

2018 donorCentrics® Annual Report on Higher Education Alumni Giving

Summary of Annual Giving
Key Performance Indicators

JULY 2017–JUNE 2018



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2018: Similar Trends with Some Significant Twists

On the surface, 2018 higher education alumni giving doesn't look much different than 2017—dollars continue to increase while alumni donors decrease. But when reviewed closely, the data reveals there are changes happening. Giving days are impacting annual giving programs, and for many, are a new influx of energy and opportunity that has likely helped to combat declines in the industry. Last year's data shows that donors are more loyal to giving days (i.e., higher retention rates). In fact, median retention rates for these donors are three and six points higher than overall retention rates for private and public institutions respectively.

In addition, more institutions are getting donors to make multiple gifts during the year. The gifts per donor medians hit five-year highs last year for public and private schools, buoyed by more intentional second ask programs and giving days. Institutions also hit five-year highs among the median percentage of their donors giving \$1,000 or more, with more than 12% of all donors to private institutions fitting this category.

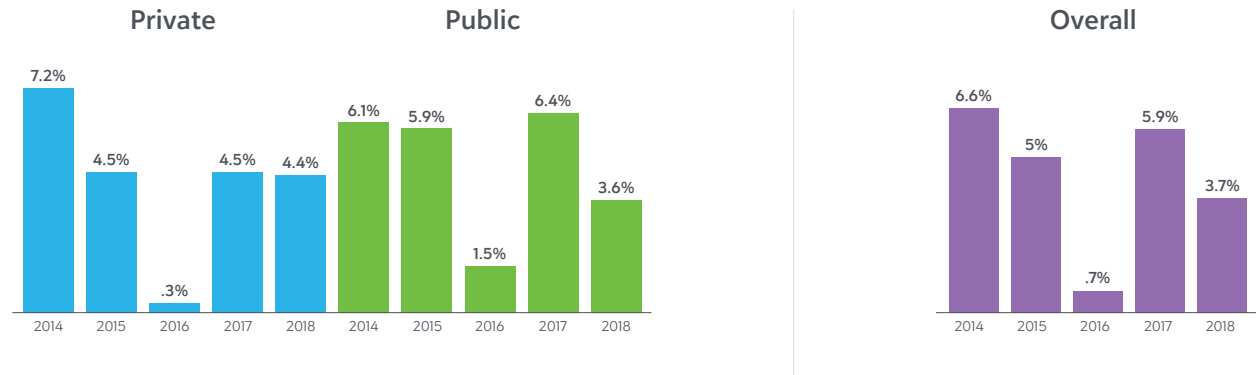
Multichannel approaches continue to be essential to maximize results. However, over the past five years, there has been a clear shift of more donors moving toward online vs. phone and mail gifts. Last year for public and private schools, the median percentages of donors giving online were the highest in five years, while phone and mail experienced declines over the past five years. Interestingly, this trend has made an even greater impact on private institutions where the greatest median percentage of donors comes from online. The opposite is true for public schools, but this number is dramatically growing—compared to mail and phone.

Ultimately, alumni giving trends last year were consistent with the previous year, including steady retention rates, declining reactivation rates, and modest dips in alumni donor acquisition. While the trends look similar to recent years, they are being achieved with a different mix of multichannel efforts, such as giving days and second ask programs.

Overall Revenue and Donors

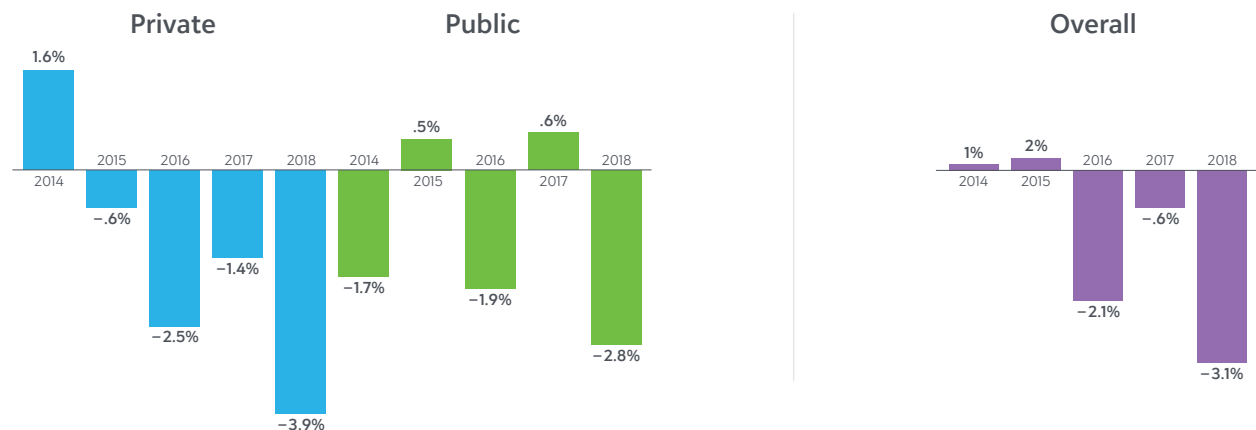
Median One-Year Change in Revenue

Last year, revenue from alumni continued to climb in higher education. For the fifth consecutive year, private and public institutions had a positive one-year change in revenue (4.4% for private schools and 3.6% for public schools). This continues the trend of alumni donors down and dollars up, which has been the general trend for higher education in recent years.



