



HBCU

RNL Summit for Historically Black Colleges and Universities

WELCOME



RNL Summit for Historically Black Colleges and Universities

Making the Case for Fundraising at HBCUs

Greta Daniels, CFRE
Senior Vice President, Fundraising Management
RNL

Agenda



Fundraising and HBCUs



The Impact of Young Alumni



Turning Donors Into Investors in Your Mission

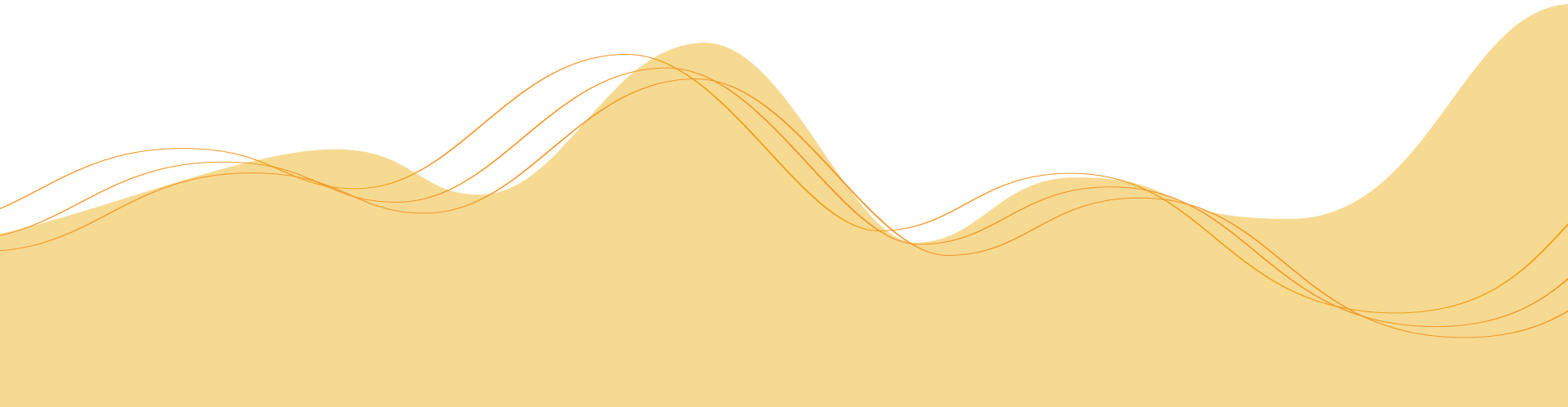
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Fundraising Landscape in and around HBCUs



Why Focus on Fundraising?



HBCUs account for approximately 3% of all colleges and universities in the US



HBCUs often have smaller endowments and lower levels of public funding



Immediate opportunity to leverage broader public attention/interest



Well positioned as investment for “venture philanthropists”

HBCUs are Systematically Underfunded

- Large US foundations steadily decreased their support of HBCUs between 2002 – 2019
 - \$65M awarded in 2002, by 2019 decreased to \$45M (not adjusting for inflation)
- Foundations tended to award proportionately fewer grant dollars as general operating support to HBCUs as compared to Ivy Leagues and similarly situated institutions.

Philanthropy and HBCUs: Foundation funding to historically Black colleges and universities; Candid and ABFE (May 2023)

178X



Foundation Funding received by average Ivy League as compared to average HBCU

Surge of Interest in 2020

- But experts and HBCU fundraising leaders do not expect this spike to persist
- And frankly....

“It’s a drop in the bucket. The need is still extremely severe.”

