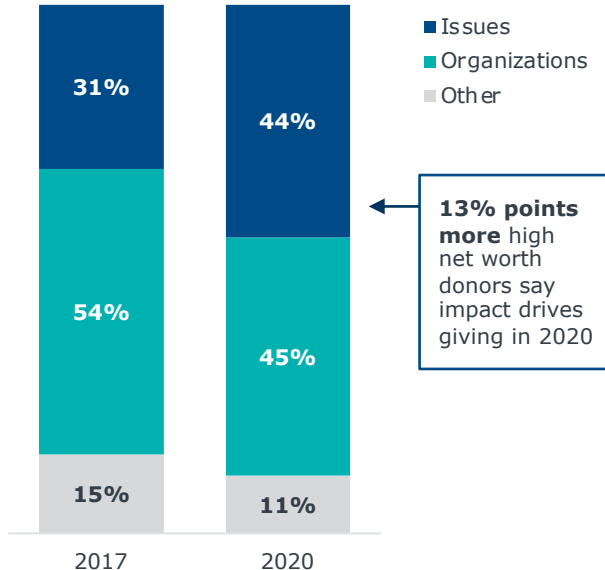
A Search for Impact All Across the Pyramid



Donors Both Big and Small Exhibit Donor-Investor Tendencies

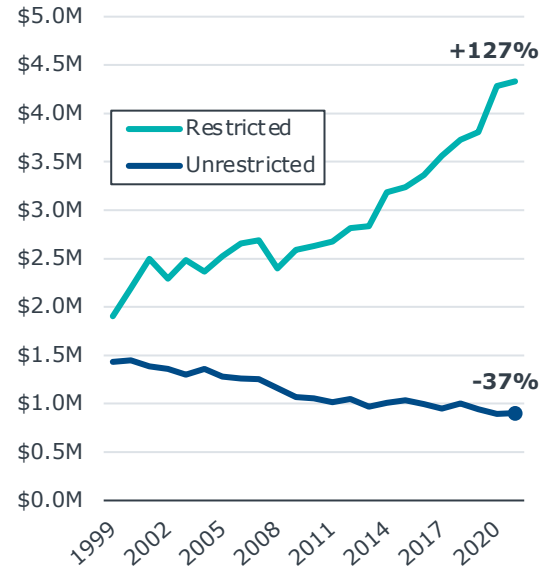
What Drives HNW Donors' Giving?

Bank of America Study of Affluent Household Giving, 2021



Donor Investors in the Annual Fund

Median Unrestricted v. Restricted Current Operations Giving (in 2021 Dollars)



Source: Bank of America and Indiana University Lilly Family School of Philanthropy, "2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households"; Voluntary Support of Education Survey, 1999-2020; EAB interviews and analysis.

Fast Track Giving with the Right Fundraising Vision

“ We like the zero-to-hero strategy. There are some donors we can accelerate quickly if we cultivate them and **put the right giving opportunity in front of them.**”

For example, we recently found a disengaged entrepreneur alum. We were able go from four figures to \$1.5 million in one-and-a-half years.”

*Ryan French
Associate Vice President of Advancement
University of St. Thomas*

Surprisingly Hard to Compete on Vision



Despite HE's Transformative Impact, Many Fundraising Teams Struggle

What Factors Dilute Our Fundraising Vision?



Campaign Priorities Indistinguishable from Any Other Institution's

Student support and capital projects fall short of unique, transformative vision



Frontline Staff Siloed Away from High-Value Centralized Priorities

Org chart impedes fundraising work on priorities that span multiple units



Bland, General-Use Giving Opportunities for Pipeline Donors

Few ways for annual fund and leadership annual donors to own their impact

What Challenges Have You Encountered?

Share how institutional, organizational, and strategic elements have made it more difficult to get a compelling vision in front of the right donors and prospects.

