

Advancement Leaders Speak 2017

Annual Giving Multichannel Best Practices and
Challenges Reported by Today's Fundraisers



Based on a survey of 300 advancement professionals nationwide
serving higher education and charitable organizations

RUFFALOSM
NOEL LEVITZ

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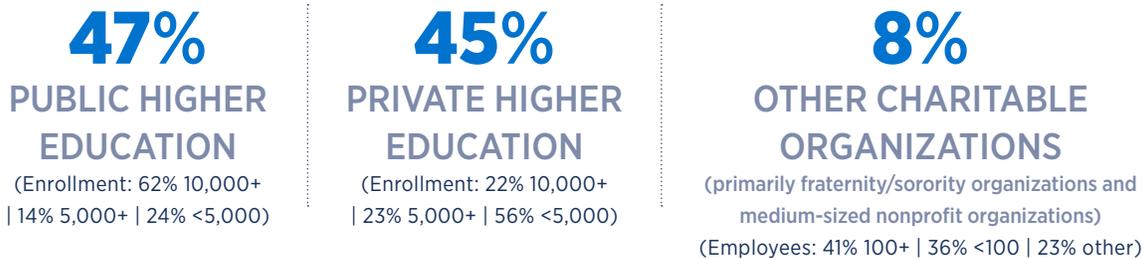
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The most common concern for fundraisers is creating compelling messages to new and younger donors.

SOURCE OF DATA

300 GIVING PROFESSIONALS SURVEYED ONLINE IN SEPTEMBER AND OCTOBER 2017



PROFILE OF ORGANIZATIONS



AVERAGE ANNUAL GIVING FUNDRAISING: **\$5.82 MILLION** MEDIAN ANNUAL GIVING FUNDRAISING: **\$1.5 MILLION**
RANGE: **\$1,000 TO \$100 MILLION**

See page 11 for methodology and titles of the survey respondents.

WHAT'S WORKING TODAY IN ANNUAL GIVING?

This report examines key annual giving engagement practices across multiple channels, along with the opinions of fundraisers about how they can optimize these communications to better engage donors.

Survey respondents reported high adoption of emerging digital fundraising tactics. This key transition allows fundraisers to gain the attention of donors, who are spending the majority of their time online.

Unfortunately, fundraisers reported only moderate success in growing donor rolls, particularly with younger donors. Fundraisers said that they are raising more money from fewer donors, an industry trend which has been prevalent in recent years. A key question is what will happen when this limited group of big givers is no longer available.

Key fundraising tactics also seem to be misaligned with fundraiser goals. For example, most programs lead their giving solicitation program with direct mail to the previous year's donors, but also rate direct mail low on the ability to increase a donor's gift. Similarly, tactics that are highly rated for new donor acquisition are placed later in the cycle, leading to significant waste on early appeals.

Fundraisers reported slow technology adoption and sticking too closely to tradition as key barriers to improving their annual giving outreach. Other significant reported concerns included funding new initiatives and justifying return on investment in a meaningful way.

These responses show that higher education fundraisers are missing key opportunities with their annual giving outreach—especially in using technology and connecting with young donors to maximize their campaign results.



