



A woman with dark curly hair, wearing a yellow shirt and a large black headset, is smiling and gesturing with her hands while looking at a laptop. The background is a blurred office setting. The image has a green and blue color overlay.

.....

EMERGING **STRONGER**

2021 Higher Education Community Report
for Advancement

.....



blackbaud[®]

The Cloud Solution for Higher Education Institutions

Drive more good, more effectively.

TABLE OF CONTENTS

A Letter To Our Customers	5
2020: Plagued By A Pandemic	6
2021: The Pandemic as a Catalyst for Change	12
Maintain Your Momentum	20
Fiscal Year 2020 Performance	28
Customer Recognition	32
Emerge Stronger with Integrated Solutions	36



.....

EMERGING
STRONGER
TO FULLY SUPPORT
YOUR MISSION...

.....



A Letter To Our Customers

Dear Colleague,

Our annual Community Report is traditionally a round-up of how advancement organizations performed during the recent fiscal year and a compendium of best practices to help fundraisers efficiently increase dollars and donors.

This year, however, we thought it made sense to also use this report to help focus and prepare the higher education advancement community for the potentially permanent effects wrought by a global pandemic, an economic crisis, and the elevation of significant social justice issues.

Let's start with the realization that higher education will never be the same. Over the past year or so, institutions have learned a lot about their potential (and obligation) to shape a brighter future. Given what has been learned, colleges and universities can never go back to business as usual.

As you can imagine, seismic shifts in the business of higher education will have downstream effects on advancement organizations like yours. While we cannot begin to predict the future, we know that you should not let the new reality unfold without your involvement. This is the time to be part of the decision-making process—to ask questions and provide your insights—so that you can fully support the mission of the institution for years to come.

The following pages should help you on your journey; we've put our best thinking into the issues you should be exploring and the questions you should be asking. While you're working within your institution, we'll be doing our own research and appropriately adapting our strategies and technology solutions to support your goals.

Together, we can emerge stronger.

Sincerely,

Chris Krackeler
President & General Manager of Higher Education Solutions
Blackbaud

2020: Plagued By A Pandemic

In the blink of an eye, campuses went from vibrant to vacant. Like falling dominoes, states closed one after another, sending students, faculty, and staff home to work. “Pause” and “pivot” became part of the daily vernacular, and “pandemic” and “COVID-19” dominated email subject lines. Everyone started pondering higher education’s “new normal.”

At this point, nobody can accurately predict what higher education will look like after the pandemic has been erased from our everyday lives. All we know is that it will change; and there could be significant downstream effects on fundraising.

We are confident advancement organizations will be able to adapt to whatever the future holds. A silver lining of the pandemic is that advancement has become, by necessity, more flexible and agile. The pandemic has given leaders and staff invaluable experience handling ambiguity and finding new pathways forward.

Pressing On with Renewed Purpose

As soon as colleges and universities shut down, many advancement organizations halted their fundraising. In addition to the challenges of figuring out how to get staff—including student callers—working from home, they understood that fundraising-as-usual might be considered inappropriate while death tolls and unemployment claims were rising.

The halt did not last long, however, as a new and critical need for funds quickly emerged. Students were facing pandemic-related hardships; a Temple University survey revealed that nearly 60 percent of college students surveyed were dealing with either homelessness or insecurity related to housing or food.

MORE THAN **4,200** U.S. CAMPUS CLOSURES

By March 26,

1,102

colleges and universities
had closed their campuses.

By May 26,

4,234

had closed.

—Entangled Solutions

With a renewed sense of purpose, major giving and annual fund teams began reaching out to alumni and friends. Whether they were contacting people with specific appeals or checking in on well-being, these efforts often yielded unexpected dividends. There were touching stories of first-time donors, surprise major donors, and new and renewed offers for matching funds throughout the Blackbaud Fundraiser Performance Management Community.

At Goshen College, student callers, some of whom were stranded international students, contacted alumni and friends from their own couches and kitchen tables. Their scripted conversations had a threefold purpose: 1.) checking in and showing concern; 2.) conveying that classes were continuing with the same high standards; and 3.) reinforcing the school's commitment to helping students – especially those adversely effected by the pandemic. Among their many success stories was a significant Giving Day match.

“In times of significant challenge, there is also significant generosity,” said Caleb Longnecker-Fox, who was Annual Giving and Advancement Coordinator for Goshen College during the early stages of the pandemic. “People band together for the organizations and missions that they believe in. We saw that here, and we are grateful.”

Meanwhile, at Hampden-Sydney College, gift officers led the charge in reaching out to alumni and friends. Officers were matched as much as possible to people with whom they might share similarities, like graduating year, major, a shared interest, or where they grew up. Each officer ended up with a long list to tackle within a few weeks.

“We introduced gift officers to our annual fund platform solution, Blackbaud Guided Fundraising, so they could manage the large volume of contacts across phone, email, and text,” said Matt Weber, Director of Annual Giving, Hampden-Sydney College. “This approach worked really well. While our primary objective was to check in with alumni and update our contact data, our outreach brought in lots of new dollars and donors.”

The experiences of Goshen and Hampden-Sydney are like many across the Community during 2020. Advancement teams made the best of their circumstances, settled into a groove, and worked toward new goals. What is yet to be determined is how fundraising approaches will have to continue to adjust and evolve during 2021 and beyond. And more importantly, what will happen to philanthropy as the pandemic turns the corner and the economy begins to recover.

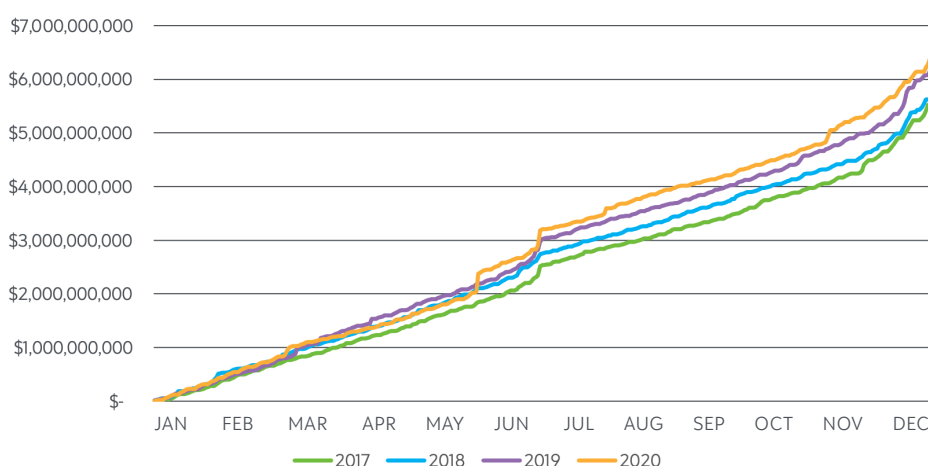
***EMERGE with a renewed
sense of*** **PURPOSE**

The Pandemic's Effect on Fundraising Performance

While higher education typically follows a fiscal year ending June 30, a calendar-year look at performance shows a more complete view of how the pandemic influenced fundraising activities and results across the Blackbaud Fundraiser Performance Management Community.

For example, we can see the slowdown in cash giving from March to May, as campuses were closing. But we can also see that around June and July, advancement got back on track and the Community was able to drive 2020 cumulative cash giving above the totals for the previous three calendar years.

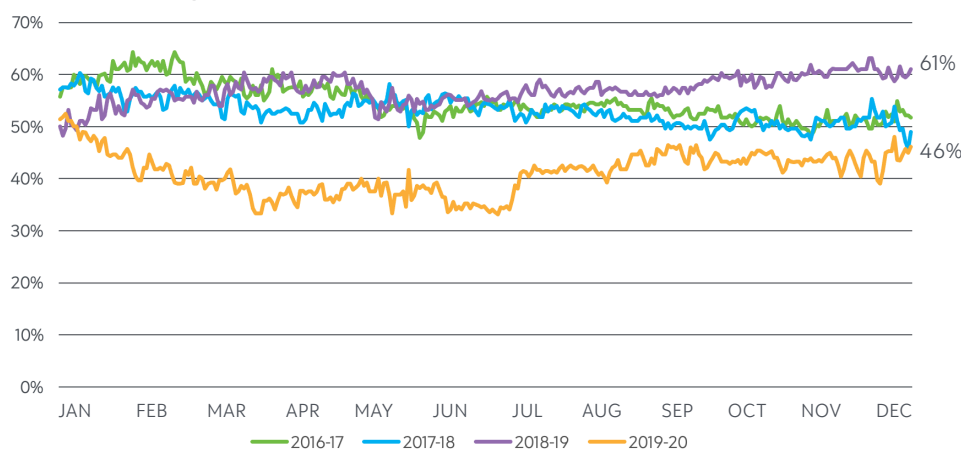
Cumulative Cash Giving - FPM Community



Despite the pandemic, cash giving was up 4 percent over 2019. This is impressive given that 2019 was such a strong year for fundraising.