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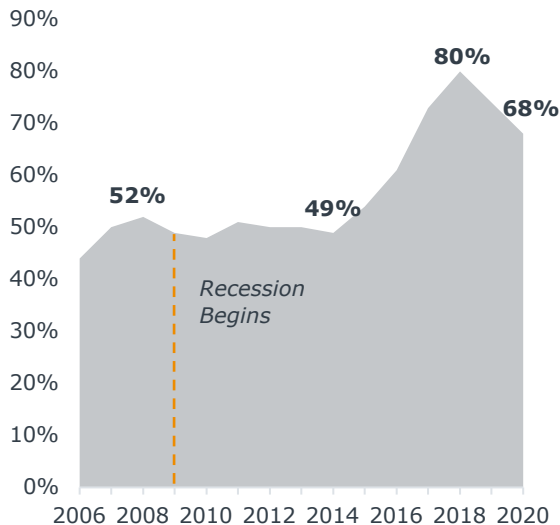
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The Era of the Campaign

Campaigns Approach Ubiquity; Mega Closes to Come

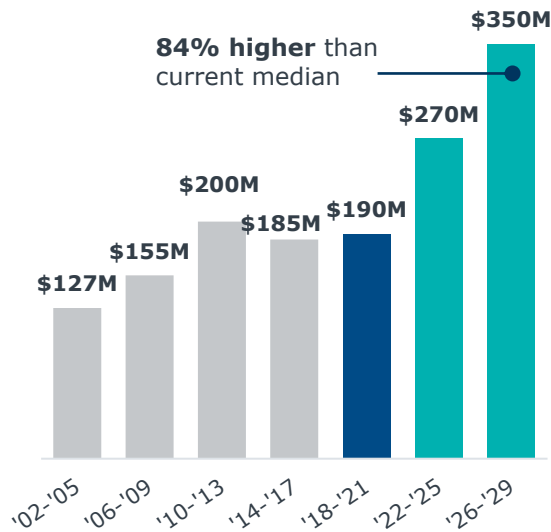
Over 2/3 of Institutions in Campaign...

Percentage of Higher Ed Institutions in Campaign (Any Phase), 2006-2020



...With the Biggest Yet to Conclude

Median Campaign Goal by Campaign End Year, 2002-2029



Source: EAB Advancement Investment and Performance Initiative dataset, 2016-2020; EAB interviews and analysis.

Brokering Compromise Is Hard

Why So Many Higher Education Campaigns Sound the Same



Conflicting Opinions

- Presidential vision
- Departmental needs
- Budget constraints
- Trustee opinions
- Donor interests



Intervening Forces

- Leadership transitions
- New strategic plan
- Political turmoil
- Economic uncertainty
- Student activism



Catchall Campaign Priorities

- Academic excellence
- Student success
- Faculty support
- Capital projects
- Growing the endowment

Campaigns Getting More Similar by the Day

“If you think about a seven-year campaign today, you’re not going to have the same chancellor at the beginning and the end. Whenever you get a new leader, they want to have input on the priorities. **You’re going to see more vanilla goals**, so that anything new can fall into one of the buckets you already have.”

*Associate Vice Chancellor for University Advancement,
Public Research University*



Breaking Free from ‘Boring’



‘Big Ideas’ Fundraising Turns Donors’ Sights to the Frontiers of the Possible

The “Big Ideas” Fundraising Initiative

▶ *Advancement sources transformative, eight-plus-figure proposals from the academy and engages academic partners in fundraising for them*

- 1** Ask faculty for mega-gift level **funding proposals**
- 2** **Rank, select** the most impactful submissions
- 3** Set those priorities as **campaign pillars**
- 4** Engage academic partners in **cultivation**

What Constitutes a “Big Idea”?