- Lodriguez Murray
Vice President for Public Policy and Government Affairs, UNCF

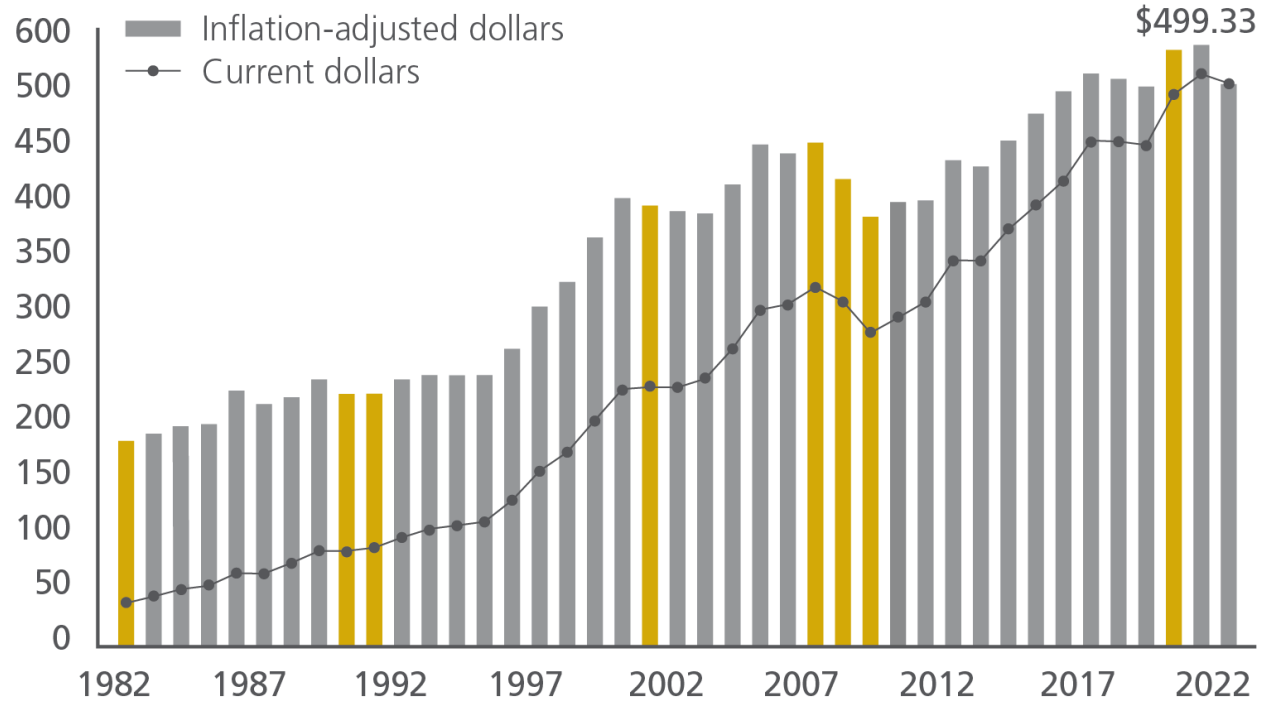
453%



Increase in total
HBCU fundraising
revenue in 2020

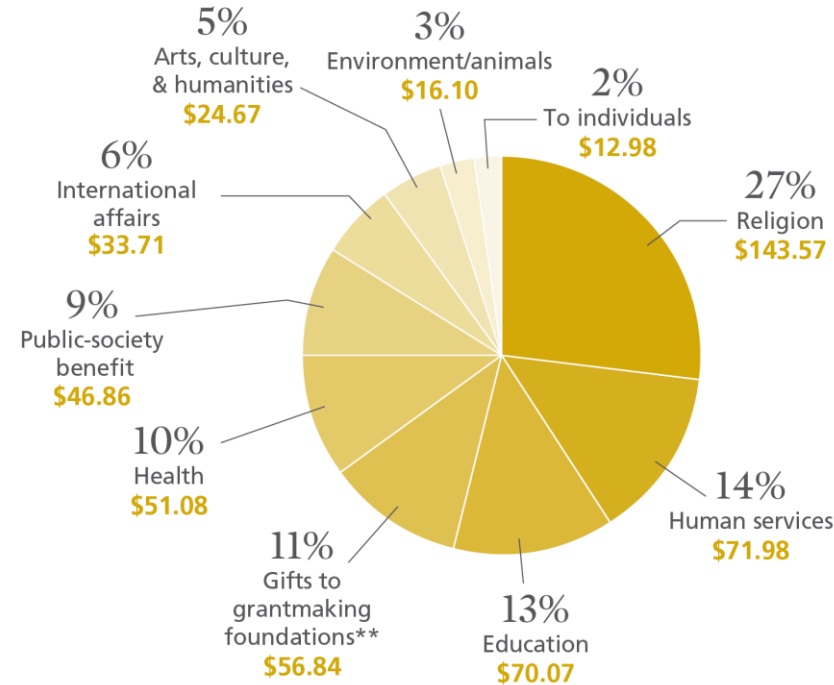
Total giving, 1982-2022

(in billions of dollars)