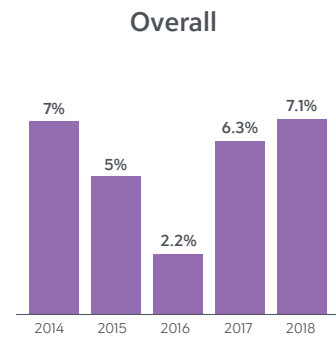
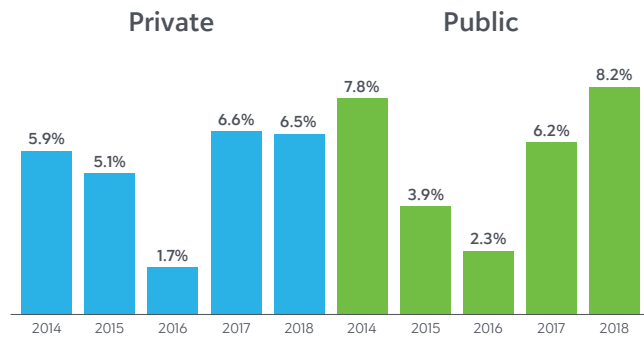
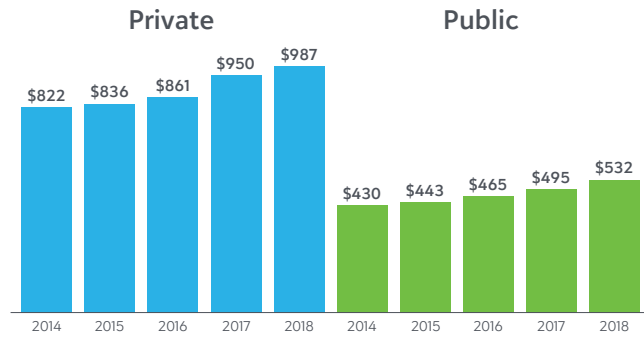
Median One-Year Change in Donors

Public and private institutions saw the biggest one-year drop in the number of alumni donors, with a -3.9% change for private institutions and a -2.8% change for public institutions in five years. Again, fewer alumni are giving each year.



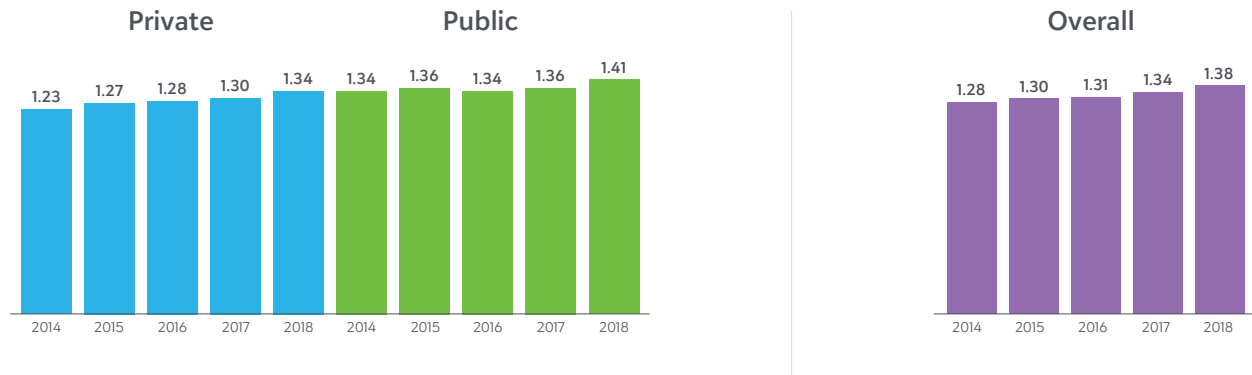
Median One-Year Change in Revenue per Donor

For the fifth consecutive year, the median revenue per donor increased, following the trend of fewer alumni donors that give more each year. Private schools saw a 6.5% increase while public schools saw an 8.2% improvement.



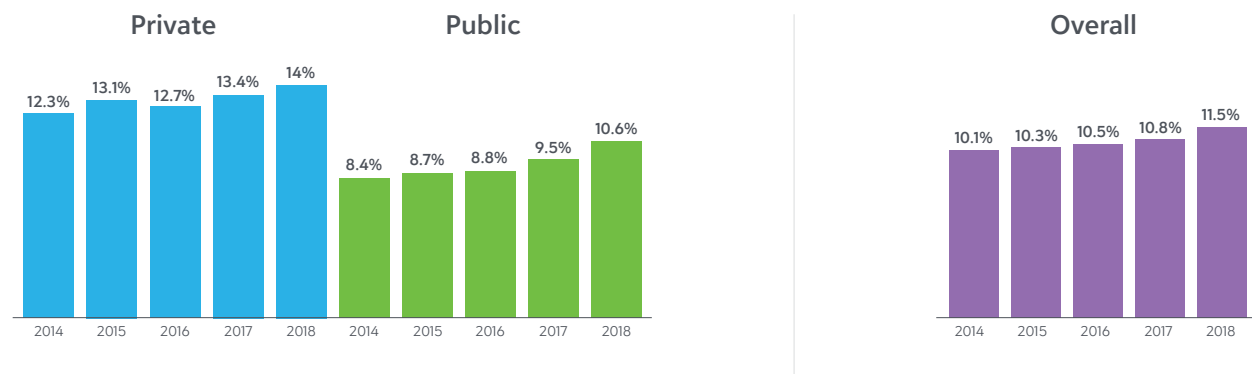
Median Gifts per Donor

One of the forces behind the increased giving is that more donors are making multiple gifts throughout the fiscal year. Giving days and second ask programs are helping to drive this growth in gifts per donor. Private institutions saw the fifth year of growth, now at 1.34 gifts per donor, and public institutions also had their best year on record with a median of 1.41 gifts per donor.