- ✓ Aligned with the strategic plan
- ✓ Tied to preeminence in select disciplines
- ✓ Transforms campus, community, world
- ✓ Requires philanthropy to achieve excellence
- ✓ Elicits cross-campus collaboration
- ✓ Increases national acclaim

On the Other Side of Seven Figures

Institutions of All Types Find Principal-Gift Success with Big Ideas

Transformational "Big Idea" Gifts

Caltech

\$750M to Caltech to discover breakthrough solutions to climate change

W

\$550M to Western Michigan University to improve access for underrepresented students

N

\$100M to Northeastern University to turn southern Maine into a tech hub

UCI

\$58M to UC-Irvine for pioneering, multidisciplinary research into depression

M

\$34M to Morehouse College to eliminate Class of 2019 students' debt

UNIVERSITY OF MONTANA

\$24M to the University of Montana to advance water conversation research

► Questions for Reflection

What areas of your institution differentiate you from other institutions? What "big ideas" might come out of those areas that you could fundraise for?

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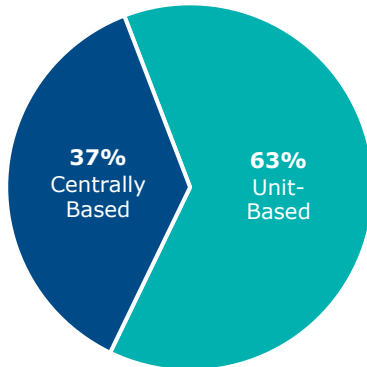
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The Paradox of Decentralization

Most Fundraisers Are Unit-Based; Best Fundraisers Are Centrally Based

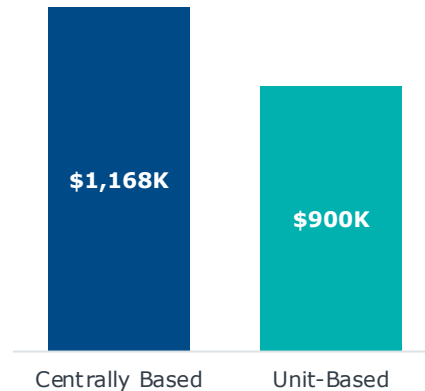
Most DOs are Unit-Based...

Centrally and Unit-Based MGOs, CFR Staff, and Planned Giving Officers



...Yet Best Returns Come from the Center

Median Fundraising Returns by Fundraiser Reporting Line



An Experiment in Targeted Centralization

The University of Oregon's Presidential Initiative Fundraisers

Unit A



Unit B



Unit C



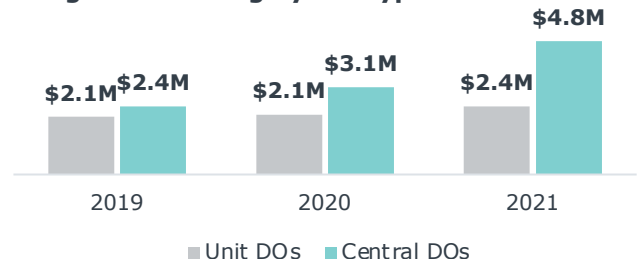
Unit D



Presidential Initiative Fundraisers

- **11%** of unit-based fundraisers **moved to central team**
- New team focused on **highest-dollar** fundraising opportunities
- Funding priorities **spanned multiple units**

Average Fundraising by DO Type



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Impact is Necessary, But Not Sufficient



Donors Increasingly Feel Lost in the Crowd

“

We're finding it's no longer enough for younger donors to be one of five hundred people to give to a crowdfunding project. The impact's there, but it's lacking a sense of ownership. **Donors want to feel like what they gave to wouldn't have been possible were it not for their gift, that they and they alone were responsible.** They want to say, "My gift bought such-and-such," rather than, "gifts like mine" did that.