“Cumulative giving totals can sometimes be driven by a handful of large institutions,” said Matt Tuomala, Data Insights Team Leader for Blackbaud. “But this was not the case in calendar year 2020. Gains in cash giving were observed by nearly half (46%) of the institutions in the Community. This speaks volumes about how hard people worked to connect with constituents and drive home their institution’s mission.”

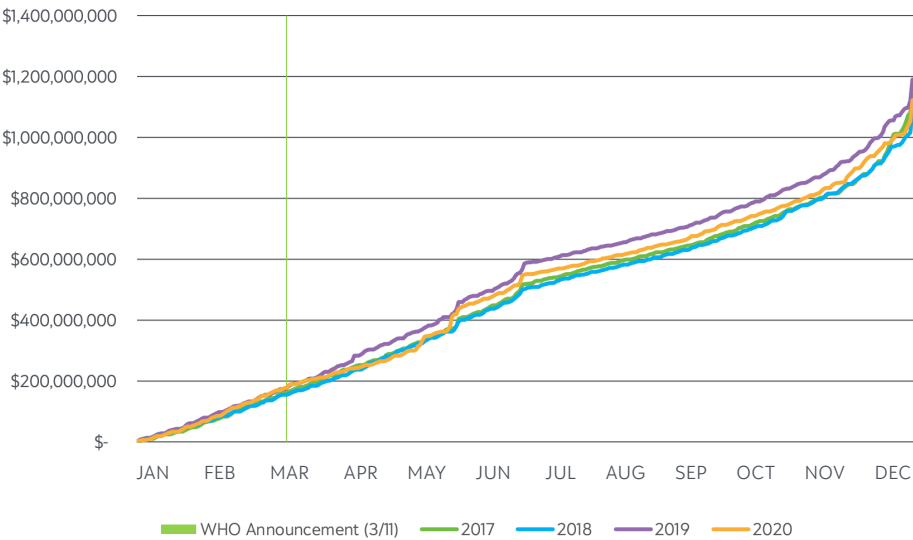
% of FPM Community Increasing Cumulative Cash Giving Over Previous Year



The data show that after March–May disruption, fundraising teams battled their way back and finished strong.

Specific to the annual fund, Community data reveals that total dollars ended the calendar year slightly lower than in 2019. However, the trend line shows a notable recovery in performance during the second half of the year.

Cumulative Annual Cash Giving - FPM Community



.....

“Some schools had to shut down their calling programs, and their performance took quite a hit.”

—Steph McCluskey, Strategic Consultant, Blackbaud

.....

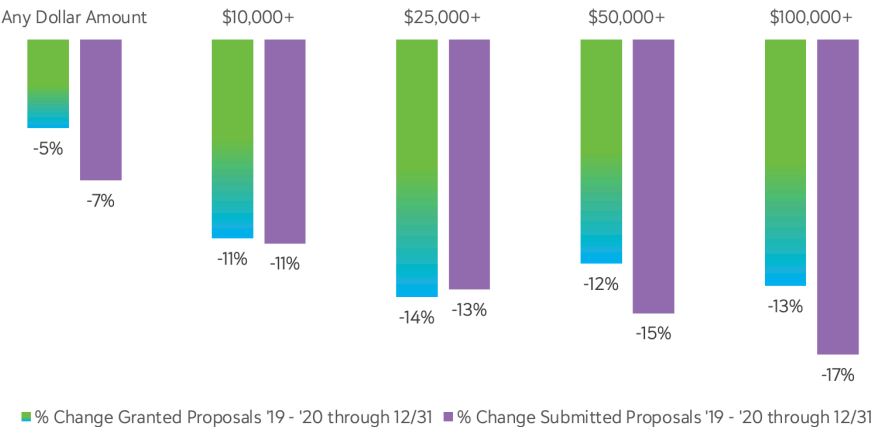
The middle gift bands experienced the biggest drop in giving compared to the 2019 calendar year. While the exact reasons for this change in performance are unknown, likely factors include economic uncertainty, shifts in philanthropic priorities toward meeting basic human needs or promoting social justice, and mid-level donors moving downward (with lower gift band donors falling out).

% Change in Count of Cash Transactions by Gift Band 2019 to 2020



In major giving, there was a decline in the use of proposals during the 2020 calendar year, as well as a drop in proposals granted. This could have been driven by the halt in face-to-face visits and changes in solicitation strategy due to the pandemic.

% Change in Proposals Submitted/Granted
2019 Compared to 2020



“Not Currently Soliciting”

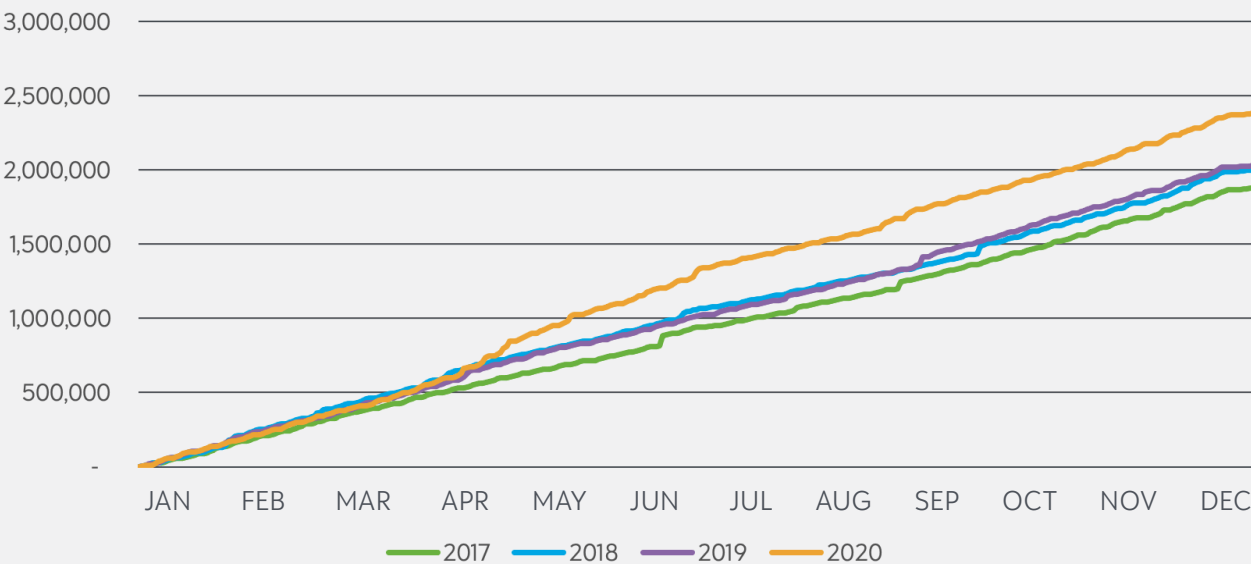
62% (May 2020)

31% (January 2021)

Source: Data from colleges and universities responding to Blackbaud's post-webinar surveys. May survey (N=157), Jan survey (N=108)

Although face-to-face visits were put on hold, Community members showed dedication and perseverance in reaching out to donors and prospects using alternative methods. The cumulative number of contact reports increased more than 17 percent compared to 2019.

Cumulative Contacts - FPM Community

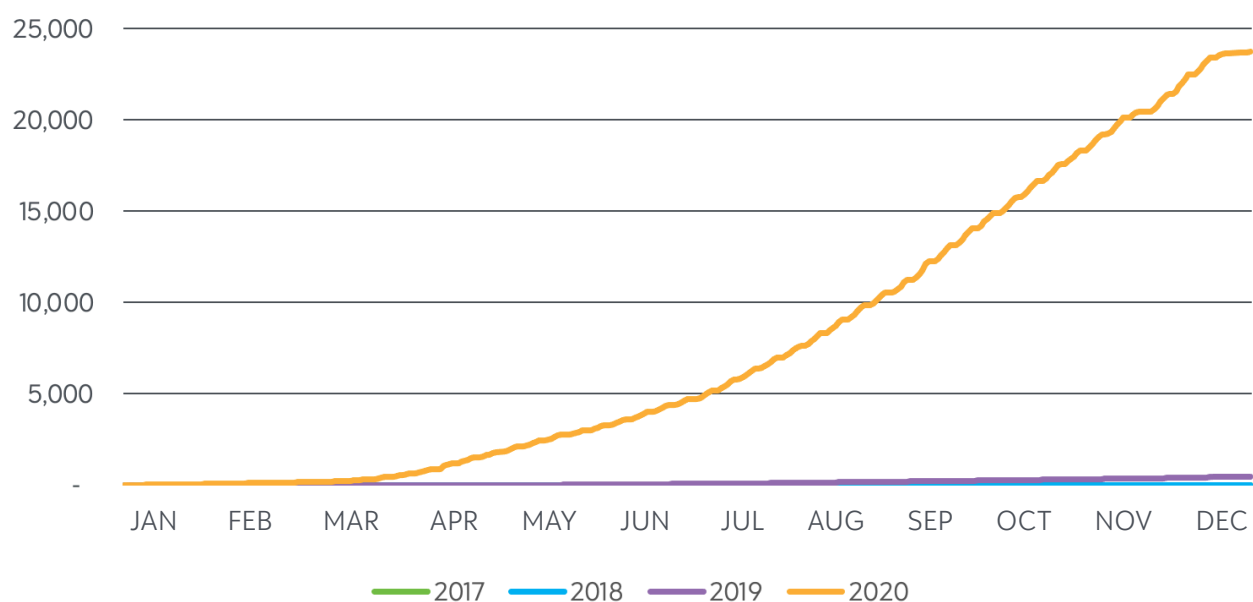


Prior to the pandemic and travel restrictions, virtual visits were occurring, but they were not prioritized and not tracked differently than an in-person visit. As virtual visits became the norm during the pandemic, some Community members adjusted their Blackbaud Fundraiser Performance Management System and created a new custom category for the virtual-visit channel.