2022 contributions: \$499.33 billion by type of recipient organization*

(in billions for dollars – all figures are rounded)



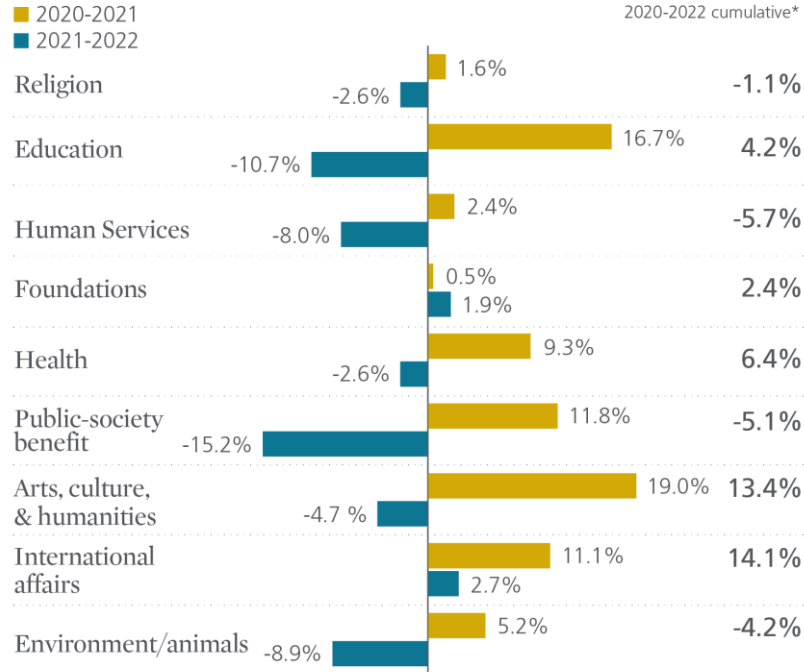
* Total includes unallocated giving, which totaled -\$28.54 billion in 2022.

** Estimates developed by the Indiana University Lilly Family School of Philanthropy using data provided by Candid.



Changes in giving by type of recipient organization: 2020–2021 and 2021–2022, 2020–2022 cumulative

(in inflation-adjusted dollars, 2022 = \$100)



Percentage change from previous year

*The two-year change is calculated separately and is not the sum of the changes in the two years.



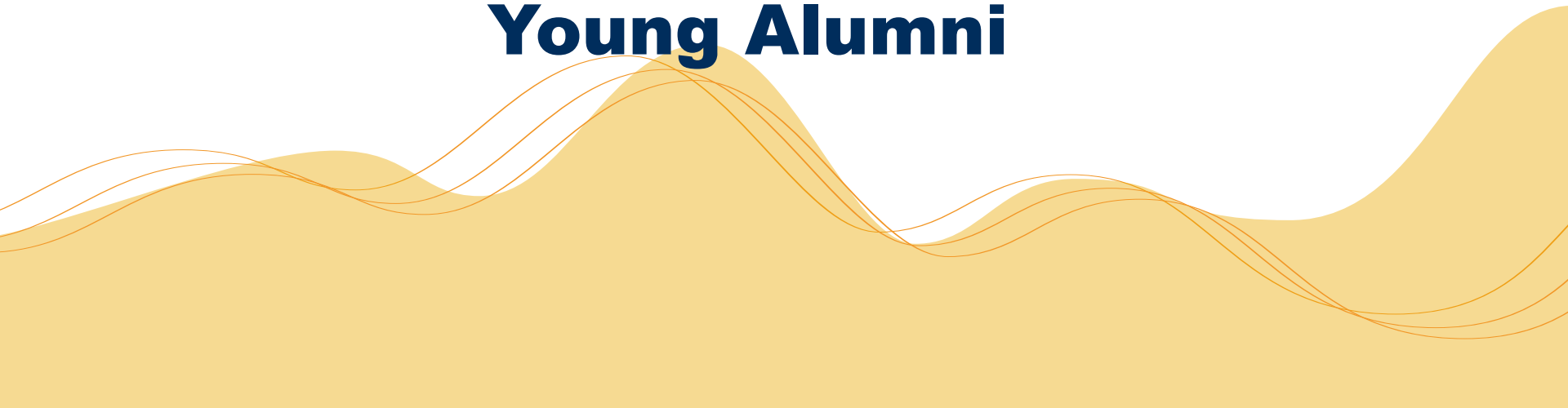


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**Focusing Forward:
Recent Graduates and
Young Alumni**