Percentage of Donors Giving \$1,000+

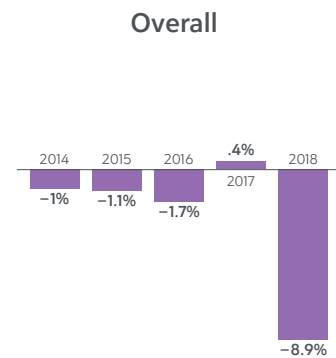
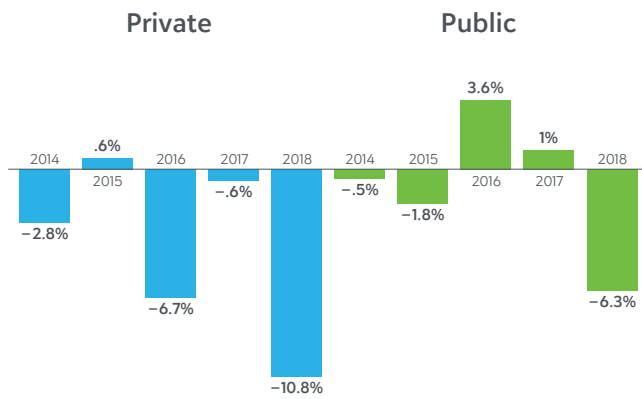
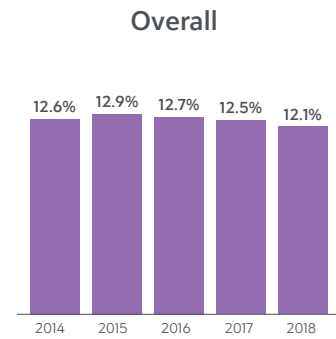
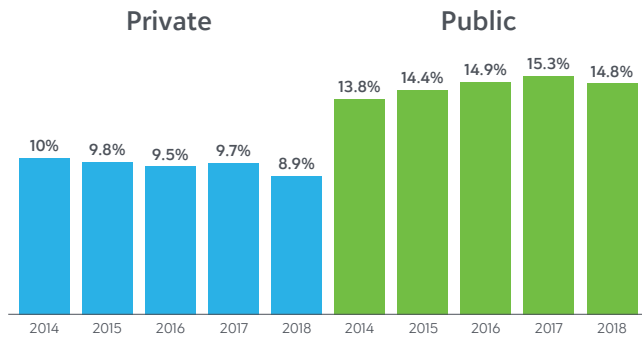
Public and private institutions experienced a five-year high last year in the median percentage of donors that give \$1,000 or more. For private schools, it was 14% of all donors, and for public schools, it was 10.6%. This is further evidence that more programs are successfully emphasizing moving donors to the leadership annual giving levels, arguably one of the most significant trends this past decade, despite the fact alumni donor counts are decreasing.



Donor Acquisition

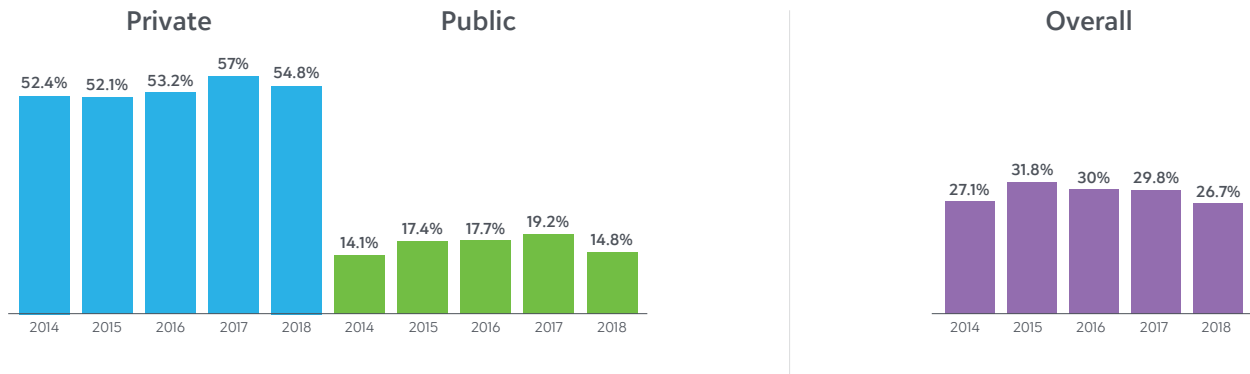
Median Percentage of New Donors

In general, institutions are less reliant on and less inclined to acquire increasing numbers of new alumni donors. Overall, new donors made up 8.9% of the active donor base for private schools, and 14.8% of the active donor base for public schools, a smaller share than in previous reporting years. The percentage change translated to -10.8% for private schools (the third consecutive year of declines) and -6.3% for public schools (after two years of growth). Generally speaking, institutions are either less focused on alumni donor acquisition or are having difficulty acquiring them, or both.



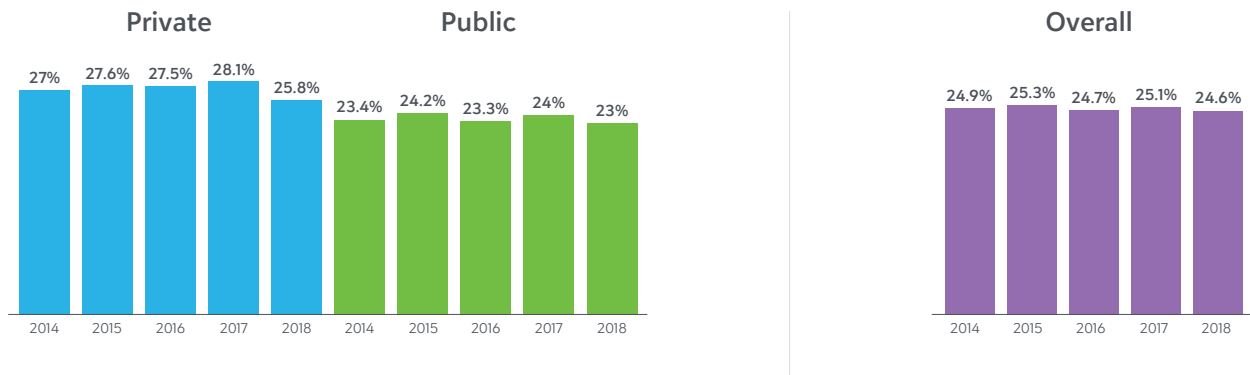
Median Percentage of New Donors as Students

While private institutions have relied most heavily on student donors to drive new donor acquisition, last year only 54.8% of new donors were students, down from the previous year. Public schools saw a decrease too, with 14.8%. This is one area where public and private schools have been, and continue to be, starkly different in the type of donors in their new donor pools each year.