Even with only a partial segment of the Community tracking virtual visits under the specifically named category, more than 24,000 virtual visits were accounted for. The actual total could be larger by a significant magnitude, and as more institutions track virtual visits as such, it will be possible to measure the performance of this outreach channel compared to in-person visits, phone calls, direct mail, and social media engagement.

Cumulative Virtual Visits - FPM Community

(From institutions that tracked virtual visits as a separate category)



A Job Well Done

Compared to data and surveys from around higher education, the cohort of schools in the Blackbaud Fundraiser Performance Management Community appear to have performed better than the industry as a whole. For example, a survey of 104 U.S. and Canadian colleges by consulting firm EAB found that 65 percent of colleges raised less in 2020 than they did in 2019.

While we know that the credit goes to the talented advancement teams working in the Community, we are confident their effectiveness is amplified by the Blackbaud fundraising tools they use. In fact, an independent study by The Zuri Group categorically illustrated that colleges and universities using Blackbaud CRM were able to raise more money at a faster rate.

“Fundraising is not easy,” said Chris Krackeler, President and General Manager, Higher Education Solutions, Blackbaud. “It’s important that our clients know they can rely on us to deliver the data, strategies, and tools to maximize their fundraising success as they face new challenges and also conquer existing ones.”

2021: The Pandemic as a Catalyst for Change

Plenty of pundits agree. Not only did the pandemic accelerate much-needed changes that were already in the works or under consideration, but it also illuminated additional policies and practices that were problematic and due for reconsideration. Among the areas that need rethinking: recruiting and admissions, student diversity and support, teaching and educational delivery, campus life and amenities, and business and revenue models.

Indeed, a sea change is coming. Higher education is about to transform more significantly and more quickly than at any time in history.

Expect a Metamorphosis

Newton's Third Law of Motion tells us that for every action, there is an equal and opposite reaction. As institutions go through their metamorphosis, advancement organizations should expect to be affected.

For one thing, institutional change can be costly in the short term, even if the long-term goal is to build efficiencies. Advancement organizations could be called upon to generate additional funding to help institutions reshape themselves for the future.

"We've got to be on the vanguard in advancement," says Jonathan Purvis, Vice President for University Advancement at Butler University. "We should be leading our institution and rallying our donors and alumni to bring their philanthropic support to advance our institution."

"Changes are coming, and we can't ignore them," Purvis adds. "If our institutions and our advancement organizations don't adapt, then we're not going to be here. Several colleges just closed their doors for good; I'm afraid there are going to be more."

Embrace Your Leadership Role

Now more than ever, advancement leaders need to insert themselves into the decision-making process at the highest levels of the institution. Your close working relationship with the institution's brain trust will help ensure that you can:

- Remain apprised of all the changes being considered by institutional leadership
- Provide an assessment of benefits and repercussions from an advancement perspective
- Add a valuable viewpoint to the decision-making process
- Achieve early understanding of funding implications associated with changes
- Ask for any additional support needed to be able to achieve funding goals
- Adapt your organization proactively rather than reactively

Get Proactive!

As changes are being considered at the institutional level, advancement organizations can challenge their own business-as-usual thinking. In many ways, you stand on the precipice of the next evolution of higher education fundraising. This is the ideal time to decide what to enhance, what to reinvent, and what to eliminate.

Across the Blackbaud Fundraiser Performance Management Community, advancement leaders are already doing this hard work. For example, they are examining ways to:

- Enhance prospect and alumni research for better targeting
- Understand the current philanthropy preferences of constituent segments
- Achieve diversity, equity, and inclusion (DEI) goals
- Expand digital engagement
- Integrate major giving, annual fund, alumni relations, research, and marketing communications for greater collaboration and success

Ponder What's Next

For 15 years, first as Reeher and now as part of Blackbaud, our experts have been alerting advancement organizations to emerging trends with the potential to disrupt fundraising success. This allowed advancement organizations to proactively adopt new strategies and technologies to protect their performance.

Currently, with so many external forces converging, it is difficult to predict with certainty the next set of disruptive trends. We find ourselves asking a myriad of questions and pondering the “what-ifs” of various scenarios.

On the following pages are two of the big issues the Blackbaud Fundraiser Performance Management team has on its radar right now. We invite and encourage you to add your own thinking as part of the Blackbaud Community chat group.

.....

“We don’t have all the answers yet, and that’s okay. As a Community, we can learn as we go and share best practices.”

—Michael Van Dyke, Strategic Consultant, Blackbaud

.....

CHALLENGE the status quo and
emerge a **LEADER**

What Constitutes a Visit?

Going forward, to what extent do we need to make in-person visits to donors and prospects?

Even before the pandemic, advancement organizations were expanding their definition of “visit.” While some organizations held fast to the traditional in-person meeting, others were not as concerned about the method of contact as they were about the intent of the contact. In other words, if the purpose of the conversation was qualification or cultivation, then the conversation could be recorded as a visit.

Should *purpose* be the new way to define what constitutes a visit? Has the pandemic shown us that videoconferencing or phone calls can be just as effective as in-person meetings? Or will major donors expect gift officers to travel once the pandemic has passed?

There are two obvious steps that can help answer these questions:

First, track in-person, virtual, and telephone visits separately. That way, it will be possible to compare performance data over time to evaluate the effectiveness of each method.

Secondly, survey donors. The visit-effectiveness data collected during travel restrictions and social distancing guidelines could be skewed because the definition of a visit was so widespread. Advancement organizations need to understand the future expectations of donors and prospects. Are they comfortable going through proposals over the phone or via teleconference? Should there be different classifications for each individual’s preferred method of contact?

Here are a few other considerations:

Economic efficiency

By reducing travel expenses, advancement could help support the institution’s efficiency goals. A post-pandemic review of major-giving data will likely show that the cost to raise a dollar dropped significantly when travel was put on hold. As a result, more of the money raised was put to work supporting students and operations.

To what extent will donors and prospects fancy the idea that less of their gift is going toward administrative expenses?

Portfolio coverage

The Community data show that the median portfolio had 66 percent of assigned prospects contacted during the period between March 2020 and March 2021. Normally, that figure would be about 55 percent. If gift officers didn’t travel at all or as much, how much more money could they raise by working their total portfolio more diligently? Additionally, could portfolios be created more equitably if geography were not a consideration?

Special guests

Videoconferencing has allowed gift officers to more frequently involve regents, presidents, athletic directors, and coaches in cultivation, solicitation, and stewardship activities. This is an important “feel good” strategy. How could it positively effect donor participation and dollars?

Going green

Across America, colleges and universities are becoming more aggressive with their environmental and sustainability goals. At the same time, there has been a wave of foundations divesting from investments related to fossil fuels. Air and ground travel have a clear impact on the climate. To what extent could reducing travel support your institution’s sustainability and green initiatives? And will donors and prospects accept this rationale for cutting back on visits? Could it even be a selling point?

.....

“Rather than anchoring metrics on a type of contact, such as a visit, working virtually has forced us to focus on the purpose of a contact—regardless of how that contact happens.”

—Stacy Rooney, Strategic Consultant, Blackbaud

.....

36,746 miles

Average annual distance traveled per gift officer in the three fiscal years prior to the start of the pandemic (2017-2019).

Videoconferencing may be as good as face-to-face for building trust.

In a study by the University of Michigan, video was indistinguishable from face-to-face, and both were significantly better than text chat for building trust. Although the researchers could not statistically separate the phone condition, it appears that phone is somewhere in between text chat and video for trust-building.

“We have seen incredible creativity and ingenuity in engaging alumni this year. Even when it is safe to convene in person, we expect that many practices to connect with alumni virtually will continue.”

—Sue Cunningham, President and CEO, Council for Advancement and Support of Education



.....

“Sure, I do lots of Zoom, but for me it’s a lot easier just to pick up the phone and call the donor. Many donors are as comfortable or more comfortable talking this way. You can still give donors a very personalized experience on the phone.”

—Quinlan Stein, Digital Development Officer, Kansas State University Foundation

.....

.....

“You need to have a variety of tools, and we’re trying many different outreach channels and methods. We’re even looking at ways to improve digital with artificial intelligence.”

—Amanda Schmidt, Director of Leadership Annual Giving, Northern Arizona University Foundation

.....

.....

I made a new contact at the start of the pandemic and brought him all the way through to a major gift without an in-person visit. It can work! My goal is always to provide the best customer experience for our alumni. This includes using a variety of communication formats to share relevant information, continue to cultivate the relationship, promote stewardship, and ultimately, make the ask for a gift.”

