



EAB

WHITE PAPER

Sidestepping the Advancement Talent Crisis

Three Strategies to Source Talent
and Increase Fundraiser ROI

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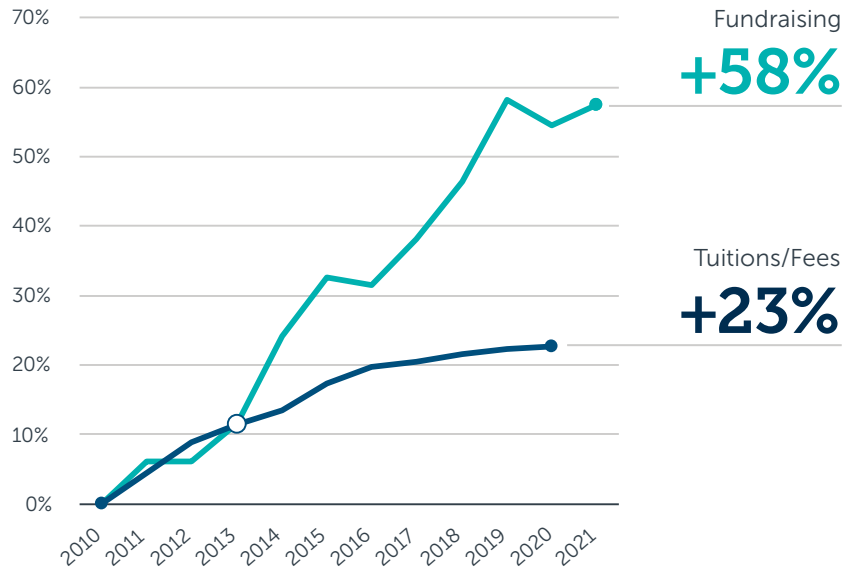
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Advancement's Talent Landscape

As institutions navigate the pandemic and its aftermath, fundraising is a more critical strategic priority than ever. Over the past decade, tuition and fee revenue growth has stagnated while fundraising has grown 58%.¹ And pressure on advancement leaders is only set to increase, as 91% of presidents have pinpointed fundraising as a strategic priority.²

Advancement Growth Outpaces Stagnating Tuition

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



This heightened pressure is coming at a time when advancement leaders are struggling to keep their shops fully staffed. From May 2021 to June 2022, the median institution surveyed by EAB³ had a vacancy rate of 14%. For just over one-fourth of shops, vacancy rates exceeded 20%.

14% vacancy rate for the median institution

As advancement leaders work to fill vacancies, they are finding it difficult to backfill positions. Over 40% of institutions took at least 90 days to hire—more than double the national average of 42 days.⁴

In a stark change from pandemic and pre-pandemic years, recent data⁵ reveals that more fundraisers are leaving than shops can hire. Amplifying talent pressures, 40% of staff departures within the last year at the median institution were fundraisers⁶—those who contribute the most to an advancement shop's revenue. The disproportionate percentage of fundraiser departures combined with high vacancy rates and slow hiring timelines means that many institutions have a significant risk of losing revenue.

To make matters worse, advancement leaders are facing these hiring challenges during the most competitive fundraiser talent market in recent history. Since 2017, the number of fundraiser job postings in the US has grown 40%.

Fundraiser Talent Market Surpasses Pre-Pandemic High

Unique Job Postings for Fundraising Positions in EducationLightcast™, July 2017–June 2022



To increase advancement’s ROI during the fundraiser talent crisis, advancement leaders must develop new recruitment strategies, ensure that Major Gift Officers (MGOs) work efficiently, and retain their remaining staff.

Here are **three steps** to reduce the risk of losing philanthropic revenue during the talent crisis.