Median First-Year Donor Retention Rates

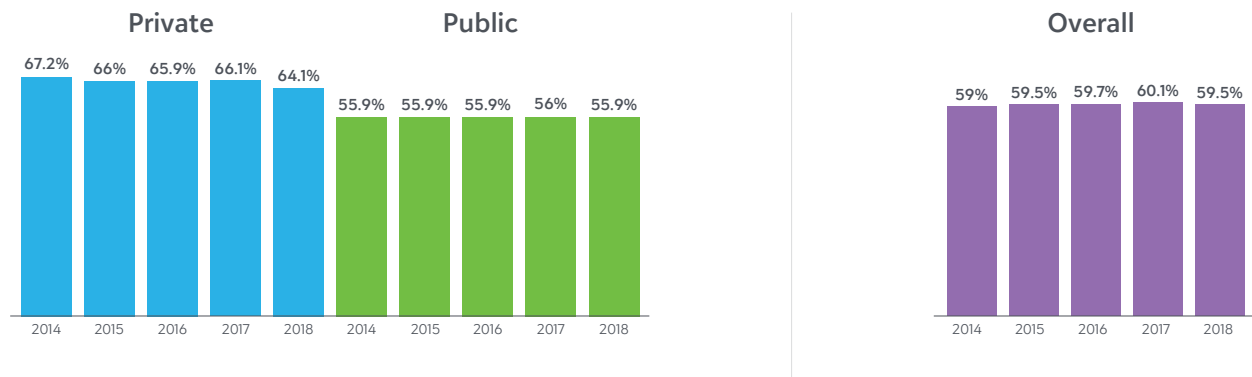
While overall retention rates moved in slightly different patterns last year for public and private institutions, the ability to retain first-time donors for both decreased from previous years. Private schools retained 25.8% of first-time donors, while public schools retained a median of 23%.



Donor Retention

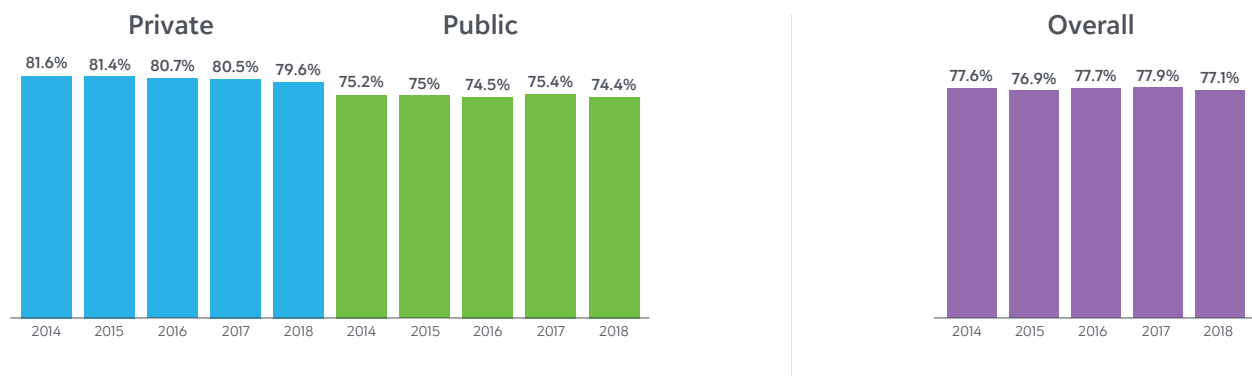
Median Donor Retention Rates

Traditionally, private schools have outperformed public schools relative to overall donor retention rates. However, each moved in slightly different directions last year. The median donor retention rates for private institutions dropped to 64.1% (-2% difference) and public schools held relatively steady at 55.9%. Over the last five years these rates have been remarkably steady, and it is rare for retention rate medians to move more than 1-2% each year.



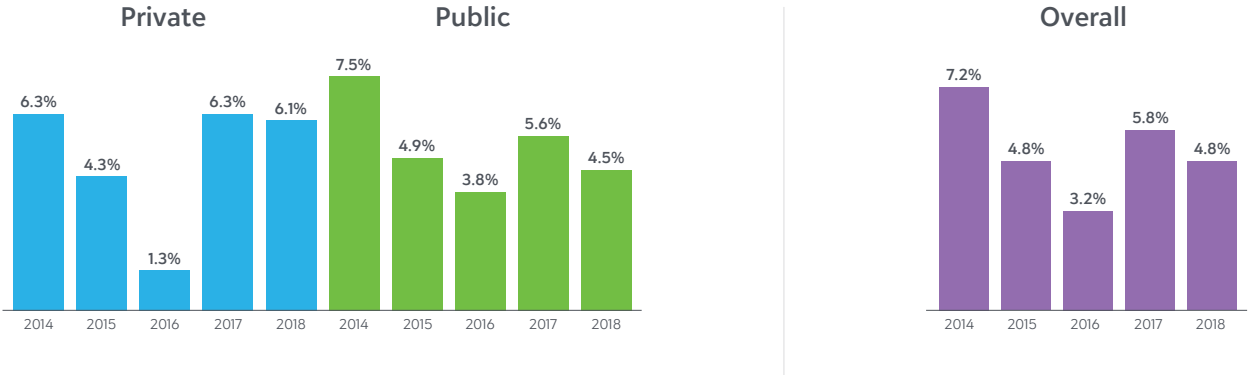
Median Donor Retention Rates for Gifts of \$1,000+

While a significant difference exists in overall retention rates between public and private schools, once a donor makes a gift of \$1,000 or more, that difference narrows considerably. Last year, the median retention rates for leadership annual giving donors were 79% and 74% for private and public schools respectively. This indicates that higher level donors are much more likely to be retained from one year to the next and that leadership annual giving donors behave similarly at public and private institutions. These rates, much like overall retention rates, have been incredibly steady over time.