1

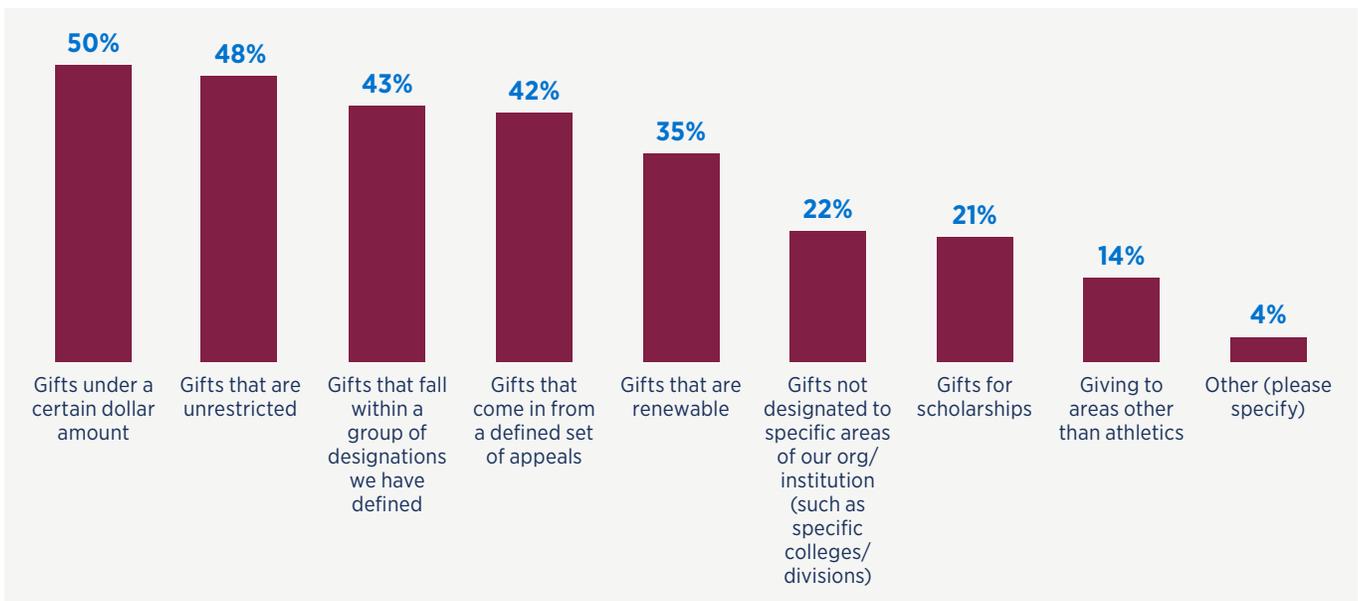
FUNDRAISERS ARE RELYING ON MORE DOLLARS FROM FEWER DONORS

“We’re concerned about the future when these big donors are gone.”

Dollar goals predominate in annual giving, followed by an interest in growing participation and a donor pipeline.

How do you define gifts that count as “annual giving” at your institution?

(Respondents indicated all that are used to define “annual gifts” at their institutions)



Other responses included: gifts not tied to a major gift officer proposal, alumni memberships.

\$33,817
 AVERAGE DOLLAR
 CUTOFF FOR
 ANNUAL GIFTS

\$25,000
 MEDIAN DOLLAR
 CUTOFF FOR
 ANNUAL GIFTS

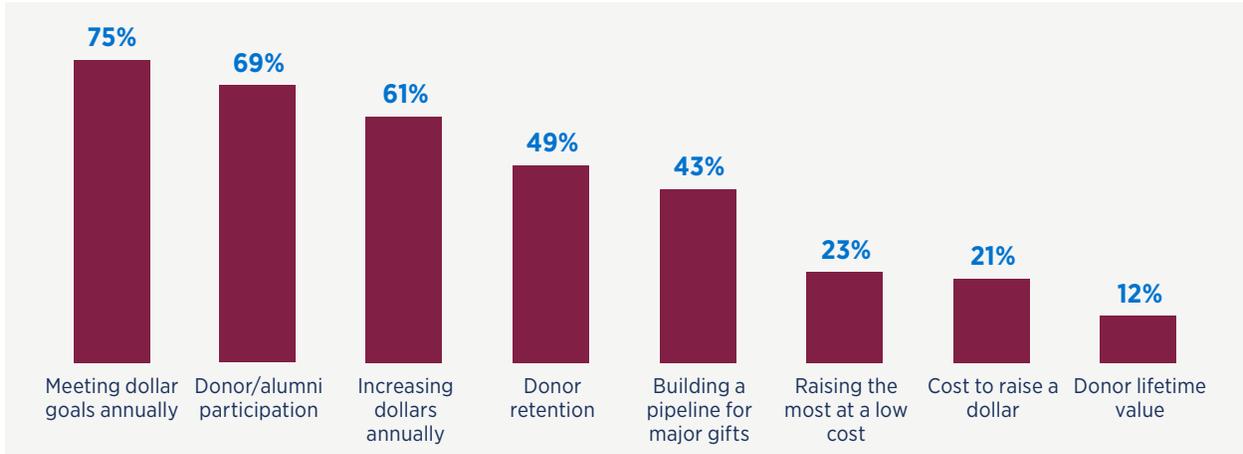
**\$10,000, \$25,000,
 \$50,000**
 MOST COMMON RESPONSES

While a contribution ceiling was the most common response, 47 percent of organizations apply at least three criteria to define what counts in the annual giving campaign.

