

The Five Defining Challenges of the 2020s

Advancement ended the 2010s on a high note. Fundraising returns were strong, principal gifts were plentiful, and leadership invested in fundraising.

However, advancement leaders face significant challenges if they are going to sustain their performance in the decade to come.

Across 200+ interviews with advancement leaders, EAB has identified the five defining challenges that advancement will face across the coming decade.

1

Maximizing Fundraiser Efficiency

The top

25%

of MGOs



raise **6.5x** as much as median performers



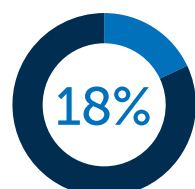
How do we bridge the massive performance gap between middle- and high-performing MGOs?

Map out the steps gift officers must take to be successful—and give them the time they need to do them.

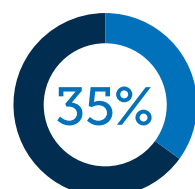
- › Create scalable cultivation building blocks
- › Develop intermediate progress metrics for fundraisers
- › Refocus MGOs' time on core fundraising tasks

2

Rightsizing Investments in Digital Transformation



18% of institutions have a holistic digital strategy



compared to a **global average**



How do we “go digital” fast without breaking the bank?

Start by identifying the business challenge you're trying to solve—and then select a technology that will help you solve it.

- › Digitize the constituent experience
- › Leverage big data to drive decision-making
- › Automate rote, inefficient tasks across advancement

3

Navigating the Participation-Pipeline Trade-Off

22.5%

Median **drop in alumni donors** since 2006

6,052

Average number of **unassigned alumni** rated \$100K+



In a world of scarce resources, should annual giving focus on donor counts or pipeline development?

Decrease investments in alumni participation—and use those budget dollars to cultivate future-potential pipeline donors.

- › Identify “rising star” prospects early
- › Prioritize leadership annual giving direct-response campaigns
- › Adopt digital-first frontline staffing models

4

Scaling—and Sustaining—Principal Gift Success

Households with **\$25M+** in net assets

grew by

65%

from 2010 to 2018



How must we change our model to realize the potential of our principal gift prospect base?

Raise the bar on principal gift proposal quality—and organize internally for agility and scale.

- › Develop “big idea” proposals to energize today's donor-investors
- › Scale the CAO's reach with strategy-support staffing
- › Enfranchise young gift officers to engage principal gift donors

5

Realigning Mission and Margin

-29%

Decline in **unrestricted giving**

53%

Increase in **restricted giving**

From 2005 to 2019



How can we impact core institutional priorities that donor-designated gifts don't touch?

Elevate efforts to drive unrestricted philanthropy—and bridge silos to bring in budget-relieving revenue.

- › Incentivize MGOs on unrestricted dollars
- › Partner with enrollment to impact tuition revenue
- › Redesign campaigns around mission-critical initiatives



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