Percentage Change in Revenue per Retained Donor

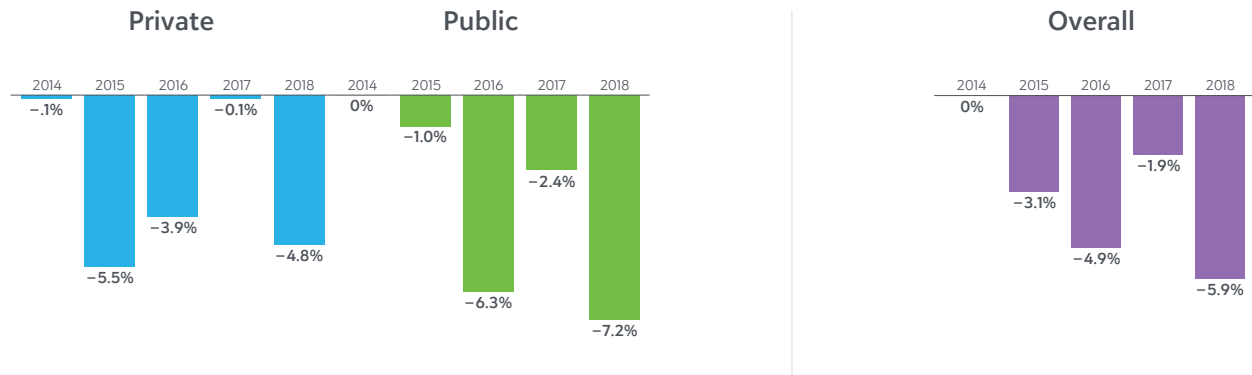
While retention rates are generally the most stable metrics in higher education, the revenue per donor for these types of benefactors continues to increase. For the fifth consecutive year, the percentage change in revenue per retained donor was positive, with a 6.1% change for private schools and a 4.5% change for public schools. It may be true that retained donors give more each year or that higher donors are more likely to be retained—or both.



Donor Reactivation

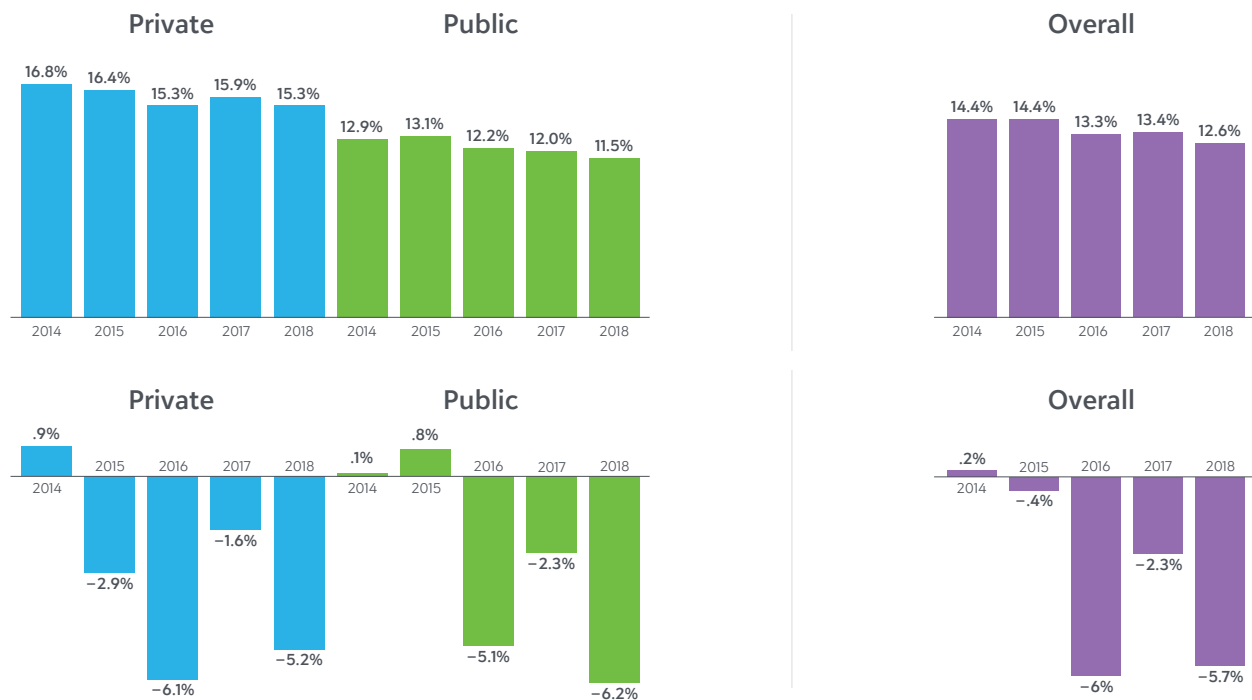
Median Change in Reactivated Donors (1–5 years lapsed)

Overall, for the fifth consecutive year (and longer) the number of reactivated donors continues to decline for public and private institutions. The percentage change was -4.8% for private schools and -7.2% for public schools. Reactivation seems to be the most challenging for annual giving programs as the rate of donor churn continues to grow.



