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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Private</th>
<th>Public</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>52.4%</td>
<td></td>
<td>27.1%</td>
</tr>
<tr>
<td>2015</td>
<td>52.1%</td>
<td></td>
<td>31.8%</td>
</tr>
<tr>
<td>2016</td>
<td>53.2%</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>2017</td>
<td>57%</td>
<td></td>
<td>29.8%</td>
</tr>
<tr>
<td>2018</td>
<td>54.8%</td>
<td></td>
<td>26.7%</td>
</tr>
</tbody>
</table>

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%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Private</th>
<th>Public</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>27%</td>
<td>23%</td>
<td>24.9%</td>
</tr>
<tr>
<td>2015</td>
<td>27.6%</td>
<td>24.2%</td>
<td>25.3%</td>
</tr>
<tr>
<td>2016</td>
<td>27.5%</td>
<td>23.3%</td>
<td>24.7%</td>
</tr>
<tr>
<td>2017</td>
<td>28.3%</td>
<td>24%</td>
<td>25.1%</td>
</tr>
<tr>
<td>2018</td>
<td>25.8%</td>
<td>23%</td>
<td>24.6%</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Private</th>
<th>Public</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.3%</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>9.5%</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>9.5%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>11.6%</td>
<td>7.2%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>12%</td>
<td>8.9%</td>
<td></td>
</tr>
</tbody>
</table>

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%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Private</th>
<th>Public</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>70.4%</td>
<td>68.9%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>69%</td>
<td>68.3%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>67.3%</td>
<td>65.4%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>67%</td>
<td>62.8%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>67%</td>
<td>64.5%</td>
<td></td>
</tr>
</tbody>
</table>
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
Barnard College
Benedictine College
Boston College
Boston College Law School
Boston University
Boston University School of Law
Brandeis University
Buena Vista University
Carroll College
Champlain College
Carnegie Mellon University Tepper School of Business
Clark University
College of St. Benedict
College of Wooster
Colorado College
Columbia University
Columbia University Business School
Columbia University School of Law
Columbia University School of Medicine
Cornell University
Cornell University Johnson Graduate School of Management
Cornell University School of Law
Dartmouth College
Dartmouth Tuck School of Business
Denison University
Emma Willard School
Emory University
Episcopal High School
Gettysburg College
George Mason University Law School
George Washington University
Grinnell College
Harvard University
Harvard Law School
Holderness School
Johns Hopkins University
Lewis and Clark College
Loyola University Chicago
Luther Seminary
Marquette University
Massachusetts Institute of Technology
MIT Sloan School of Management
Mount Holyoke College
Mount St. Mary’s University
Muhlenberg College
Northeastern University
Northwestern University
Northwestern University Kellogg School of Management
New York University
New York University Law School
New York University Stern School of Business
Occidental College
Ohio Wesleyan University
Pace University
Pacific University
Point Loma Nazarene University
Presbyterian College
Principia College
Rensselaer Polytechnic Institute
Rice University Jones School of Business
Rockhurst University
Saint Louis University
Sarah Lawrence College
Siena College
Simmons University
<table>
<thead>
<tr>
<th>University Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith College</td>
</tr>
<tr>
<td>Southern Methodist University</td>
</tr>
<tr>
<td>St. John’s University</td>
</tr>
<tr>
<td>St. Joseph’s University</td>
</tr>
<tr>
<td>St. Mark’s School</td>
</tr>
<tr>
<td>Stanford Law School</td>
</tr>
<tr>
<td>Syracuse University</td>
</tr>
<tr>
<td>The Thacher School</td>
</tr>
<tr>
<td>Union College</td>
</tr>
<tr>
<td>University of Chicago</td>
</tr>
<tr>
<td>University of Chicago Booth School of Business</td>
</tr>
<tr>
<td>University of Chicago Law School</td>
</tr>
<tr>
<td>University of Denver</td>
</tr>
<tr>
<td>University of Miami</td>
</tr>
<tr>
<td>University of Pennsylvania</td>
</tr>
<tr>
<td>University of Pennsylvania Law School</td>
</tr>
<tr>
<td>University of Pennsylvania Medical School</td>
</tr>
<tr>
<td>University of Redlands</td>
</tr>
<tr>
<td>University of San Francisco</td>
</tr>
<tr>
<td>Wake Forest University</td>
</tr>
<tr>
<td>Wake Forest University Medical School</td>
</tr>
<tr>
<td>Whitworth University</td>
</tr>
<tr>
<td>Yale University</td>
</tr>
<tr>
<td>Yale Law School</td>
</tr>
</tbody>
</table>
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
About Blackbaud

Blackbaud (NASDAQ: BLKB) is the world’s leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, healthcare institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and CRM, marketing, advocacy, peer-to-peer fundraising, corporate social responsibility, school management, ticketing, grantmaking, financial management, payment processing, and analytics. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, and the United Kingdom. For more information, visit www.blackbaud.com.

All Blackbaud product names appearing herein are trademarks or registered trademarks of Blackbaud, Inc. The names of companies or products not owned by Blackbaud may be the trademarks or registered trademarks of their respective owners.

©April 2019, Blackbaud, Inc.