- 1** Develop a steady talent pipeline by hiring from outside advancement *Page 4*
 Equip managers to recruit out-of-industry candidates who have skills transferable to fundraising

- 2** Increase efficiency by realigning MGO efforts to high-ROI activities *Page 6*
 Help MGOs streamline prospect cultivation and reclaim time from Deans’ administrative requests

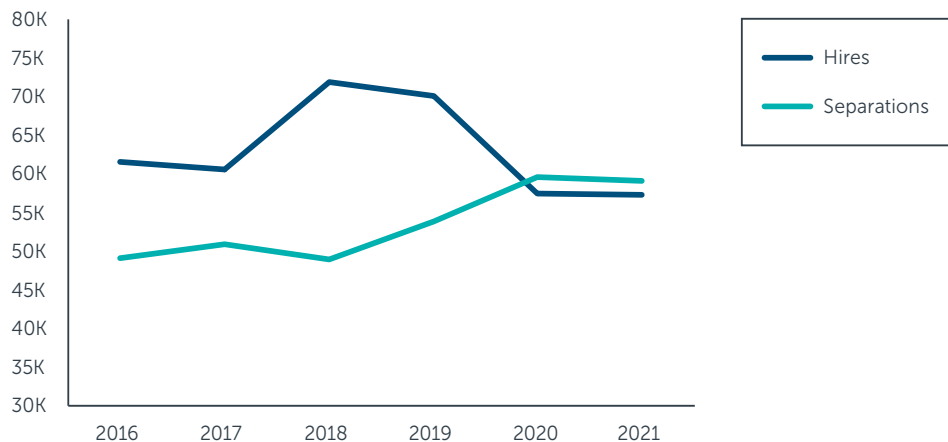
- 3** Retain fundraisers by adding support staff and offering remote work *Page 8*
 Provide sufficient support and workplace flexibility to your fundraisers

Step 1: Develop a Steady Talent Pipeline by Hiring From Outside Advancement

With sky-high demand for fundraisers, there are not enough experienced candidates to fill all open positions. Now that fundraiser departures are outpacing hires, advancement is losing fundraisers faster than they can be replaced.

Departures Outpace Fundraising Hires

Hires and Separations for All Fundraising Positions, Lightcast™, 2016–2021



Fortunately, advancement shops can sidestep the fundraiser talent crisis by systematically seeking out-of-industry candidates. Many job seekers are willing to change industries—53% of adults who quit a job in 2021 say they changed their field of work.⁷

Transferable-skills candidates (TSCs) who come from out-of-industry bring skills and competencies from related fields that make them a great fit for fundraising. Some transferable skills include relationship building, negotiation, ability to close, communication, and project management. Advancement shops can increase their talent pool by capitalizing on job seekers changing careers and recruit those with an aptitude for fundraising. In just one field with TSCs, sales, there are 150 times more professionals employed in the US than fundraisers.⁸

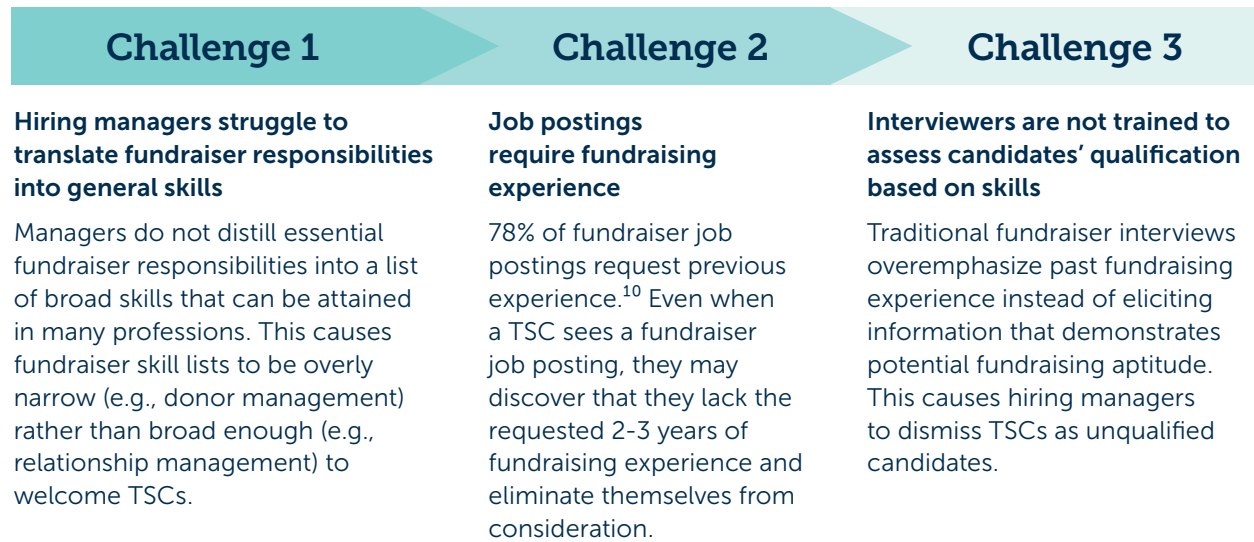
Below are example job roles that have transferable skills applicable to fundraising:

- Sales Associate
- Admissions Counselor
- Marketing Professional
- Financial Planner

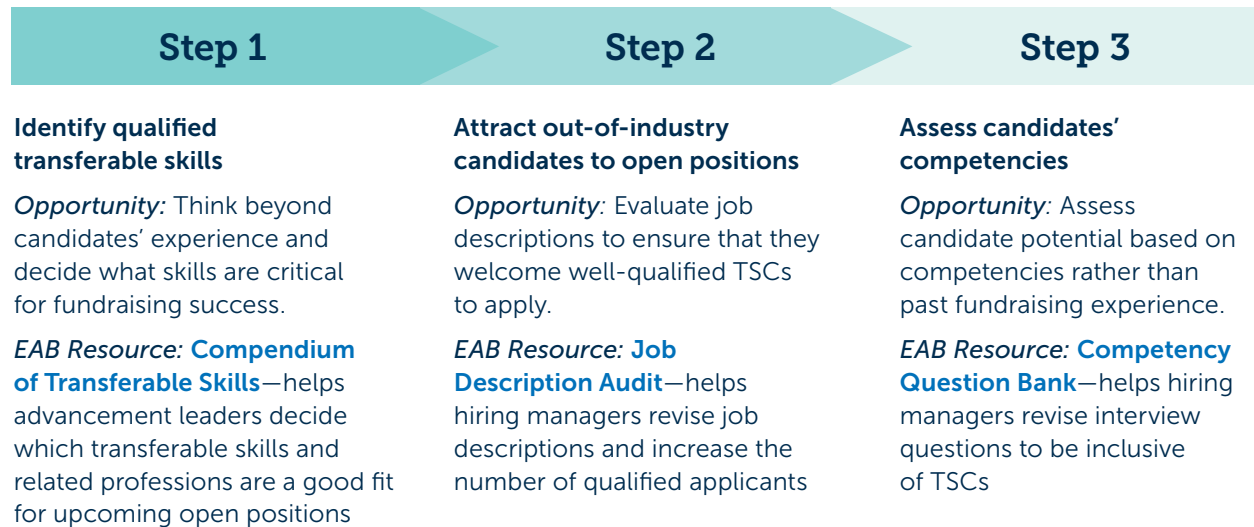


Another advantage to hiring TSCs is the opportunity to increase advancement team diversity. While just 11% of fundraisers are non-white, several related professions such as financial managers (22% non-white) and sales/office professionals (22% non-white) have more diverse talent pools from which advancement leaders can recruit.⁹

While advancement shops stand to benefit from hiring TSCs, leaders often encounter **three challenges** in looking outside higher education for candidates.



EAB researchers have identified **three essential steps** that advancement leaders can follow to overcome challenges and successfully hire TSCs.



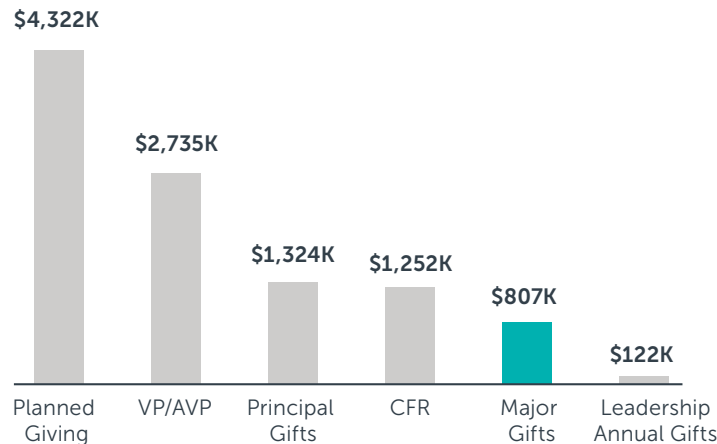
Use **EAB's Competency-Based Hiring Toolkit for University Advancement Leaders** to identify qualified transferable-skills candidates, attract them to open positions, and assess their competencies.