Annual Giving by Generation



	2016	2022	Inc/Dec	%
Gen Z		\$747		
Millennials	\$942	\$1,323	\$381	+40%
Gen X	\$1,265	\$1,220	(\$45)	-4%
Boomers	\$2,921	\$2,568	(\$288)	-12%

Impact of Wealth Transfer

The “Great Wealth Transfer” has created an upward trend and opportunity, but we see a bit of a head fake with large transformational or mega gifts.

\$73 Trillion

TO NEXT GENERATIONS

6%

WILL FLOW TO CHARITY (HISTORIC ESTIMATE)

10,000

BABY BOOMERS RETIRING PER DAY

However

While GenX and Millennials coming into wealth are philanthropic, they choose **FEWER CHARITIES** and are more skeptical; many institutions are not actively cultivating and are therefore, **MISSING OUT** on future major and planned gifts.



Schuler Young Alumni Initiative

- A collaboration between the Schuler Education Foundation, RNL and five pilot colleges.
- 3-year project that provided colleges with resources to expand engagement activities for young alumni.
- Goal of increasing the number of young alumni genuinely connected and participating as donors.
- Leverage market research and share learnings with other colleges and universities.



National Young Alumni Survey

PARTICIPATING INSTITUTIONS

36

UNDERGRADUATE RESPONDERS

40,000

RESPONSE RATE

8%

FIRST GENERATION

16%

ALUMNI OF COLOR

36%

HOUSEHOLD INCOME OVER \$100K

45%

Project Goals:

- Discover volunteer and giving behaviors
- Learn more about content and communications preferences
- Use feedback to shape outreach and inform future engagement and advancement efforts