—James Fleshman, Digital Engagement Officer, Centre College

.....

How could a new visit approach affect the gift officer position?

This is another question for which speculation would be premature. What we do know is that the longer gift officers stay with your organization—mastering the systems, practices, and relationships associated with the job—the more productive they tend to become. In higher education fundraising, tenure is critical, as it takes years for a major gift to come to fruition. In fiscal year 2020, average gift officer tenure across the Blackbaud Community was 2.82 years.

It typically takes years to realize a major gift.

Average number of years to first major gift:

6.2 years

First visit to first major gift of \$10K:

5.08 years

First visit to first major gift of \$25K:

5.77 years

First visit to first major gift of \$50K:

6.31 years

246% Lost Opportunity:

Across the Blackbaud Community, departing officers brought in nearly **2.5 times more dollars** than first year officers collected.

Source: FY2020 Blackbaud Fundraiser Performance Management Community

.....
How could less travel help or hurt gift officer retention?
.....

.....
Without extensive travel requirements, will it be easier or more difficult to recruit top talent?
.....

How Could Online Degree Programs Affect Fundraising?

Spurred on by the pandemic, more colleges and universities are discussing how to make digital teaching and remote learning a bigger part of their go-forward strategy. Some may develop complementary online schools, while others may offer 100-percent online or hybrid degree programs.

Institutions are counting on digital teaching and remote learning to help them:

- Create a nationwide enrollment pool
- Offer greater access to non-traditional and less-advantaged students
- Improve the efficiency and cost-effectiveness of education delivery
- Align with the learning styles and digital preferences of future generations
- Help ensure an economically sustainable future

“Advancement organizations may have to reckon with the fact that more of their donor base is comprised of alumni who never set foot on campus,” says Joy Pohland Janssen, Higher Education Strategic Consultant, Blackbaud. “We know from the experiences of online-learning pioneers, that raising funds from online alumni adds additional layers of complexity.”

Here are some of the complex challenges that you and your team should consider:

Affinity and Engagement

Alumni affairs and advancement will need programming specifically designed for online learners and alumni. As a starting point, look for the best practices used by not-for-profit organizations who are accustomed to creating affinity and engagement among large populations they may never see. Meet with your peers in other fundraising verticals for specific ideas and practical advice.

Two strategies worth investigating right away are:

Online communities. These groups, typically based on hobbies (like camping) or personal interests (like climate change), offer opportunities to learn, share ideas, gather input, and connect with like-minded people. This approach could be accomplished by creating groups within the institution’s Facebook account or through your alumni portal.

Gamification. Anyone who has ever played Pokémon Go, Mario Kart Tour, or Candy Crush Saga knows how competitive it can make you feel. Today, many organizations use gamification to encourage and reward the behaviors they want to see in their target audiences. Additionally, gamification is becoming a commonplace strategy in peer-to-peer fundraising.

Student Profiles

Online offerings may introduce entirely new demographic and psychographic profiles to your student population. Your institution will need to understand the changes that are occurring so you can plan accordingly. Segmentation strategies, programming design, and philanthropic focus may have to evolve to complement and serve these additional student and alumni profiles.

Cultivation and Campaign Response

Online, remote learners may be more likely to view their education as transactional rather than experiential. It could be that they shopped for their online education like they would any other product or big-ticket item, taking into consideration brand equity, value, convenience, and even reviews.

Because of this viewpoint, these learners and alumni may not respond to your traditional outreach approaches. The relationship, in their mind, does not need to continue after graduation. The transaction is complete.

Could more be done as part of academic programming to build a level of loyalty that translates into advocacy and philanthropy? How could alumni affairs and advancement work together to overcome or change this transactional viewpoint?

It might be tempting to write off this constituency, rationalizing that your efforts should be focused on the lower-hanging fruit. However, over time this alumni group has the potential to be sizable, hence profitable. If you can develop a formula that transforms them into donors, it will be a big win for your institution.

Donor Base

Expanding your donor base with online constituents offers you an incredible opportunity to do more for your institution and its students. It only becomes a challenge if you are unprepared. You'll need to work with your institutional leadership to understand how many more prospective donors to expect, and when. With this information, you'll be ready with the staffing, strategies, and technology needed to make the most of this unique segment.

“I am concerned about the commoditization of higher education. I see us moving from higher ed being valued for its ability to provide a place for learning, to a consumer product mentality of something everyone expects to consume. That means alumni will be considering whether this commodity product that they've purchased is worthy of their philanthropic support. Millennial donors for example: They're very philanthropic, but we have to reach out to them with meaningful opportunities and a strong case for how their support can make a difference.”

—Brad Bundy, Senior Associate Vice President for University Advancement and Chief Development Officer, Miami University Foundation (Ohio)

“We have a new generation of students and future volunteers/donors who may prefer all meaningful engagement to come through the screen/tablet/phone. This opens up possibilities for engagement that were never there before, because distance is no longer a barrier. As with anything, the quality of the experience matters. If the online college experience has rich and robust pedagogy that attends to fostering a community of engaged learners, that population would be more likely to want to continue as an alum. Now that online engagement is more normalized and accepted, the more we simply look at those alumni as a new population to meet where they are at.”

—Rev. Terry A. Brandt, Vice President for Advancement, Concordia College (Moorhead, MN)

Maintain Your Momentum

Advancement teams have a lot to think about in terms of the future. However, this does not mean that you should stray from tried-and-true best practices. These best practices are the reason you are doing as well as you are right now.

“There is plenty of change still ahead of us. Your Blackbaud team is here to help you adapt, persevere, and emerge stronger.”

—Mike Russell, Manager, Business Consulting, Blackbaud

BEST PRACTICE 1:

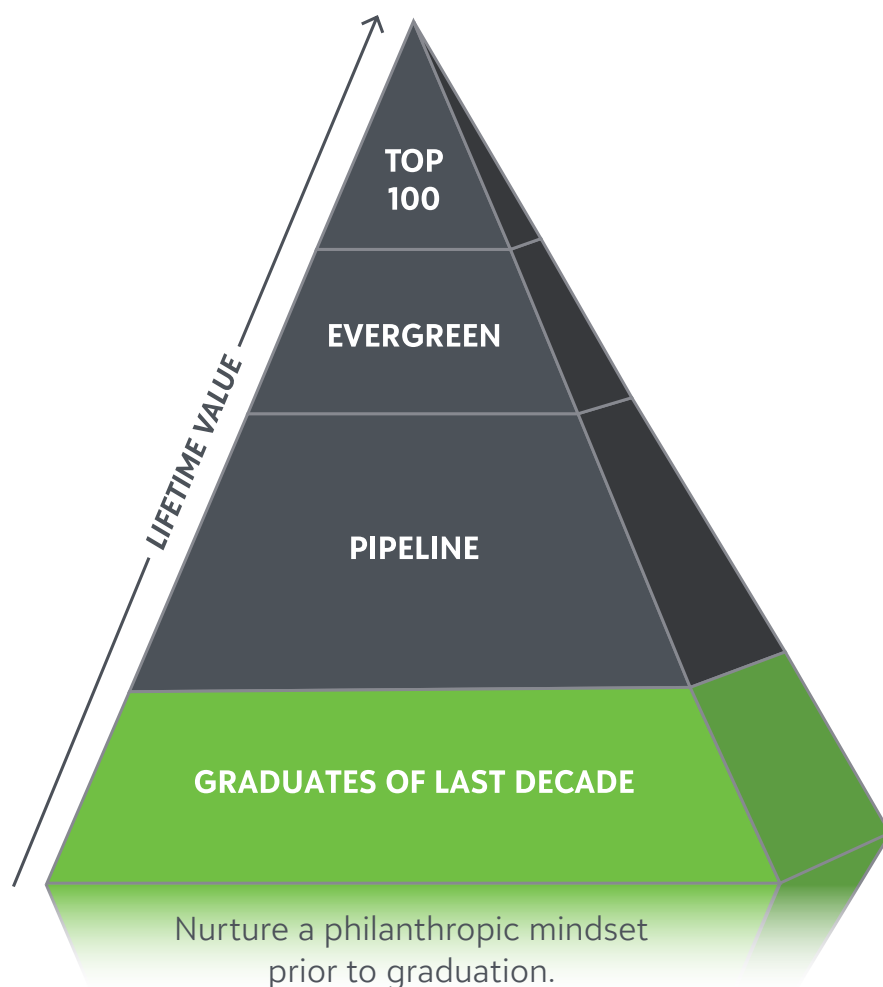
Create Loyalty Among “Graduates of Last Decade”

The most effective way to develop lifelong donors is to start at the very beginning, fostering a consistent pattern of giving that begins, ultimately, with the class graduation gift. With participation rates (as a percent of the total donor base) receding for many institutions, doing more to create early loyalty may be a matter of survival. When developing an all-in engagement strategy for the Graduates of Last Decade segment, be sure to:

Deliver value. Donors turn away when they feel like their alma mater only reaches out when they want money. Beyond providing a first-class education, what can the institution do to enhance the donor’s career, personal life, or philanthropic goals? When donors see continued value in the institution’s offerings, they are more likely to engage. And if you can get them to give for five years in a row, it’s likely you’ve created a long-term donor for your pipeline.