Step 2: Increase Efficiency by Realigning MGO Efforts to High-ROI Activities

Once a reliable talent pipeline is developed, the next opportunity is to ensure that current MGOs are focused on high-ROI activities. On average, MGOs bring in less fundraising revenue than their colleagues in planned giving, CFR, and principal gifts.¹¹ Furthermore, divisional underperformance is not always obvious because top performers tend to carry the team and mask inefficiencies within fundraiser ranks.¹²

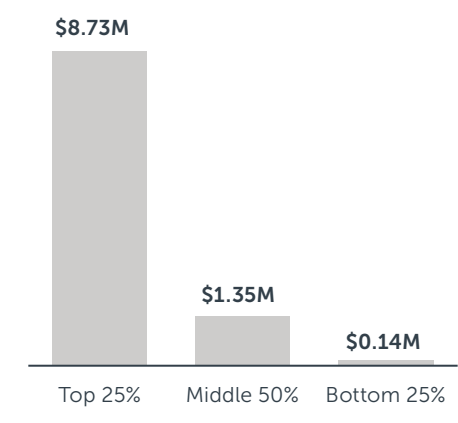
MGOs Underperform Compared to Their Colleagues

Median Value of New Gifts and Commitments by Role, EAB Advancement Investment and Performance Initiative, FY2020



Top Performers Carry the Team

Average MGO Fundraising Production by Quartile, EAB Fundraiser Productivity, FY2018



There are several barriers that limit fundraiser efficiency. Here are two of the most common challenges:



Time is wasted on constantly revamping cultivation strategy. Gift officers frequently rewrite the cultivation strategy for each individual prospect instead of scaling strategy for multiple prospects. The result is long cultivation timelines, wasted time on trial and error for each prospect, and fewer gifts closed.



Deans ask fundraisers to complete non-fundraising tasks. Deans often ask MGOs to handle engagement tasks, such as writing newsletters, that reduce fundraising capacity. These tasks should instead be allocated to an engagement or alumni relations staff member to free up fundraiser time to focus on prospect cultivation.



Even advancement shops operating with a full MGO roster should consider evaluating MGO activities and offloading non-essential tasks.

Below are **two quick-win strategies** that rapidly realign MGO efforts with high-ROI activities.

Streamline cultivation with a plug-and-play prospect strategy

- **EAB’s Strategy Planning Toolkit** empowers MGOs to spend time tailoring their approach rather than constantly revamping overall cultivation strategy and creating new collateral for donors. MGOs use a standardized-strategy framework and simply fill in critical questions, action steps, and tough scenarios for each phase of the cultivation process. This tool streamlines cultivation planning and ultimately allows MGOs to connect with more prospective donors.

Sample Toolkit Components for Cultivation



Agenda-Setting Questions

- Is my plan right for the donor?
- Is my ask at the right level?
- Is now the right time for an ask?
- Do I know what my next steps will be?



Action Steps

- Meet with a scholarship recipient
- Visit financial aid office
- Attend donor appreciation event
- Attend day of gratitude



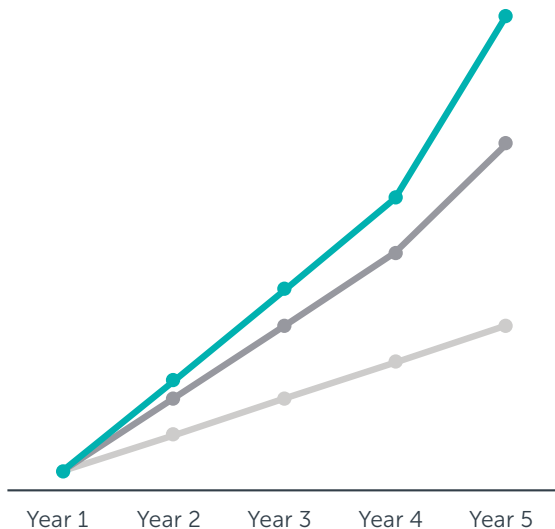
Tough Scenarios


- Financial condition impacts ability to give
- Donor writes a check for a different amount than discussed
- Academic leader shares priorities but doesn’t mention scholarship

Use data to persuade deans that MGOs should spend time on fundraising activities

- **EAB’s Time Allocation Predictive Model** illustrates the ROI tradeoffs for MGO time spent on engagement activities. Deans and other academic leaders often have not considered the revenue outcomes of these tradeoffs. This interactive model allows them to explore estimated fundraising returns based on dedicated MGO fundraising time.