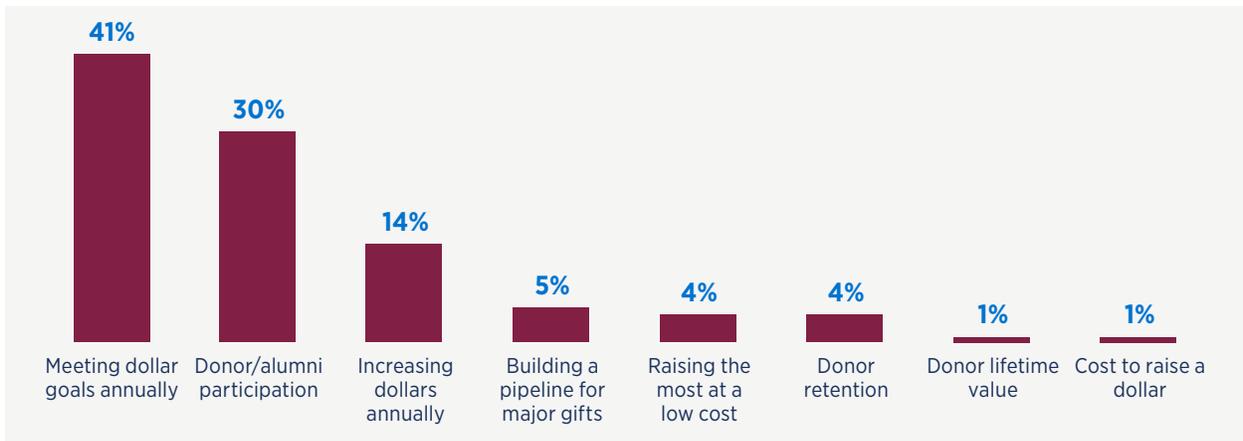
EVALUATING ANNUAL GIVING

The total dollars raised and increasing this total is how most organizations are evaluated, followed by alumni participation. Few organizations evaluate donor lifetime value.

How is your annual giving program evaluated by your organization's leadership? (Respondents indicated all that applied)



What is the number-one metric used to evaluate your annual giving program?



How is your annual giving trending?



While fundraisers seem to be benefiting from the economy and strong relationships with existing donors now, a significant negative headwind for donor counts and giving percentage looms on the horizon.

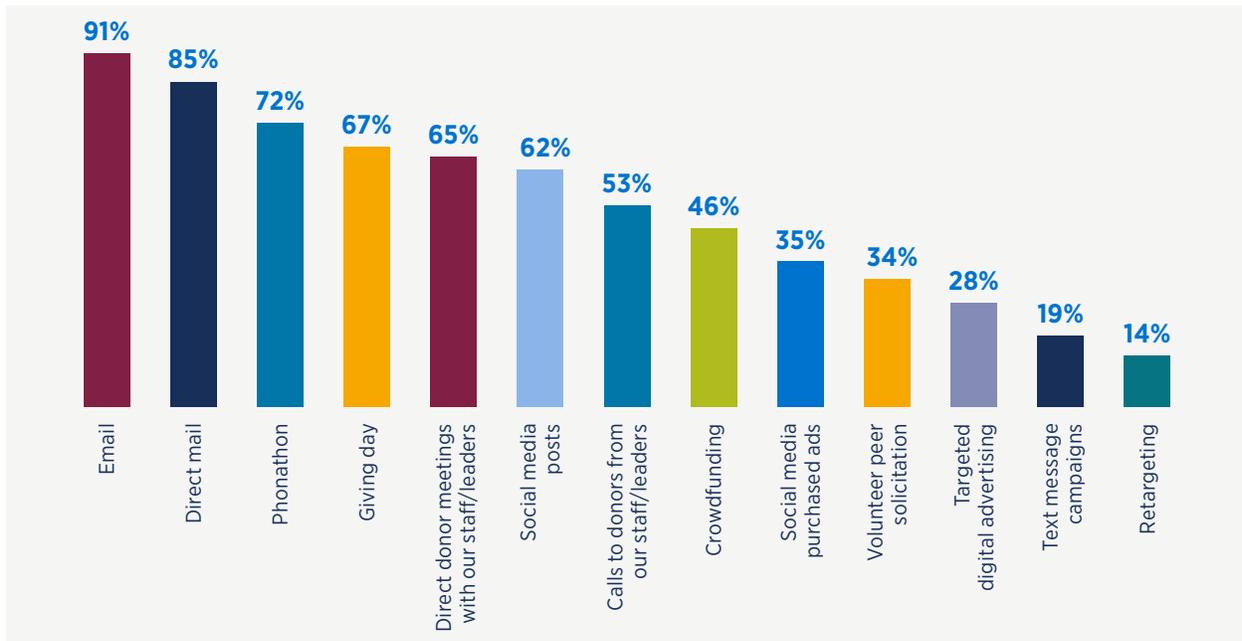
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ADOPTING AND INTEGRATING NEW TECHNOLOGY IS A CHALLENGE