Make it a priority. Many schools hire inexperienced staff or recent graduates to manage new-alumni activities and outreach campaigns. However, the seriousness of declining donor participation rates across higher education warrants leadership and involvement of experienced advancement strategists. Further, a young staffer may be relatable to some of your traditional graduates, but what about non-traditional students and those who attend online programs, graduate programs, career development courses, or certificate programs?

Segment appropriately. Take the time to segment new graduates to ensure that you have relevant, meaningful messaging and engagement opportunities. Consider the multitude of differences between the 23-year-old newly minted graduate of your bachelor’s program versus the 40-year-old who just completed your MBA program. These days, outreach should be as personalized as reasonably possible—right down to the channels, campaign designs, and appeals you choose.



WHAT'S THE APPEAL?

.....

“A younger breed of donors now seek for a deeper and measurable impact compared to older benefactors. By doing so, it appears they aspire to leave a collective legacy, instead of personal branding by having their names adorn campus façades, sports facilities, and student halls.”

–Excerpt from [How COVID-19 has Changed the Face of Fundraising for Higher Education](#), by Samuel Martin-Barbero and Juan Pablo Murra Lascurain, published in the World Economic Forum.

.....

.....

The Graduates of Last Decade segment is often referred to as “GOLD” for short. The moniker is apropos, as establishing a giving pattern with this segment can create loyalty that pays significant dividends over the long haul.

.....

“Going forward, alumni engagement is something we will do both in person as well as virtually. We want to have options for alumni, donors, and friends to still connect with the University even if they can’t physically be on campus. We’ve started a virtual book club, done alumni trivia virtually, and we held our homecoming celebration virtually. We’re going to continue and expand on opportunities like these – and there are so many technology tools that make it easy. We’re even creating a student/alumni mentoring program, and it is all going to be virtual, which will greatly expand the program’s reach.”

—Jane Barghothi, Vice Chancellor for Advancement, Appalachian State University

BEST PRACTICE 2: Maximize Lifetime Value

Every relationship has a potential lifetime financial value. It is advancement's job to maximize that value through programming that cultivates each relationship over the course of a lifetime and at every level of the giving pyramid. You just never know what could spark a dormant prospect to become philanthropic!

Here's a proven phenomenon: at about 10 years post-graduation, Generational Leaders have emerged from the Graduates of Last Decade segment. They have revealed themselves by demonstrating a pattern of giving early, often, and consistently to the annual fund. When compared to their peers, this group of donors gives gifts that are 9.5 times greater than average.

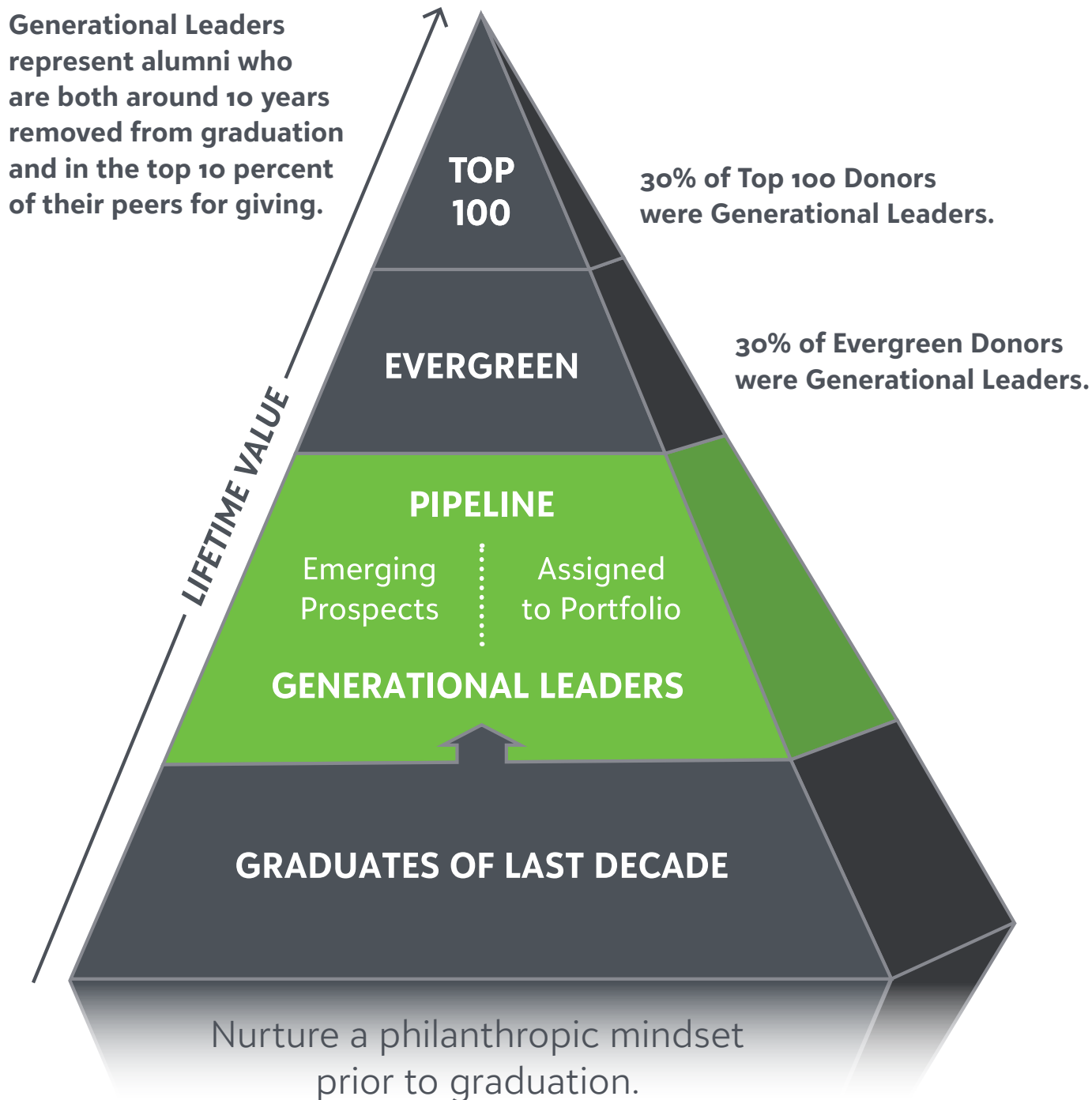
Many Generational Leaders have the potential to develop into Evergreen and Top 100 donors, creating a long-term, reliable, low-maintenance revenue stream for your institution. By identifying Generational Leaders early on, advancement can move them into specific programming designed to usher them up the giving pyramid and into major giving.

	TOP 100 DONORS	EVERGREEN DONORS	PIPELINE		GENERATIONAL LEADERS
			Assigned to Portfolio	Emerging Prospects	
Average Age	68	70	62	58	54
Average MG-EVI	99	96	89	96	76
Average Total Giving	\$1,400,877	\$569,061	\$275,625	\$8,527	\$16,118
Average Net Worth	\$1,000,000 - \$1,999,999	\$1,000,000 - \$1,999,999	\$1,000,000 - \$1,999,999	\$500,000 - \$999,999	\$500,000 - \$999,999

Source: Blackbaud Fundraiser Performance Management Community

“It doesn’t always have to be the fundraiser doing the discovery outreach. It can be a favorite faculty member or an athletic coach. It can be a student or a student affairs professional. When you think about discovery work, think about having a partner across campus do that initial outreach to get the prospect personally engaged.”

–Jane Barghothi, Vice Chancellor for Advancement, Appalachian State University



Generational Leaders, on average, give 3.4 years after graduation whereas non-generational leaders give, on average, 7.9 years after graduating.

BEST PRACTICE 3:

Focus Portfolios on High-Potential Prospects

Because you have invested so well in developing Evergreen and Top 100 donors, you can rely on them to continue giving to your institution without a lot of handholding or face time. In general, they do very well in a stewardship program that keeps them involved, informed, excited, and committed.

Gift officers need to make certain that most of their time is spent cultivating new relationships, specifically among the highly qualified (preferably younger) people in the middle of the giving pyramid.

The best prospects can be found by applying rich data and predictive modeling to your constituent universe to identify individuals who have the highest capacity and inclination to give to your institution.

Blackbaud Fundraiser Performance Management Community members use the Major Giving Expected Value Index (MG-EVI) as part of their prospect research. This model, customized for each individual institution, ranks every constituent from 1 to 99 based on the capacity and inclination to make a major gift in the coming year. Among Community members, the average portfolio MG-EVI score is 97. It is recommended that gift officers visit donors who score 95 and above, as this group is responsible for approximately 75 percent of major gifts.

Once the portfolio is focused on the optimal pipeline prospects, gift officers should turn to predictive analytics again to prioritize their outreach. The most common approach is to start with the highest MG-EVI score and work through the portfolio. This makes sense, as these individuals have the highest capacity and inclination to give.

