

# Advancement Leaders Speak 2017

Annual Giving Issues and Priorities Reported by Today's  
Annual Giving Professionals and Chief Advancement Officers



Based on polls and interviews with a national sample of campus professionals  
conducted by RNL and independent research firm, Sterling Associates Group, LLC

**RUFFALO**<sup>SM</sup>  
NOEL LEVITZ

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### SOURCE OF DATA

**350 ANNUAL GIVING PROFESSIONALS POLLED  
IN MARCH 2017 AND NOVEMBER 2016**

**40 CHIEF ADVANCEMENT OFFICERS INTERVIEWED  
IN DECEMBER 2016**

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Two polls were conducted of annual giving professionals. A live poll was conducted by Ruffalo Noel Levitz with 150 participants at the March 2017 CASE Institute for Senior Annual Giving Professionals. In addition, RNL conducted a telephone poll of 200 annual giving professionals in November 2016.

In-depth telephone interviews with chief advancement officers were conducted by independent research firm Sterling Associates Group, LLC, in December 2016. These officers represented public, private, large, medium, and small institutions of higher education. The officers were chosen for their institution’s success, primarily as reported on the Voluntary Support of Education Survey from the Council for Aid to Education.

## PRESSURE ON ANNUAL GIVING KEEPS INCREASING

**This study provides a valuable “snapshot” of where annual giving is today, and where it’s headed.** The findings combine the perceptions of annual giving professionals and chief advancement officers to anticipate how key forces will shape annual giving strategy in the months and years ahead.

The data shared in this annual giving edition of *Advancement Leaders Speak 2017* represent the issues and priorities of leaders at colleges and universities across the United States, including live responses from attendees at the CASE Institute for Senior Annual Giving Professionals in March 2017.

**In 2016, advancement leaders in higher education collectively raised \$41 billion,<sup>1</sup> and today they are under substantial pressure to perform at higher and higher levels.** The chief advancement officers in this study reported that declines in state support for higher education, combined with enrollment revenue pressures, are increasingly pushing their teams to bridge resource gaps.

At the same time, participants in this study reported a desire for greater use of data and analytics to increase productivity, a renewed focus on direct solicitations, and plans to invest in new technologies.

The participants in this study bring unique circumstances to their work, yet there is much to be learned from their collective vision and strategies.



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<sup>1</sup>Council for Aid to Education (2016). 2016 *voluntary support of education*. New York, NY: Council for Aid to Education.

1

**DOLLARS ARE TOP PRIORITY, BUT ARE NOT THE ONLY PRIORITY****“We are expected to get big money, and get it *now*.”**

Faced with rising pressure to perform, the chief advancement officers in this study were nearly unanimous on their highest priority, but senior annual giving professionals added a second priority—*alumni giving rates*:

**90%**

of the chief advancement officers interviewed said total dollars raised is their #1 metric.

**ALUMNI GIVING PERCENTAGE ALSO IMPORTANT**

When senior annual giving professionals were polled for their highest priority, dollars raised was still a prominent metric, but these leaders were just as likely to report that alumni giving percentages are a top priority, too.

—Live poll of attendees, 2017 CASE Institute for Senior Annual Giving Professionals

When given three options (total dollars, total donors, other measures of performance), 90 percent of the chief advancement officers interviewed said total dollars raised was the top priority for their division. Further, total dollars raised was the number one metric on which they said they are judged: **What their boards and presidents watch are the dollars.**