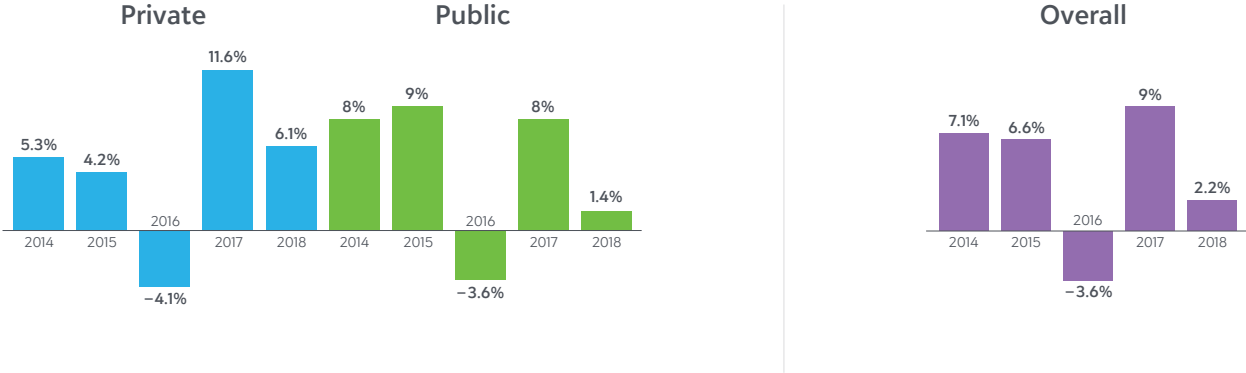
Median Reactivation Rates for Lapsed Donors (1–5 years lapsed)

Private schools had a median reactivation rate of 15.3% in 2018, while public schools dropped to 11.5% . The median one-year change in reactivation was -5.2% for private schools and -6.2% for public schools. This rate continues to be a challenge to increase.



Median Change in Revenue from Reactivated Donors (all years lapsed)

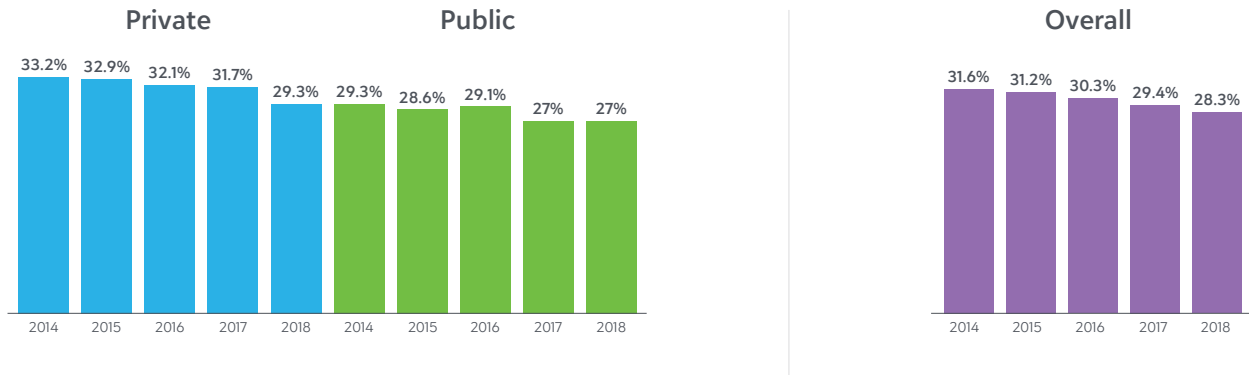
On a positive note, the amount of revenue generated from reactivated donors continues to grow. Last year, the median revenue increase from reactivated donors was 6.1% for private schools and 1.4% for public schools. This means that reactivated donors tend to be the higher-level donors that are willing to come back, or they are upgrading significantly when they do return, or both.



Multichanneling

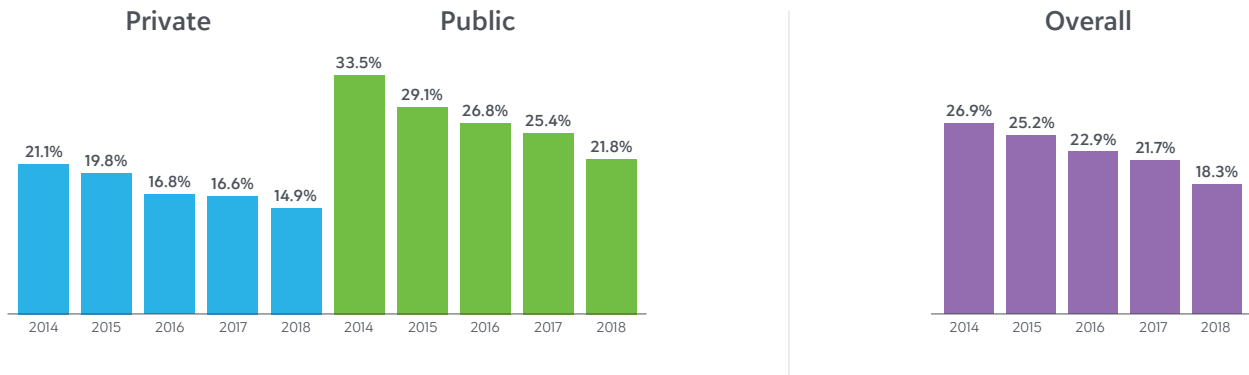
Median Percentage of Donors Giving via Direct Mail

Overall, private *and* public schools were less dependent on using direct mail to drive their donor numbers over the past five years. Only 29.3% of donors to private institutions came to them via direct mail, down from a median of 31.7% the year before. And for public institutions, the percentage was 27%, stable compared to 2017.