However, another excellent prioritization approach is to apply Blackbaud's Annual Giving Probability to Donate (AG-PDI) score. Originally designed for annual fund predictions, Community members find that this score accurately identifies the portfolio prospects most responsive to communication and invitations. In that sense, these scores help provide "quick wins" for gift officers, which may help accelerate the timeframe from first contact to first gift.

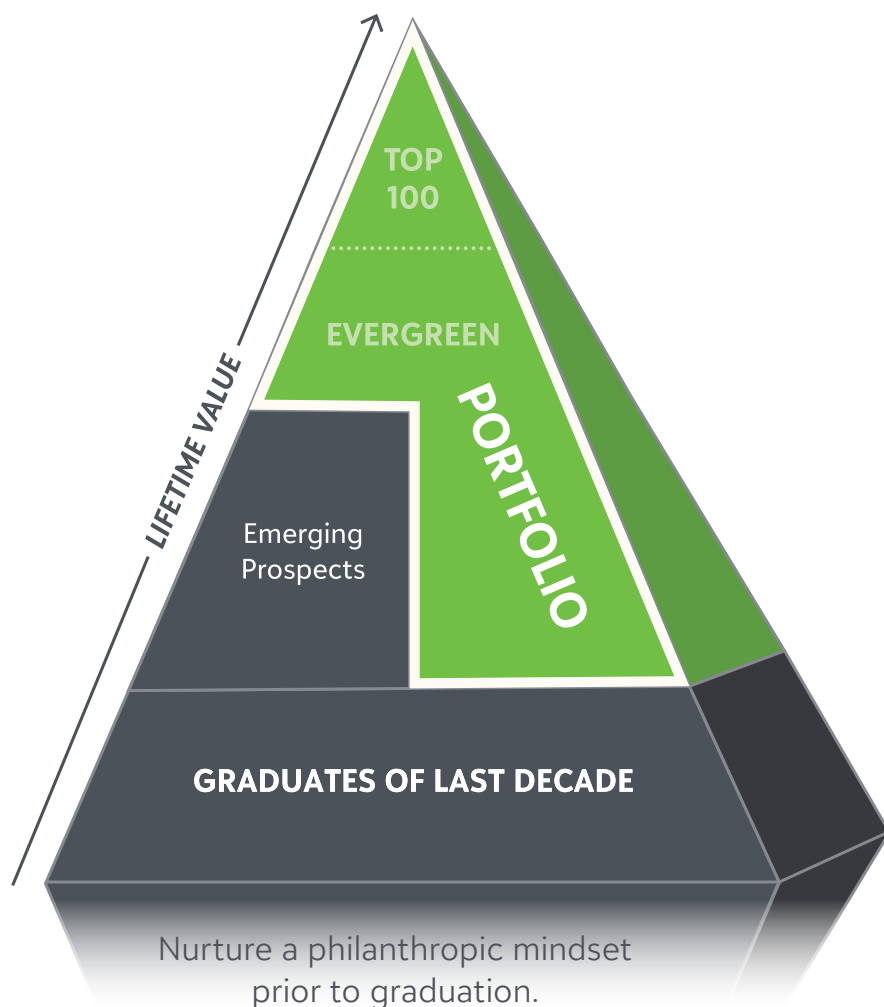
Participation among donors between age 40 and 59 **has declined 30% in the past 20 years.**

67% of the best prospects remain unidentified and unassigned.

Battling Demographic Realities

We're approaching the point where nearly 20 percent of the nation's population will be 65 or older. Traditionally, these are the alumni who participate at the highest rate and give the largest gifts. Across the Blackbaud Community, those 65 and older represent 65 percent of Evergreen donors as well as 71 percent of first-time top 100 donors. The average age of Top 100 donors, a segment responsible for 55 percent of commitments, is 68 years.

Sadly, with a life expectancy of about 79 years, time with these reliable gems is limited. And, as it stands now, the age groups set to replace them may not bring the same value to your institution. Data show that participation among those in their 40s and 50s has been continuously declining for the last five years, and during that time their average gift size remained relatively flat. It's time for a turnaround!



Among Community members, portfolio size ranges from 102 to 411 prospects, with an average size of 175 prospects, and a median size of 154 prospects. Blackbaud's recommendation is that portfolios have fewer than 120 prospects.

"A lot of clients are seeing success by focusing on smaller portfolios. They're moving the prospects through the donor cycle with intentionality and speed - and seeing fantastic outcomes."
—Anna Burgason Dirksen, Strategic Consultant, Blackbaud.

When the portfolio **contains less than 120 prospects**, the average commitment per assigned household increases.

↑ **57%**
for leadership
annual gifts

↑ **35%**
for major
gifts

↑ **67%**
for planned
gifts

"We looked at our giving data and learned that overall results were buoyed by seven individuals or institutions. Of those individuals, the youngest was 70 years old. We quickly realized we had to play the long game and pay attention to building the pipeline among people who were in their 30s, 40s and 50s.

"Blackbaud has been extremely helpful in helping us identify who has the potential to be a future \$1,000,000 donor. We're leaning into this by hiring a director for generational engagement. We're also strengthening our outreach with the business community. We know that companies look at higher ed institutions and ask, 'what's in it for us?' 'Why should we partner with you?' We believe that we deliver real value, and we're working on doing a better job at conveying that value to the business community."

—Rev. Terry Brandt,
Vice President for
Advancement, Concordia
College (Moorhead, MN)

We're in This Together

You can rely on your team at Blackbaud to help you maintain your fundraising momentum during these unprecedented times. In addition to delivering best-in-class technology solutions, we're committed to providing game-changing research, strategies, advice, and ideas to help you harness change and drive your mission.

“*The quality of data, dashboards, and analytics provided would be nearly impossible to get if not for Blackbaud Fundraiser Performance Management. The reporting capabilities help us make more informed decisions and allow us to track and compare our progress as needed.*”

—**Evelyn Buchanan**, Associate Vice President for University Advancement, California State University, Chico

“Our use of Blackbaud Guided Fundraising is highly diversified. Being able to target the right people at the right time has helped us increase revenue by approximately 100 percent year over year.”

—**Jonathan Brooks**, Director of Annual Giving, Western Carolina University

“With the help of Blackbaud, our fundraising has increased exponentially. We were able to grow from about \$12 million to \$20 million consistently, with the same staff and a reduction of resources.”

—**Jennifer O’Flannery Anderson, Ph.D.**, Vice President for Advancement and Community Relations, Nova Southeastern University

“*Blackbaud Guided Fundraising has been critical for Winthrop University during the pandemic. Our student callers were able to host a thank-a-thon while working remotely, and we received great feedback from our donors for keeping the students employed. The follow-up email and text options within Guided Fundraising take our call center to a new level.*”

—**RJ Gimbl**, Associate Vice President of Advancement, Winthrop University

.....

“Everyone at Embry-Riddle likes to find new ways to elevate performance and reach new horizons. With the help of Fundraiser Performance Management and our team at Blackbaud, we had the tools to rise up and meet new expectations.”



—**Donald Hale**, Executive Director & Digital Engagement Officer, Embry-Riddle Aeronautical University

.....

“We’re like a lot of advancement offices in that we have a relatively limited support staff and many of us are doing multiple things at once. Anything that can streamline processes is going to be very useful—and if we can do it in a way that’s user-friendly, that’s even better.”

—**Sam McCrimmon**, Associate Vice President of Advancement, Le Moyne College

“Because of how efficient Blackbaud Guided Fundraising has made our team, we had the unique opportunity to pause solicitation calls and focus solely on checking in on alumni during the pandemic and nurturing those personal connections.”

—**Amanda Nelson**, Coordinator of Annual Giving for Campus Programs, DePauw University

.....

“Blackbaud Guided Fundraising is a logical next step for us. As we see the market becoming more and more donor-driven, being able to really engage donors at their level, their interests, their demographics—that’s really important to us.”

—**Karen Van Schouwen**, Director of Annual Giving, Dordt College

PARTNERS IN YOUR SUCCESS

Right now, we’re applying breakthrough strategies and innovative technology to help our clients achieve their most pressing goals, including:

- Managing and retaining talent
- Enhancing digital engagement
- Improving proposals for better results
- Creating a data-centric organization
- Building an integrated, collaborative fundraising office
- Elevating alumni participation
- Maximizing the value of prospect research
- Restructuring gift officer portfolios
- Strategic planning

Please reach out to our team if we can help with your specific advancement goals. We’d be honored to partner with you!

Fiscal Year 2020 Performance

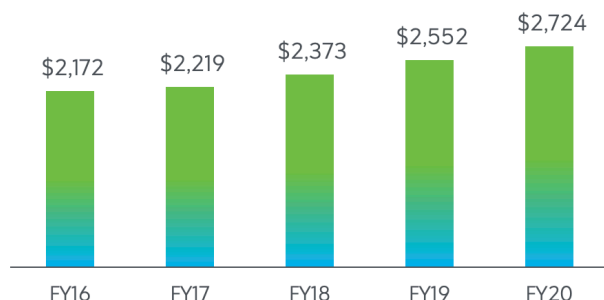
The world may have changed, but gift size and participation trends across the Blackbaud Fundraiser Performance Management Community held fast during FY2020. As in years prior, gift size rose and participation fell.