Adjustable Model Estimates Returns Based on Dedicated MGO Fundraising Time





Explore EAB’s study on **Maximizing Fundraiser Efficiency in Higher Ed** to learn even more strategies for improving gift officer efficiency.



Step 3: Retain Fundraisers by Adding Support Staff and Offering Remote Work

The last step toward maximizing fundraiser ROI is to avoid the opportunity cost of losing fundraisers in the first place. The risk is particularly high given that the average cost to backfill a fundraiser is \$163K.¹³ While fundraiser retention is a top priority among advancement leaders, most shops have struggled to retain fundraisers. 95% of large shops (≥40+ FTEs) surveyed by EAB had at least one fundraiser leave between June 2021 and May 2022, and the same is true of 58% of small shops (<40 FTEs).

Advancement leaders can use two strategies to improve fundraiser retention:

- Hire more strategic support staff
- Offer hybrid/remote work options

Strategy 1: Add Support Staff to Improve Fundraiser Retention and Increase ROI

Support staff improve fundraisers’ quality-of-life on the job by providing critical infrastructure to increase fundraising production. Key support tasks include optimizing portfolios, managing prospects, analyzing prospect data, and taking non-fundraising tasks away from fundraisers.

To free up MGO time for core fundraising activities, advancement leaders should ensure their staffing ratio includes enough strategic support staff. While the correlation between support roles and revenue is not as strong as frontline fundraisers, the relationship is still substantive.

+1 FTE In...	Correlates With...
Major/Principal Gifts	+\$1.5M <i>In additional fundraising revenue</i>
Development Support	+\$1.3M — Support functions provide crucial infrastructure for improving fundraiser efficiency
Advancement Services	

An analysis of EAB’s AIPI data reveals two principles to guide decisions around appropriate staffing levels.

- **As advancement grows, development support must scale up relative to fundraisers**
Smaller shops (<40 FTEs) on average have a 1:4 ratio of development support staff to frontline fundraisers, while larger organizations tend to have a 1:3 ratio. As shops grow, the increase in development support ensures that frontline fundraisers can focus on cultivating more donors.
- **Advancement services should grow at the same pace as the rest of the division**
As an advancement shop’s capacity to cultivate its prospect base grows, it also increases the need for prospect management, prospect research, and database management. Regardless of shop size, nearly one in four FTEs should be allocated to advancement services functions.

Strategy 2: Offer Hybrid/Remote Work Options to Increase Fundraiser Job Satisfaction

To remain a competitive employer, advancement leaders should implement a hybrid/remote work policy. With flexible work options now so prolific, a hybrid or remote option is quickly becoming a minimum requirement necessary to retain staff. Nearly 50% of US workers say they would take a pay cut to continue to work remote at least part time.¹⁴ And 76% of millennials say they prefer a hybrid or remote working pattern.¹⁵

50% of US workers say they would take a pay cut to continue to work remote at least part time.

Remote and flexible workers are more productive and less likely to leave a job. In one example, travel agency workers who were randomly assigned to work at home saw a 13% spike in productivity.¹⁶ And on average, jobs with a remote work option see 25% lower employee turnover.¹⁷

Fundraisers are especially well-suited to flexible work arrangements as they already spend so much of their time on the road interacting with donors. Increased flexibility allows fundraisers to change their lifestyle or geographic location without having to find a new position.



Advancement leaders who want to learn about best practices for implementing hybrid and remote work can visit [EAB's Remote Work and Hybrid Workplace Resource Center](#).

The resource center explores the following four topics:

- Potential benefits of institutionalized remote work
- Managing and supporting the remote workforce
- How to create a clear and equitable remote
- Aligning administrative office space with remote work



SAVE MONEY ON SPACE

\$5,100 non-space related annual savings per employee in a 1,000 person organization that is 40% remote.¹⁸



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¹⁵Source: The Deloitte Global 2022 Gen Z and Millennial Survey, Deloitte, 2022

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¹⁸Global Workplace Analytics

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