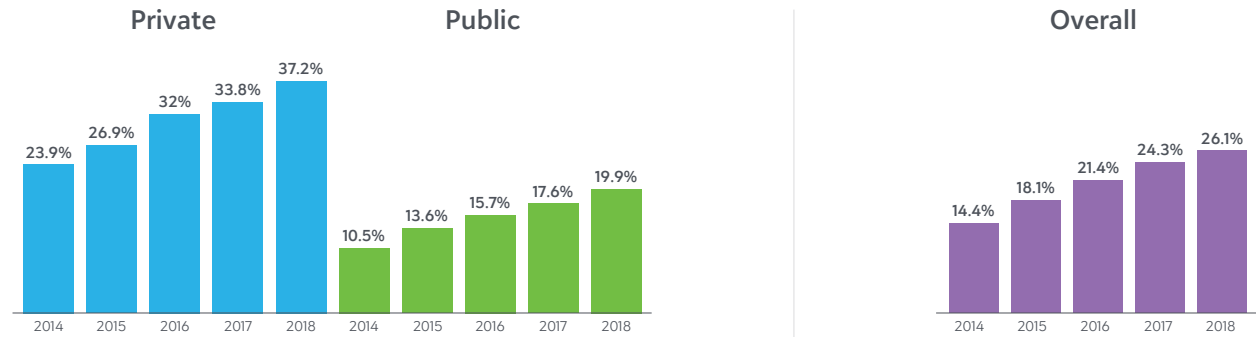
Median Percentage of Donors Giving via Phone

Last year, the median percentage of donors giving over the phone reached the lowest in five years for public and private institutions, with a median of 14.9% for private schools and 21.8% for public schools. While some schools actually reported positive bounce-back last year in phone performance, the medians continue to mark declines in the number of donors choosing this channel to make their gifts.



Median Percentage of Donors Giving Online

In 2018, public *and* private institutions reached the highest median percentage in five years for donors giving online. That said, there was a significant difference between the two groups, with public schools showing a median of 19.9% and private schools seeing almost twice that at 37.2%. It is clear that private institutions have been more effective in getting more donors to give online.

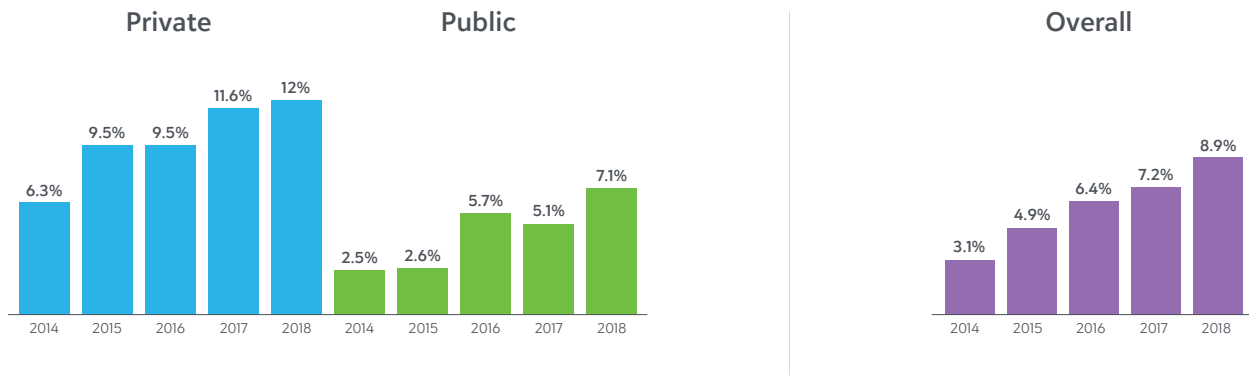


Online includes gifts coded as email, crowdfunding, and web/digital/other.

Giving Days

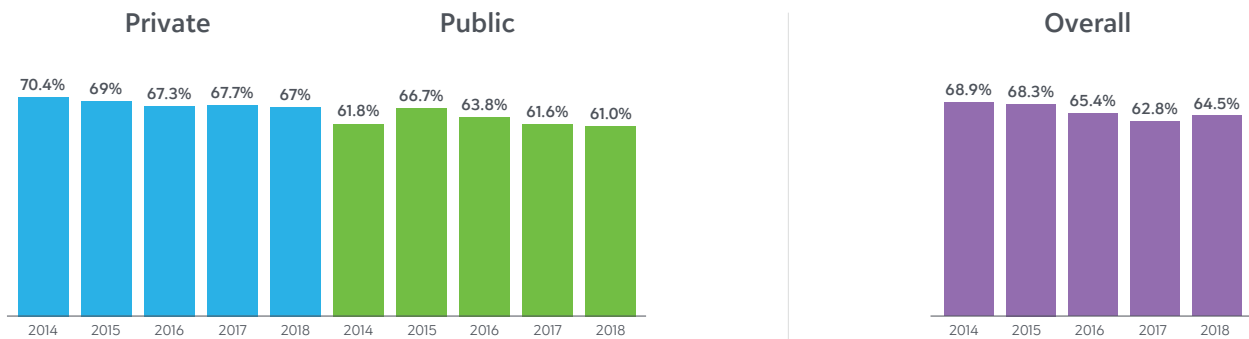
Median Percentage of Donors Who Made Giving Day Gifts

In 2018, this metric reached a five-year high in public and private schools, further demonstrating the growing influence such programs have on annual giving programs. A median of 12% of donors made gifts to private school giving days, while 7.1% of donors donated to public schools.



Median Day of Giving Donor Retention Rates

A lingering question in the industry regarding giving days has been whether giving day donors will be reliable (and retainable) from one year to the next. The median retention rates for Day of Giving donors demonstrate that these donors are indeed reliable. The median retention rate stood at 67% for private institutions and 61% for public schools. Both rates are higher than their median overall donor retention rates of 64% and 56%.



Further Information

Participation: For more information about participation in higher education benchmarking, contact solutions@blackbaud.com.

Media Contact: For press inquiries or permission to reproduce, contact Melanie Mathos at 843.216.6200 ext. 3307 or melanie.mathos@blackbaud.com.

Findings from recent and future reports can be found at <https://institute.blackbaud.com/resources/>.