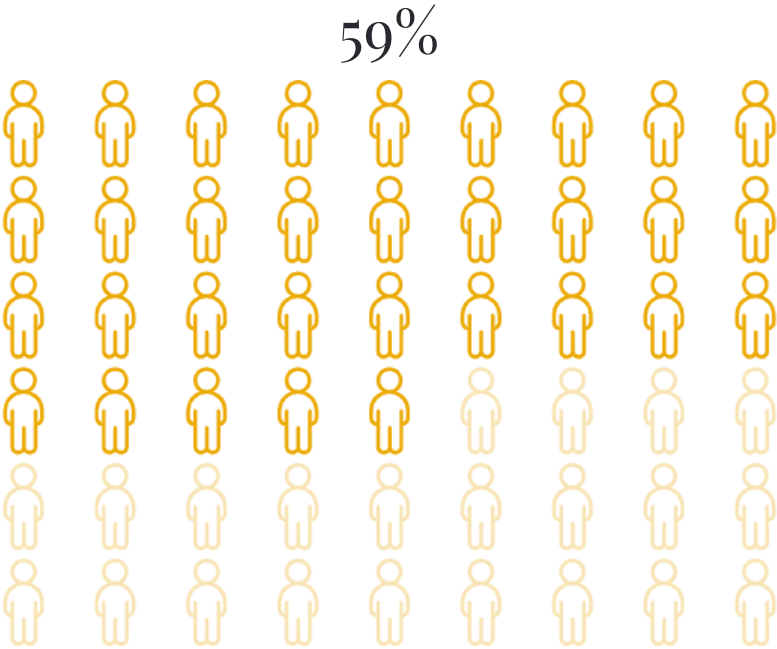


Young alumni are philanthropic

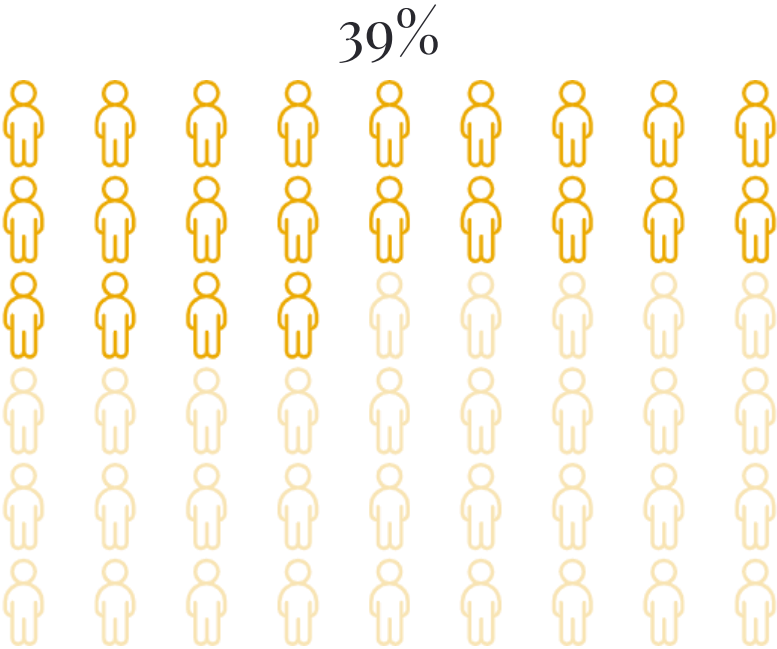
58%
report volunteering

76%
report donating

How often do young alumni volunteer and donate?