What is not yet evident by examining FY2020 performance data is the seismic shift that took place in March 2020. This is the moment in time when the declaration of a global pandemic inspired a revitalized and modernized form of higher education fundraising.

By the end of FY2021 we should start to see what is possible when advancement teams apply new engagement and contact strategies to best practices like establishing loyalty among new graduates, focusing portfolios on the highest potential prospects, and maximizing the lifetime value of constituents.

AVERAGE GIFT SIZE - OVERALL

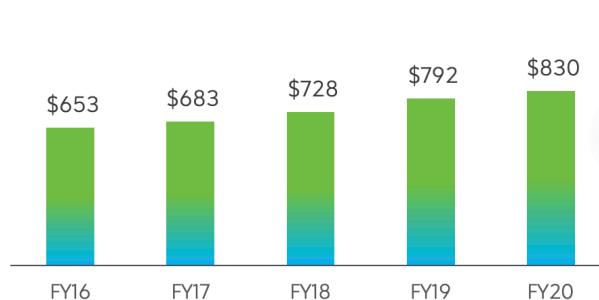
Last 5 Years



Average gift size has continued to increase over the last five fiscal years, with the latest increase from FY19 to FY20 being over 6.7%.

AVERAGE GIFT SIZE - ANNUAL GIVING

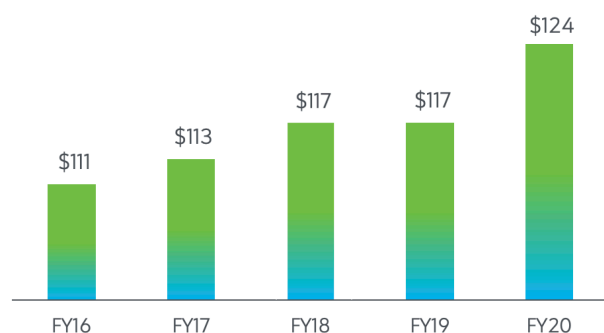
Last 5 Years



Average gift to annual fund has been increasing over the last five fiscal years as it has been for overall giving. From 2019 to 2020, the average annual gift size increased by nearly 5%.

MEDIAN GIFT SIZE

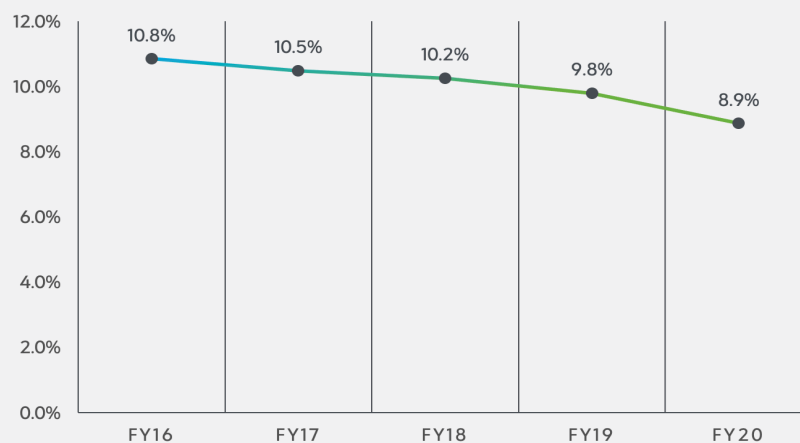
Last 5 Years



Presenting a more typical gift, median gifts tended to trend upward over the last five years with a 6% increase from FY19 to FY20.

ALUMNI PARTICIPATION

Last 5 Years

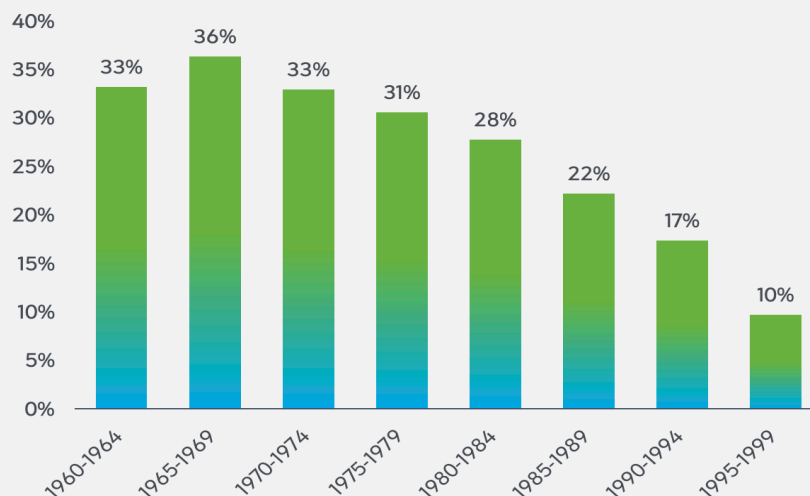


Alumni participation continues to trend downward with a 9.2% decline in the last five years.

ALUMNI PARTICIPATION RATE

21–25 Years After Graduation

(by Demi Decade of Graduation)



Recent generations of graduates have lower overall participation than previous generations when they were the same age. The 72% decrease from graduates between 1965 and 1969 compared to graduates between 1995 and 1999 highlights this dramatic downward trend.

Institutions must ensure that donors always have fresh opportunities to engage and to give. To reverse the trend in alumni participation, donor retention must be a high priority.

**STAY FOCUSED
ON YOUR**

MISSION

*and transform
Higher Education
fundraising*

Despite a significant disruption, advancement teams found ways to remain focused on their mission. In doing so, they transformed higher education fundraising in ways that will likely benefit institutions for years to come.

Fiscal Year Key Metrics

From the Blackbaud Fundraiser Performance Management Community



\$5.9 billion raised
by more than
2 million donors
in FY 2020

40% growth
in last 5 years

20% more donors in
last 5 years



170 million
transactions
loaded nightly

26% year over
year growth

146% growth over
last 5 years



48.2 million
individual
constituents

33% year over
year growth

173% growth over
last 5 years



6,122
active users

50% growth over
last 5 years



100% coverage
of all five major
U.S. News &
World Report
segments



60+ years
of donor
history



Only **55 hours**
typically needed
by advancement
staff to implement
Blackbaud Fundraiser
Performance
Management



8 weeks, on
average, from
contract to
launch day

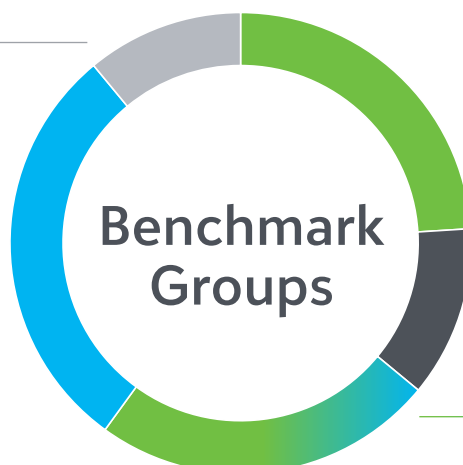


162 subscribing
colleges and
universities

Blackbaud Fundraiser Performance Management Community by Benchmark Groups

Regional Public: 11%

Regional Private: 29%



National Public: 24%

National Private: 12%

National Liberal Arts: 24%

Major Giving Insights

Annual Fund Insights

From FY 2020 Community Benchmark Data

MAJOR GIVING EXPECTED VALUE INDEX PERFORMANCE METRICS (MG-EVI)

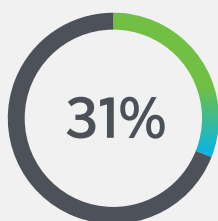
Average Portfolio
MG-EVI:

97

Median Portfolio
MG-EVI:

97

TOTAL VISITS MADE:
104,451



of visits were
first-time
visits



Portfolios had
an **87% share**
of high-potential
pipeline
prospects

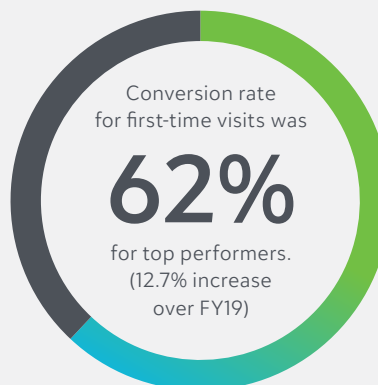


1:5

first-time major gifts
to first-time visits

18

average number
of **proposals per**
gift officer



13,498

first-time major donors gave a total of

\$2.02 Billion, with the

average first-time gift being over **\$125,346**

↑ .9%

\$1,098,918,958

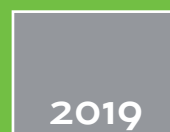


\$1,109,283,262



TOTAL DOLLARS

1,492,888



↓ -11.9%

1,315,179



TOTAL DONORS

67% of the best
prospects remain
unidentified
and unassigned.

Participation among
donors between age
40 and 59 has declined
30% in the past
20 years.

It takes, on average,
6.2 years to secure a
first-time major gift.