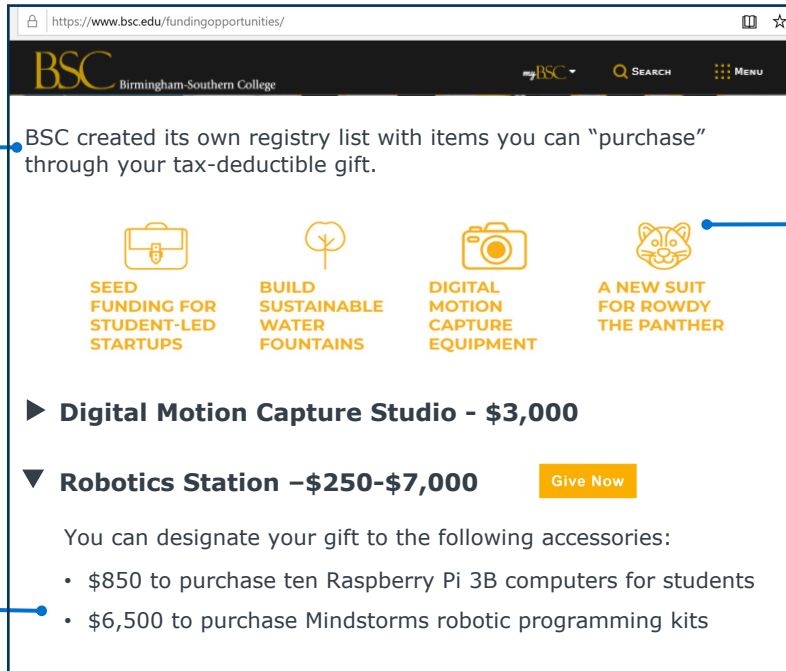
Vice President of Advancement
Large Research University

”

A Shopping List for Philanthropy

Fundraising Gift Registry Gives Donors 1-to-1 Ownership of Impact

Birmingham-Southern Donors Choose Specific Needs to Personally Fund



The screenshot shows a web browser at the URL <https://www.bsc.edu/fundingopportunities/>. The page header includes the BSC logo (Birmingham-Southern College), a search bar, and a menu icon. The main content area features a grid of four items, each with an icon and a title:

- SEED FUNDING FOR STUDENT-LED STARTUPS** (Briefcase icon)
- BUILD SUSTAINABLE WATER FOUNTAINS** (Tree icon)
- DIGITAL MOTION CAPTURE EQUIPMENT** (Camera icon)
- A NEW SUIT FOR ROWDY THE PANTHER** (Panther head icon)

Below the grid, there are two main items:

- Digital Motion Capture Studio - \$3,000** (indicated by a right-pointing triangle)
- Robotics Station - \$250-\$7,000** (indicated by a downward-pointing triangle), with a **Give Now** button next to it.

Under the Robotics Station item, there is a sub-section titled "You can designate your gift to the following accessories:" followed by a list of two items:

- \$850 to purchase ten Raspberry Pi 3B computers for students
- \$6,500 to purchase Mindstorms robotic programming kits

Frame giving as a personal consumer action

BSC created its own registry list with items you can "purchase" through your tax-deductible gift.

High-interest priorities spotlighted

Full price of funding is advertised to individual donors

You can designate your gift to the following accessories:

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- \$6,500 to purchase Mindstorms robotic programming kits

An Ask That's Easy to Say 'Yes' To



Gift Registry Strategy Inspires Mid-Level Rising Star Donors

A Success for Pipeline and Budget Relieving Dollars



305 Donors supporting registry gifts

\$123K Total funds raised from gift registry

“

“We know that we have to build a major gift pipeline, and that starts by figuring out how to compete in this Amazon world we live in. **Young alumni, specifically those on our young alumni council, are on fire about giving when they know where their money is going**, and we can steward them for specific outcomes. This type of giving opportunity has really energized them.”

Virginia Gilbert Loftin, Vice President for Advancement & Communications
Birmingham-Southern College

”

What Is Holding Us Back?



Factors Both Internal and External Impede Efforts to Lift Production

The 3 Constraints on Fundraising Growth



Our Strategic Imperatives

1 Accessing Burgeoning Prospect Wealth

2 Aligning Resources with Institutional Ambition

3 Creating Pathways for Transformative Impact