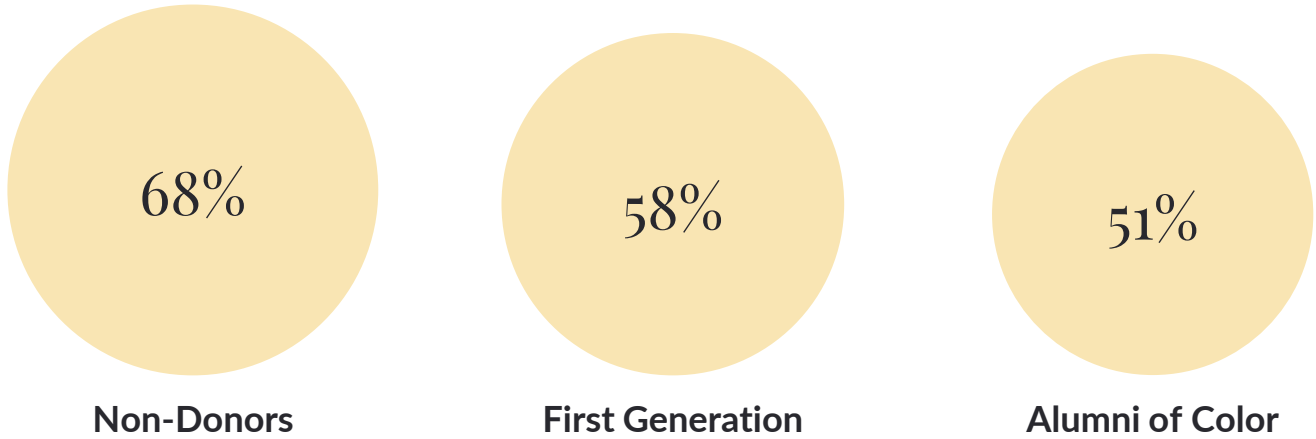
VOLUNTEER ONCE A MONTH OR MORE



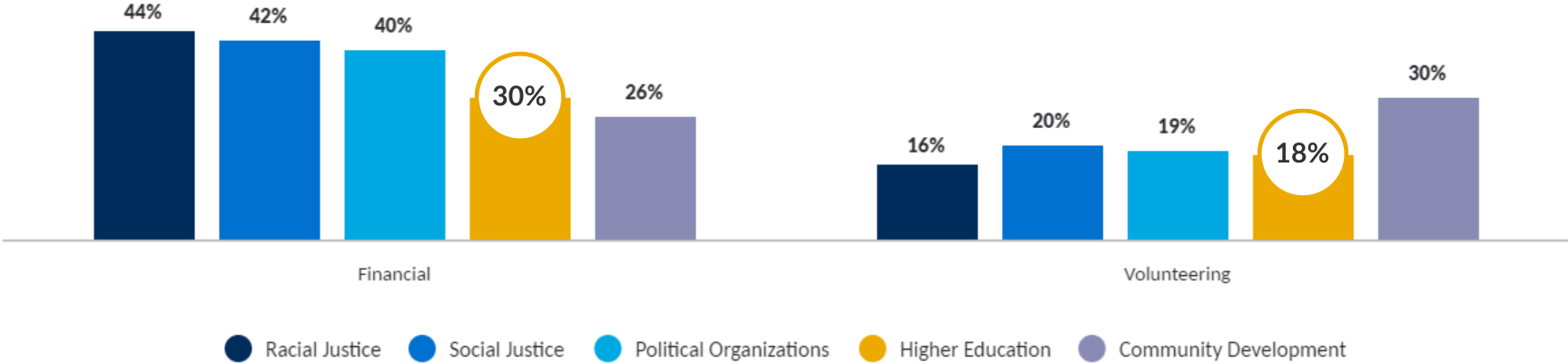
DONATE ONCE A MONTH OR MORE

Does student loan debt influence giving?

Although a majority of respondents reported not feeling burdened by personal student debt (61 percent overall), it was still a factor in whether young alumni decided to give back to their alma maters.

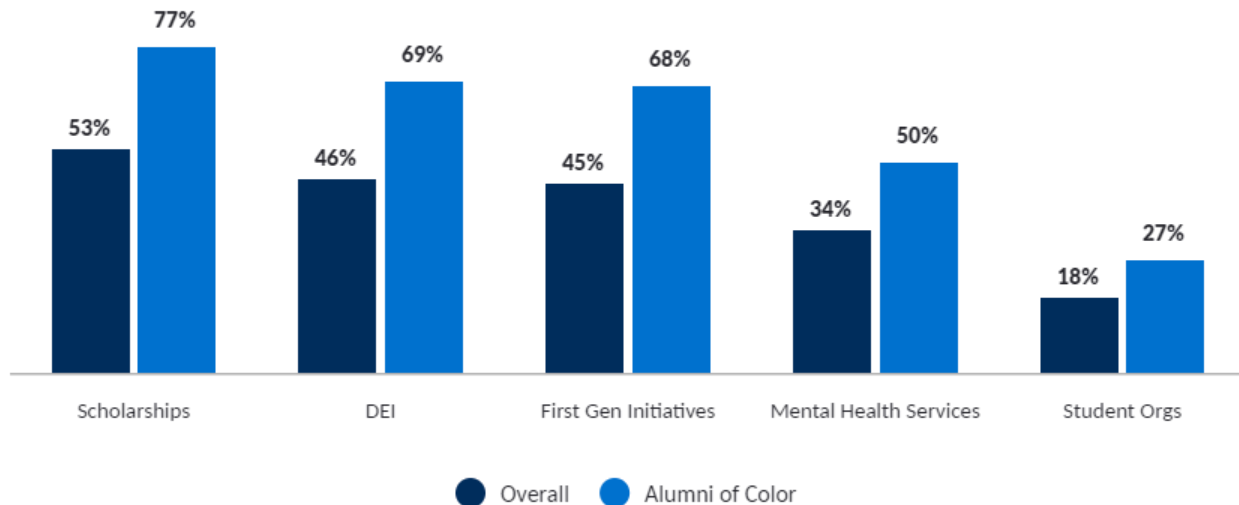


Where do alumni currently donate?



Source: RNL post-pandemic survey; smaller subset of Schuler pilot institutions (not National Survey data)

Top 5 areas young alumni are most likely to support in the future



What's not motivating?

Non donors rank the "annual fund" dead last; last; it doesn't motivate or inspire giving.