Customer Recognition

PEAK PERFORMANCE AWARD

Each year, dozens of Blackbaud Fundraiser Performance Management subscribers receive Peak Performance awards, recognizing that their annual funds increased both dollars and donors. This year, due to pandemic-related disruption, the field of recipients is notably smaller. As we recognize these 14 colleges and universities for their success, we also pay tribute to every institution that pressed on and contributed to their mission, despite the considerable challenges they faced.

Additionally, 20% of the award honorees are recognized for sustaining concurrent growth over multiple consecutive years—an even more impressive accomplishment this year, given the challenging circumstances.

Congratulations to our 2020 winners.

- Augustine Institute*****
- California State University, Sacramento
- Goshen College
- Hampden-Sydney College
- Knox College
- La Sierra University
- Montana State University Alumni Foundation***
- Montreat College
- Occidental College**
- Ohio University
- Pacific Lutheran University
- Southwest Baptist University
- St. Cloud State University Foundation
- Taylor University

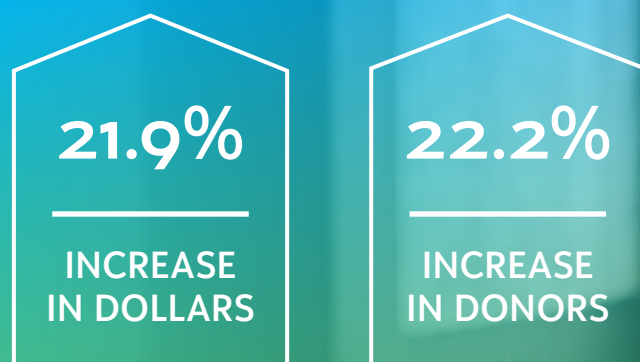
**Denotes number of consecutive years the institution simultaneously increased dollars and donors.*



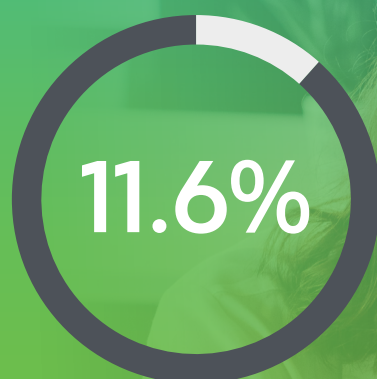
KEY FACTORS IN ANNUAL GIVING SUCCESS

- Knowledgeable, productive staff
- Predictive scores for all contacts
- Segmentation based on projected likelihood to give
- Spending prioritized by expected ROI
- Tools for tracking and ongoing analysis

AVERAGE GROWTH AMONG AWARD WINNERS



COMMUNITY GROWTH



11.6% of all Blackbaud Fundraiser Performance Management Customers Increased Dollars and Donors

PRIME OFFICER DISTINCTION

The Prime Officer Award celebrates gift officers who generate more of the key activities that drive major gifts using Blackbaud Fundraiser Performance Management. This year's award recipients ranked in the top quartile for prospect visits and top two quartiles for proposals greater than \$25k submitted. On average, they were 2.3 times more productive than the median in gift size, and 2.4 times more productive in average commitments. As we think about cultivating relationships over the long haul, count on Prime Officers to activate more donors and raise the bar on the overall lifetime value.

Congratulations to the following institutions and their Prime Officers.

- Appalachian State University
- Auburn University Foundation
- Augustine Institute
- Bowling Green State University
- California Polytechnic State University, San Luis Obispo
- California State University, Sacramento
- California State University, Stanislaus
- Concordia College (Moorhead, MN)
- Creighton University
- DePauw University
- Dordt University
- Drexel University
- Duquesne University
- East Carolina University
- Eastern Washington University
- Embry-Riddle Aeronautical University
- Florida International University
- Gustavus Adolphus College
- Harding University
- Hillsdale College
- Kansas State University Foundation
- Kettering University
- Lipscomb University
- Miami University
- Montana State University Alumni Foundation
- North Carolina State University
- North Dakota State University Foundation
- Oakland University
- Occidental College
- Ohio University
- Old Dominion University
- Oral Roberts University
- Phillips Exeter Academy
- Rowan University
- Saint John's University
- Saint Joseph's University
- Saint Mary's College (IN)
- Shippensburg University Foundation
- Syracuse University
- Taylor University
- Temple University
- Trinity College
- Tulane University
- UMass Dartmouth
- University at Buffalo
- University of Delaware
- University of Maryland College Park Foundation
- University of San Diego
- Utah State University
- Washington University in St. Louis
- Wayne State University
- William & Mary



KEY FACTS ABOUT PRIME OFFICERS

326 Prime Officers
in the Blackbaud Fundraiser
Performance Management
Community for 2020.
(16% year over year increase)

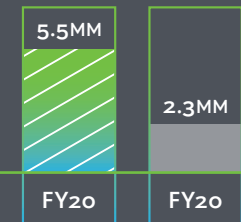


MEDIAN GIFT SIZE Prime Officer vs Others



Prime Officer: **\$1.4MM**
Others: **\$616k**

AVERAGE GIFT SIZE Prime Officer vs Others



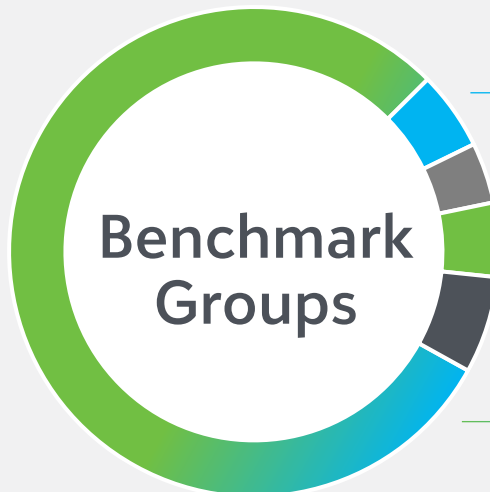
Prime Officer: **\$5.5MM**
Others: **\$2.3MM**



AVERAGE TENURE

4.2 Years for Prime Officers
3.6 Years for All Officers

Prime Officers are
represented in every
benchmark group



Regional Public: **5.2%**

Regional Private: **4.0%**

National Liberal Arts: **4.9%**

National Private: **6.4%**

National Public: **79.5%**

Emergence Stronger with Blackbaud Integrated Cloud Solutions

Increase revenue, drive efficiency, and deepen engagement with higher education cloud solutions that connect your entire campus. No other partner can help you create a thriving institution through good times and challenging ones like Blackbaud can.

Fundraising

Gain lifelong support and raise more money with Blackbaud's fundraising solutions, built on more than 40 years of experience and in partnership with thousands of customers.

Fund Accounting

Take control of your endowments with solutions designed specifically to make it easy to track contributions, create reports, and identify trends.

Marketing

Deliver on your most challenging online strategies with our empowering solutions, ranging from social media and online giving to email marketing and web design.

Peer-to-Peer Fundraising

Tap into the personal networks of your strongest supporters, mobilize ambassadors online, and empower alumni to recruit new constituents and raise funds.

Award Management

Improve student access to scholarships, enhance donor engagement, and maximize fund utilization with cloud-based scholarship and donor stewardship solutions.

Education Management

Deliver a better experience with modern, integrated enrollment and academic cloud solutions.

Stewardship Management

Streamline and standardize processes and provide a superior experience to donors by giving them a comprehensive view of their lasting impact on your institution.

Analytics

Leverage a comprehensive suite of solutions, services, and know-how to produce insight, analyze performance, and drive outcomes for donors and students.

Blackbaud offers unmatched solutions to connect the whole campus, as well as unparalleled analytics and undisputed expertise for fundraisers. [Contact us](#) to learn more about any of our Higher Education solutions.



**There's never been a better time to be
a part of our Blackbaud Community.**

40+ years

completely focused on the social good community

More than \$100B

raised, granted, and invested through Blackbaud solutions

93% of higher education

institutions with billion-dollar campaigns are powered
by Blackbaud Solutions

Our Brand Promise

- › We'll never stop innovating.
- › We'll always be there for you.
- › We'll always give you our best.
- › We'll keep interactions with us easy.
- › We'll help you be change makers.

The background of the page is a photograph of a large, multi-story brick university building. On the right side, there is a prominent clock tower with a white clock face. The building has many windows with white frames. In the foreground, there are large, leafy green trees on the left and a paved walkway on the right where three people are walking away from the camera. The overall scene is bright and sunny.

About Blackbaud

Leading uniquely at the intersection point of technology and social good, Blackbaud provides cloud software, services, data intelligence, and expertise that empower and connect people to drive impact for social good. We serve the entire social good community, which includes nonprofits, foundations, companies, education institutions, healthcare organizations, and the individual change agents who support them.

Copyright © 2021 Blackbaud, Inc. All rights reserved. This publication is for information purposes only. Blackbaud makes no warranties, expressed or implied, in this summary. This information is the intellectual property of Blackbaud, Inc. and may not be reproduced without prior written permission. All product names appearing herein are trademarks or registered trademarks of Blackbaud, Inc. or their respective owners.



blackbaud®

*Blackbaud
World Headquarters
65 Fairchild Street
Charleston, SC 29492
1.800.443.9441
www.blackbaud.com*