“We’re trying to be cutting edge, but it’s hard.”

More than three-quarters of fundraisers have adopted a multichannel approach with an emphasis on digital, but few are optimizing or integrating these well.

Which of these donor contact channels does your annual giving program utilize? (Respondents indicated all they are currently using)



How do you define “multichannel” as it applies to your appeals? (representative responses)

- Using a combination of direct mail, email, and phonathon.
- Using multiple ways of getting and keeping donors.
- Amplifying the same/similar message through multiple media channels.
- A defined campaign with multiple layers.
- Not everyone receives the same approach.
- Coordinated branding and messaging.
- Hitting donors with several asks.
- Incorporating digital with the same branding and message.

How do you determine who receives an appeal? (representative responses)

- Research-driven segmentation.
- Recency and frequency of giving.
- Engagement scores.
- Constituency.
- Prospect ratings and past giving.
- Audience relevant to theme of appeal.
- Donor preferences.
- Subscribers, existing donors, and ticket holders.
- All solicitable alumni receive at least one appeal each year.

85% of fundraisers feel pressure to “solicit everyone, every year.”

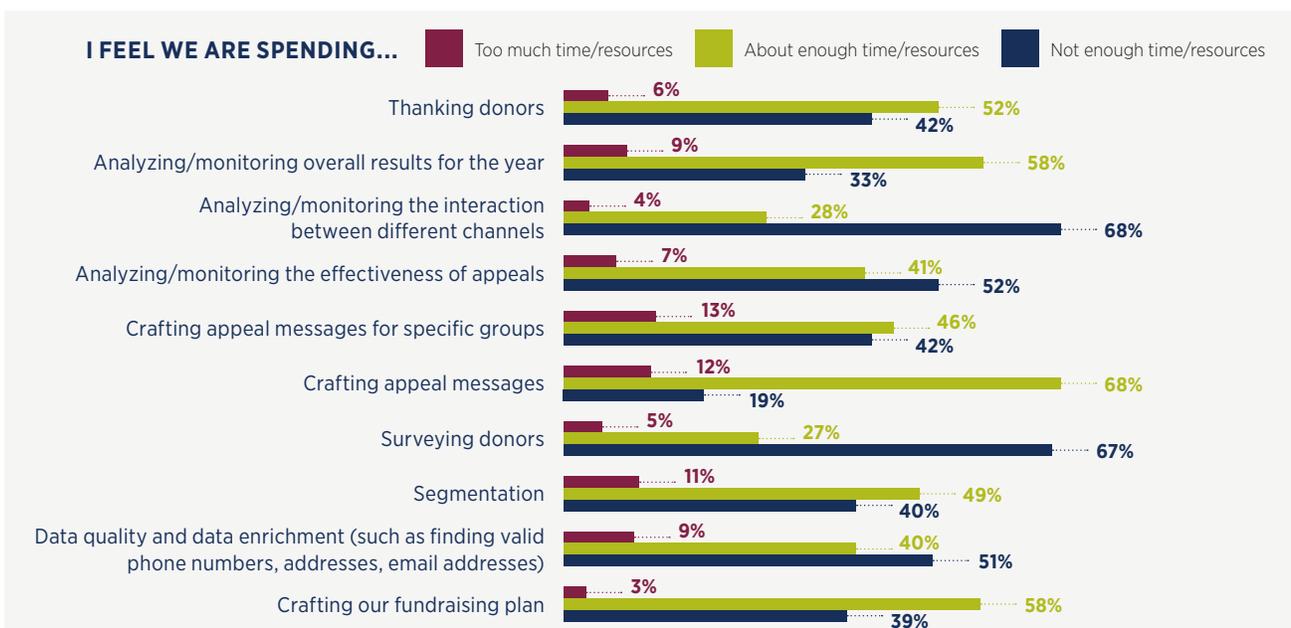
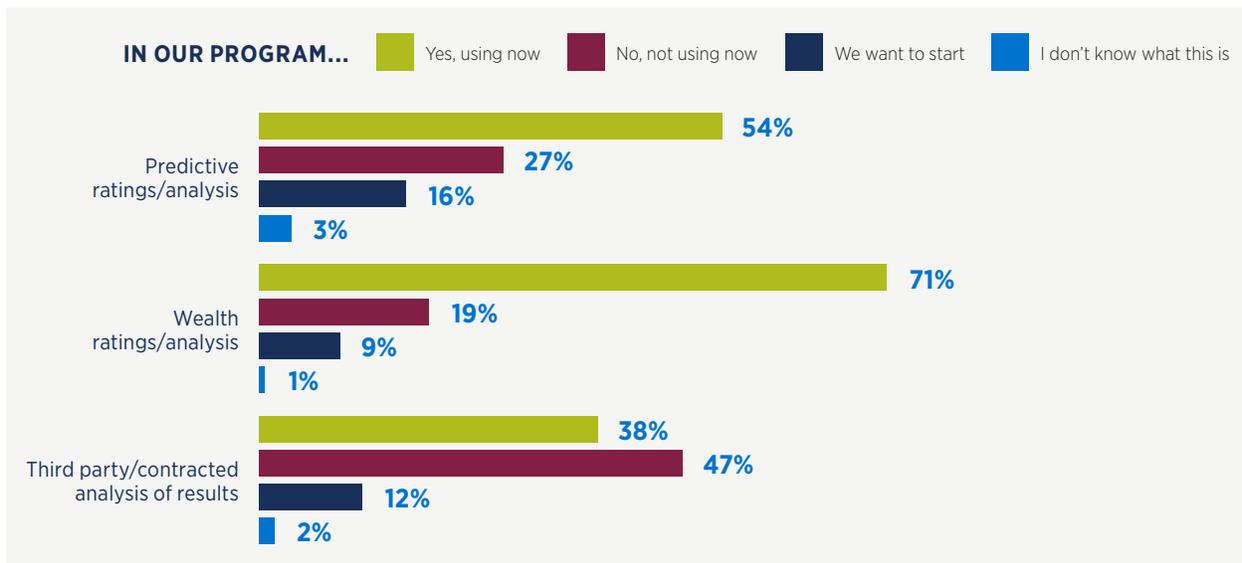
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FUNDRAISERS NEED TO GET MORE FROM EXISTING SYSTEMS

“We’re not spending enough time listening to donors or analyzing results.”

Only about half of fundraisers use predictive analytics to guide appeals, and the majority of fundraisers want to do more surveying of donors and analysis of appeals.

Are you currently using the following to guide your annual giving appeal strategy?



4

KEY ANNUAL GIVING GOALS DO NOT MATCH THE TYPICAL APPEAL STRATEGIES

“In many cases, we just spray and pray.”

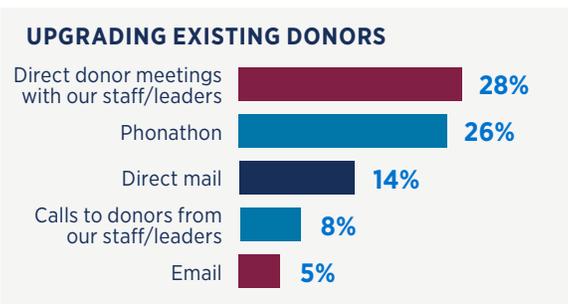
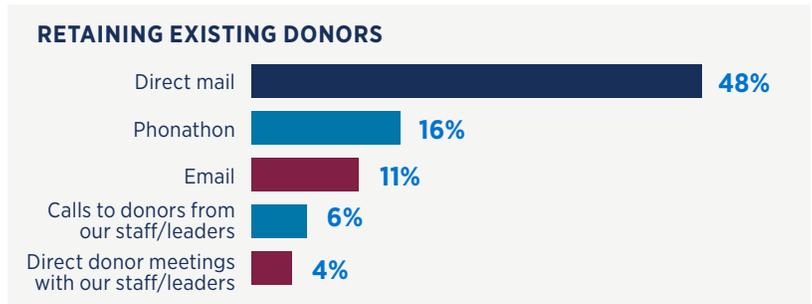
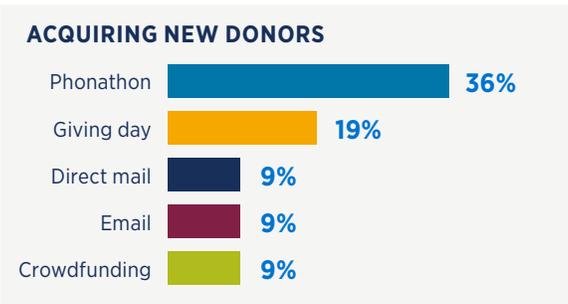
GETTING, KEEPING, AND UPGRADING DONORS