How to Get Started

- Young donors/prospects need to **feel a connection** to the fundraising opportunity. Targeted micro-campaigns are effective.
- People rally around big tent initiatives; **giving days and challenge events** delivered an average of 2,405 donors last fiscal year.
- Don't set the bar too low. Young prospects/donors will give **higher amounts**, especially if we quantify collective impact.
- Tools that allow for personalization, real-time engagement, improve donor/volunteer experience, and create staff efficiencies are worth it.
- **Diversification of your outreach, cultivation, fundraising, and revenue streams is imperative.**
- **Leadership must commit to the long term, big picture to secure financial sustainability.**



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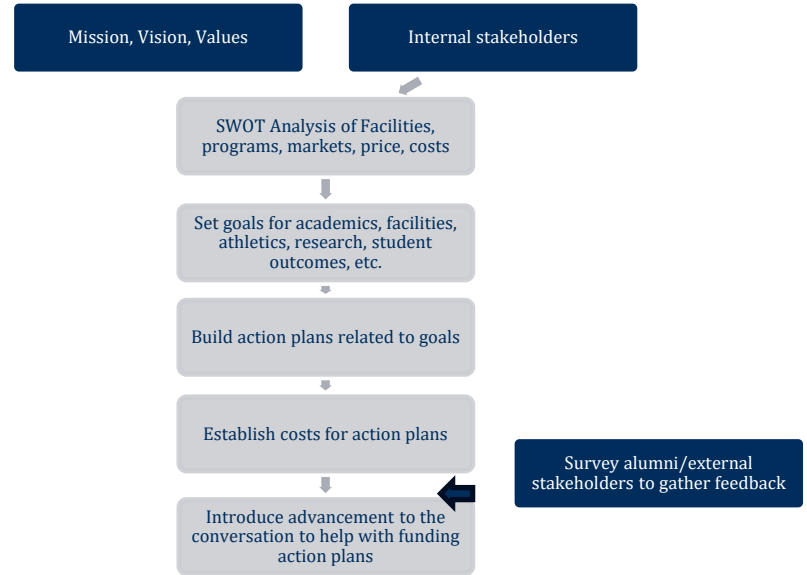
Turning Your Donors Into Investors in Your Mission

Strategic Planning Process

Basic Overview



Typical Higher Ed Process



Outcomes

- Short-term focus on high-end donors who can achieve immediate goals
- Neglect of donors who are not aligned with the plan
- Missing opportunities to even out long-term revenue through diversified planning process



Truly strategic **revenue** planning is a continuous and data-informed process that:

- Aligns revenue streams around core priorities;
- Incorporates market feedback, financial trends, and campus needs into priority development;
- Diversifies funding sources and accommodates fluctuating market trends;
- Sets goals that are achievable given the financial environment, staffing, resources available;
- Creates transparency and reports on impact and growth

...to foster long-term financial sustainability and broaden community engagement.

Aligning Revenue Streams

Funding Long-term Sustainability



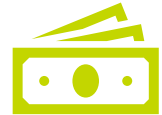
Market Assessment



Academic Planning



Strategic Enrollment
Planning



Fundraising
Opportunities

Changing the Narrative



Investing in the Mission

- Align funding opportunities with bigger financial picture
- Build stewardship that showcases the impact of investment to financial sustainability and growth
- Engage a generation of donors that requires transparency

Aligning Revenue and Changing Value Proposition: Example

\$1,000



Yields Millions in
Future Tuition
Revenue for
Institution



Market Assessment: Demand for nursing graduates



Academic Planning: Grow undergraduate and graduate nursing programs



Challenge: Growth is limited by clinical space/capacity on campus



Investment Opportunity: Gifts support today's students and long-term sustainability of the program while impacting broader healthcare needs of community.

Making the Case for Investment



Engines of economic and social mobility



Provide access to education and opportunity



Black HBCU graduates earn \$900,000 more in their lifetimes than Black graduates from PWI schools.



HBCUs have historically been successful with limited resources, underscoring their value and potential



HBCUs account for 80% of Black judges, 50% of Black doctors, and 50% of Black lawyers

Building a strong foundation for growth



Direction and goals dictated by data and analytics



Plans guided by a strategic and long-term vision



Culture of investment



Commitment to the process and the mission

A person is using a laptop. The laptop screen displays a donation website with a heart icon held by two hands, the word "DONATE", a "CLICK" button, and the text "click here for more information". The background is a blurred office setting.

Questions?

Thank You!

Connect with me on LinkedIn!

Greta Daniels, CFRE
Greta.Daniels@RuffaloNL.com

<https://www.linkedin.com/in/gretadaniels/>