Annual Report Methodology

Blackbaud Target Analytics® applied the following rules to standardize data from each of the institutions participating in the *2018 donorCentrics Annual Report on Higher Education Alumni Giving*:

Soft credits and matching gift payments are excluded. Direct mail, telemarketing, and digital giving are by far the dominant revenue sources for most schools; however, events, personal solicitation, and other sources are included. Indicators are calculated on a cash payment basis, as opposed to a pledge basis. Gifts or donors are defined as new, retained, or reactivated according to relative gift dates, rather than organization-specific business rules or source codes. Retention rates are calculated by dividing the number of donors giving in the current year who also gave during the previous year by the total number of donors who gave in the previous year. Revenue per donor refers to the cumulative giving per donor per year. The *2018 donorCentrics Annual Report on Higher Education Alumni Giving* uses medians, the middle values in a ranked order of numbers, to measure trends because they minimize distortion caused by the wide range of organizations' file sizes and extreme changes at a few organizations.

PARTICIPATING PRIVATE INSTITUTIONS

Azusa Pacific University	Harvard University
Barnard College	Harvard Law School
Benedictine College	Holderness School
Boston College	Johns Hopkins University
Boston College Law School	Lewis and Clark College
Boston University	Loyola University Chicago
Boston University School of Law	Luther Seminary
Brandeis University	Marquette University
Buena Vista University	Massachusetts Institute of Technology
Carroll College	MIT Sloan School of Management
Champlain College	Mount Holyoke College
Carnegie Mellon University Tepper School of Business	Mount St. Mary's University
Clark University	Muhlenberg College
College of St. Benedict	Northeastern University
College of Wooster	Northwestern University
Colorado College	Northwestern University Kellogg School of Management
Columbia University	New York University
Columbia University Business School	New York University Law School
Columbia University School of Law	New York University Stern School of Business
Columbia University School of Medicine	Occidental College
Cornell University	Ohio Wesleyan University
Cornell University Johnson Graduate School of Management	Pace University
Cornell University School of Law	Pacific University
Dartmouth College	Point Loma Nazarene University
Dartmouth Tuck School of Business	Presbyterian College
Denison University	Principia College
Emma Willard School	Rensselaer Polytechnic Institute
Emory University	Rice University Jones School of Business
Episcopal High School	Rockhurst University
Gettysburg College	Saint Louis University
George Mason University Law School	Sarah Lawrence College
George Washington University	Siena College
Grinnell College	Simmons University

Smith College
Southern Methodist University
St. John's University
St. Joseph's University
St. Mark's School
Stanford Law School
Syracuse University
The Thacher School
Union College
University of Chicago
University of Chicago Booth School of Business
University of Chicago Law School

University of Denver
University of Miami
University of Pennsylvania
University of Pennsylvania Law School
University of Pennsylvania Medical School
University of Redlands
University of San Francisco
Wake Forest University
Wake Forest University Medical School
Whitworth University
Yale University
Yale Law School



PARTICIPATING PUBLIC INSTITUTIONS

Arizona State University
Auburn University
Cal Poly Pomona
Cal Poly San Luis Obispo
California State University Fresno
California State University Fullerton
Colorado State University Long Beach
California State University Los Angeles
California State University Northridge
California State University Stanislaus
Clemson University
College of Charleston
Colorado School of Mines
Colorado State University
College of William and Mary
Dalhousie University
East Carolina University
East Tennessee State University
Eastern Virginia Medical School
Florida International University
Florida State University
Georgia State University
Humboldt State University
Indiana University
Indiana University of Pennsylvania
Iowa State University
James Madison University
Louisiana State University
McMaster University
McMaster University Faculty of Health Sciences
Metropolitan State University
Michigan State University
Mississippi State University
Montclair State University
North Carolina State University
New Jersey Institute of Technology
Ohio University
Oklahoma State University
Oregon State University
Pennsylvania State University
Purdue University
Queens University
Richard Ivey School of Business at Western University
Rutgers University
Saint Mary's University
San Jose State University
Simon Fraser University
South Dakota School of Mines
Southern Alberta Institute of Technology
Stony Brook University
Texas A&M University
Texas Tech University
The Ohio State University
The Ohio State University College of Medicine
University of Alberta
University of Arizona
University of Arizona Health Sciences
University of Arkansas
University of California, Berkeley
University of California, Berkeley Haas School of Business
University of California, Berkeley School of Law
University of California, Davis
University of California, LA School of Law
University of California, Anderson School of Management
University of California, Riverside
University of California, San Francisco



University of California, Santa Cruz	University of North Carolina, Chapel Hill
University of California, San Diego	University of North Carolina, Charlotte
University of Cincinnati	University of North Carolina, Wilmington
University of Colorado, Anschutz	University of Northern Colorado
University of Colorado, Boulder	University of Northern Kentucky
University of Colorado, Colorado Springs	University of Oklahoma
University of Colorado, Denver	University of Oregon
University of Delaware	University of Regina
University of Florida	University of Saskatchewan
University of Georgia	University of South Alabama
University of Guelph	University of South Carolina
University of Idaho	University of South Carolina Law
University of Iowa	University of Tennessee
University of Illinois	University of Tennessee, Chattanooga
University of Kansas	University of Texas
University of Kentucky	University of Texas School of Law
University of Louisville	University of Texas, Dallas
University of Maine	University of Utah
University of Manitoba	University of Virginia
University of Memphis	University of Vermont College of Medicine
University of Michigan	University of Victoria
University of Michigan Ross School of Business	University of Waterloo
University of Michigan School of Law	University of Wisconsin
University of Michigan Medical School	University of Wisconsin School of Business
University of Minnesota	Virginia Tech University
University of Minnesota Carlson School of Management	Washington State University
University of Minnesota Medical School	Western Carolina University
University of Missouri	Western University
University of Missouri, Kansas City	Wilfrid Laurier University
University of Nebraska	York University



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