We asked fundraisers about key channels for acquiring, retaining, and upgrading donors, along with their typical strategies for timing each channel throughout the year:

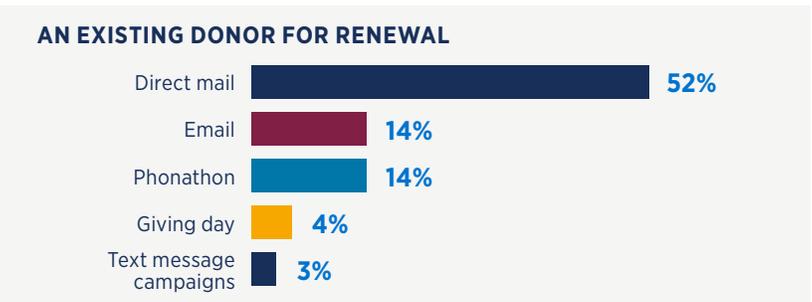
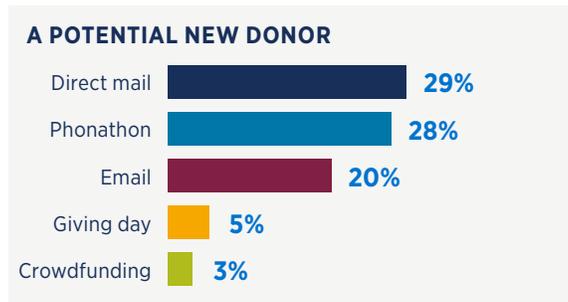
- Most programs start their fundraising year with direct mail and email solicitations.
- Phonathon and direct donor conversation are highly rated for upgrading donors, but often come after the first appeal.
- Phonathon, giving days, and crowdfunding are highly rated for acquiring donors, but significant appeal dollars are spent on lower-rated tactics prior to these tactics.

The survey results show that common appeal timing tactics are not aligned to fundraiser goals and most programs have an opportunity to improve strategy.

MOST EFFECTIVE CHANNELS FOR:



FIRST METHOD EACH YEAR USED TO CONTACT:



5

COMMUNICATING WITH A YOUNGER AUDIENCE AND DECREASING RESOURCES ARE KEY CHALLENGES

“New donors don’t find our cause exciting.”

What are your top concerns about meeting your annual giving goals?

(representative responses)

Making sure we diversify our appeals to find new donors.

Staying in touch with the donors we already have.

Budget cuts on top of budget cuts on top of budget cuts.

Reaching out to and motivating young donors.

It’s becoming increasingly harder to contact people.

I’m concerned that we are meeting dollar goals but our number of donors decreases every year.

Getting young alumni engaged.

Not enough staff to see major gains in alumni donors.

Attracting millennials to replace older alumni donor base.

Do you have a coordinated communication campaign for young alumni?



Source: Ruffalo Noel Levitz (2017). *Advancement leaders speak 2017: Digital tactics and young alumni engagement strategies reported by today’s fundraisers*. Retrieved from RuffaloNL.com/DigitalEngagement

KEY TAKEAWAYS

Receiving significant dollars from annual giving appeals that are reliably renewable is a key goal for all organizations. With fundraising pressures increasing, institutions will rely on annual giving to meet resource gaps. Over three-quarters of fundraisers have adopted new technologies in the digital world to engage donors, but the majority wish they were spending more time making sure that these channels interact well and on analysis of results.

Based on the survey results, RNL recommends the following:

- **Develop specific campaigns and strategies for specific populations, including new donors, retention, and young alumni.** These campaigns must match the donor base. For example, millennials are used to being treated as individuals. Choice, transparency, and social interactivity are essential ingredients in successful campaigns for younger generations.
- **Invest in listening and donor engagement before solicitation.** Building a relationship before the ask is key. You have excellent opportunities to offer content to donors focused on why giving matters.
- **Personalize your outreach through smart, integrated multichannel communication.** With tightening budgets and the need for greater results, you can't afford to "spray and pray." Monitor your donors' activity and learn from their signals to deliver content that is relevant to their interests—just like they experience in the commercial world. Personalize beyond mail merges to create connections that are a natural part of a donor's passionate daily interaction with you.
- **Embrace the digital world.** Digital is the only way to deliver a personalized experience to your donors at scale. Institutions continue to have success with direct mail and personal conversations, but the best fundraising programs combine this with digital intelligence and supporting communications to maximize their response rates.



Listen to the podcast

Learn how to apply the findings of this study to your strategy by listening to a special episode of *Fundraising Voices*, our popular podcast.

Available at [FundraisingVoices.com](https://www.FundraisingVoices.com)

ABOUT THIS STUDY

METHODOLOGY

To assess the adoption of digital engagement tactics and work to engage younger donors, Ruffalo Noel Levitz emailed an anonymous survey in fall 2017 to a sample of giving professionals in higher education and nonprofit charities across the United States. The most common job functions indicated by respondents were director of annual giving, annual giving team member, chief advancement officer, vice president and CEO. Forty-five percent currently manage a team of annual giving professionals, and 15 percent hold the CFRE or ACFRE credential. Survey respondents represented a broad cross-section of public and private U.S. colleges and charities. Respondents were offered a small gift card incentive for survey completion.

DEFINITIONS

Annual Giving: Generally, this represents giving which is budget-relieving in the current financial fiscal year, with relatively few restrictions for use by donors. Institutions vary widely in their definition of annual gifts. See page 4 for fundraiser responses on this definition.

Crowdfunding: Made popular by websites like Kickstarter and Indiegogo, crowdfunding harnesses the social connections of supporters to encourage them to give as a group to specific projects.

Giving Day: A one-day online and offline campaign made popular by events like Giving Tuesday and Give Local America. Giving days have become very popular in higher education and may feature major gifts, challenges, and happen on any day of the year.

Multichannel: The integration of several methods of communication within the appeal year to contact donors. Institutions view this strategy differently. See page 6 for common definitions.

Phonathon: Contact to donors via landline or mobile phone to secure a gift and thank existing donors. These gifts are often made live via credit/debit card and are commonly conducted by a student phoning team in higher education, managed by professional staff.

Targeted Digital Advertising: This is advertising served up to a defined group across their web, mobile, and social media usage. It may be generated from a provided list, retargeting, or geo-location.

Retargeting: This digital advertising is sent to donors or supporters who click on a giving page but don't complete a gift. Many online retailers use this tactic to have their ads reappear to people who visited their sites.

RNL Complete Fundraising

Today’s fundraising landscape is highly competitive and quickly evolving. How can you keep up with increasing pressure and shifting donor expectations?

RNL Complete Fundraising combines advanced analytics, engagement technology, and industry-leading insights to deliver a more intelligent modern approach to engaging donors and improving results. From donor acquisition to transformational giving, it’s smarter fundraising tailored to how today’s donors give.

Find out how you can engage the right donors at the right time with the right offer through the right set of channels.

Visit: www.RuffaloNL.com/CompleteFundraising
 Email: ContactUs@RuffaloNL.com
 Call: **800.876.1117**



ABOUT RUFFALO NOEL LEVITZ

Ruffalo Noel Levitz is the leading provider of enrollment management, student success, and fundraising solutions. Each year, more than 1,900 colleges, universities, and nonprofit organizations rely on RNL best-in-class analytics, engagement technology, and industry-leading insights to achieve their mission.

How to cite this report

Ruffalo Noel Levitz (2017). *Advancement leaders speak 2017: Annual giving multichannel best practices and challenges reported by today’s fundraisers*. Cedar Rapids, Iowa: Ruffalo Noel Levitz. Retrieved from RuffaloNL.com/AnnualGivingSuccess.

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