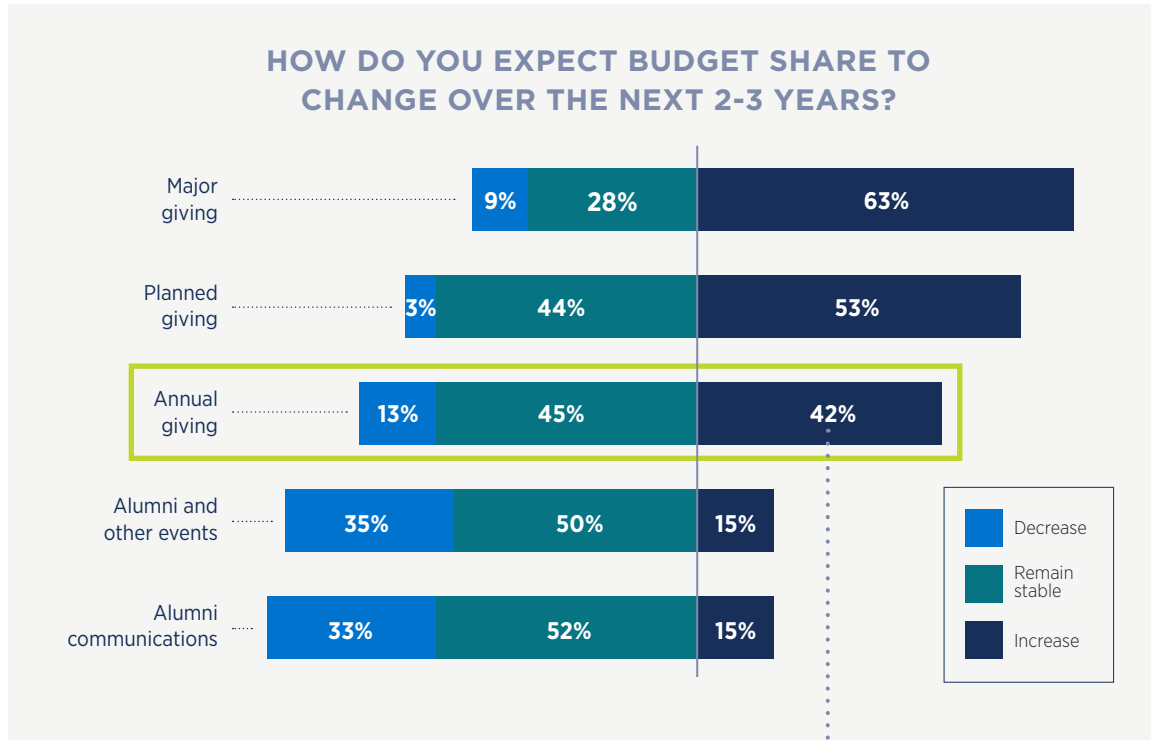
**NEXT-HIGHEST PRIORITIES**

**It's not totally about dollars and alumni giving rates.** The respondents in this study also mentioned *U.S. News* rankings and engagement metrics such as event attendance, volunteering, and email click-through rates. In addition, some respondents mentioned specific donor metrics such as first-time donor and parent donor growth rates.

2

**ADVANCEMENT RESOURCES ARE BEING SHIFTED TO ANNUAL GIVING AND OTHER DIRECT SOLICITATION CHANNELS**

**“We’re putting money into solicitation.”**



Fully 87 percent of the chief advancement officers interviewed said they expected to invest more, or keep their investment steady, in annual giving over the next two to three years, while 13 percent expected to decrease budgeting in that area. In general, the majority of the chief advancement officers expected to invest more in direct solicitation channels (personnel and support for annual giving, major giving, and planned giving), while one-third expected to decrease spending on alumni communications and “alumni and other events.”

**42%**  
expected to increase their investment in annual giving.

**EXPECTED CHANGES IN SHARE OF BUDGET ALLOCATED TO SUPPORT/INFRASTRUCTURE**

To support the shift toward greater emphasis on direct solicitation channels, the chief advancement officers interviewed also rated their expected share of budget for support activities and infrastructure:

**Advancement support activities and infrastructure whose share of budget are likely to increase:**

- 

**Marketing**  
(59% of respondents)
- 

**Advancement data services**  
(56%)
- 

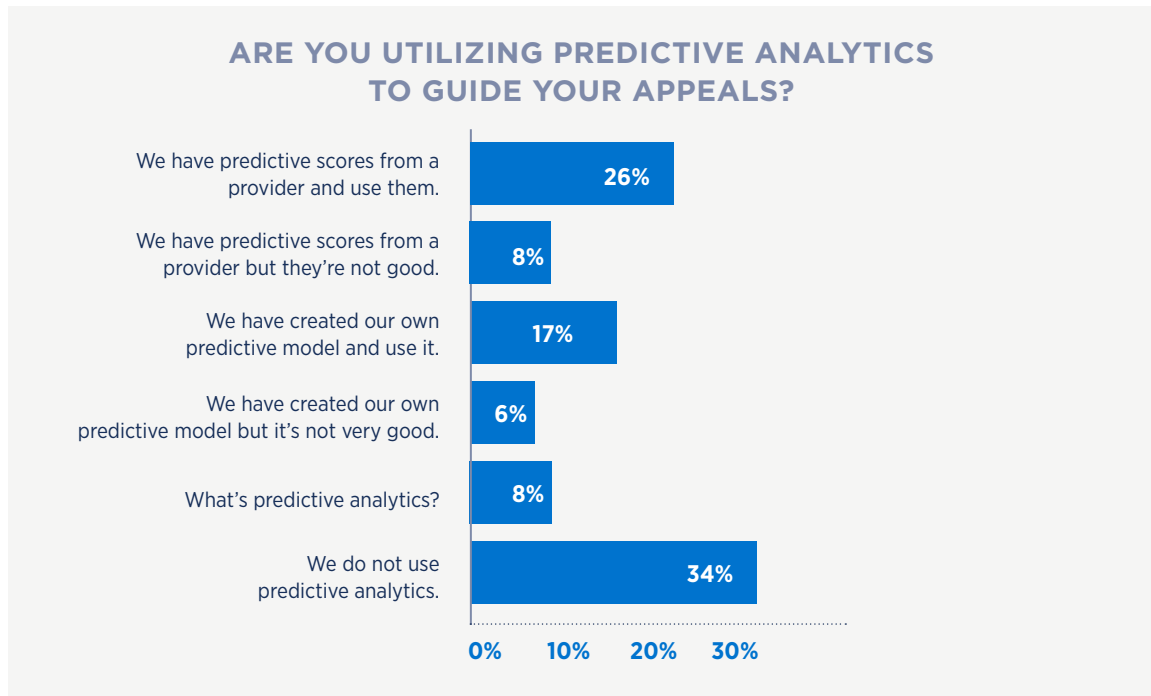
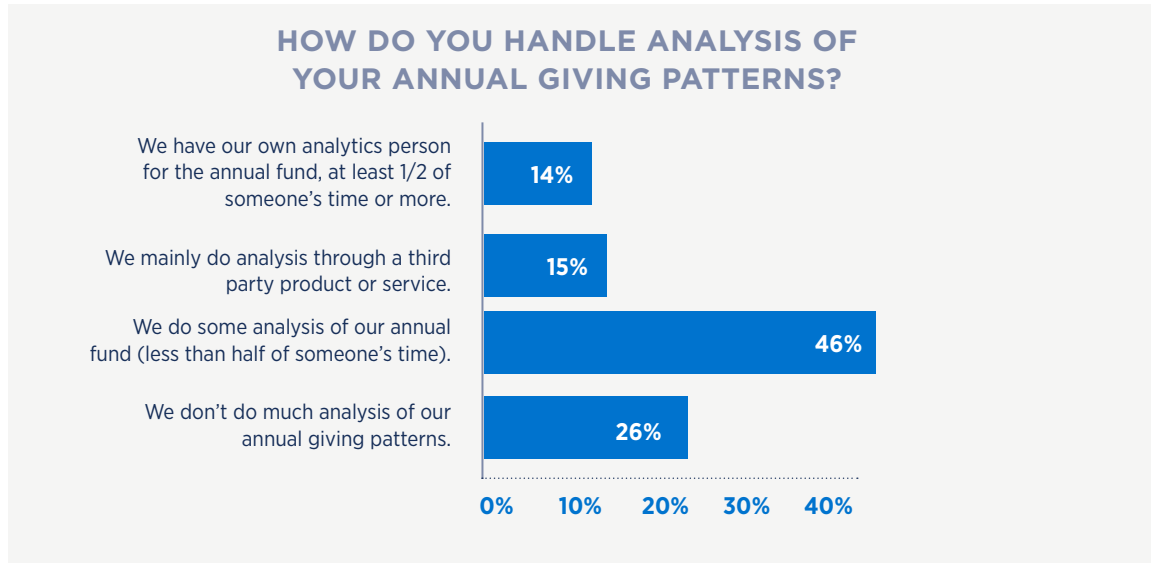
**Donor analytics**  
(54%)
- 

**Database and CRM**  
(54%)

3

ANNUAL GIVING WANTS MORE DATA

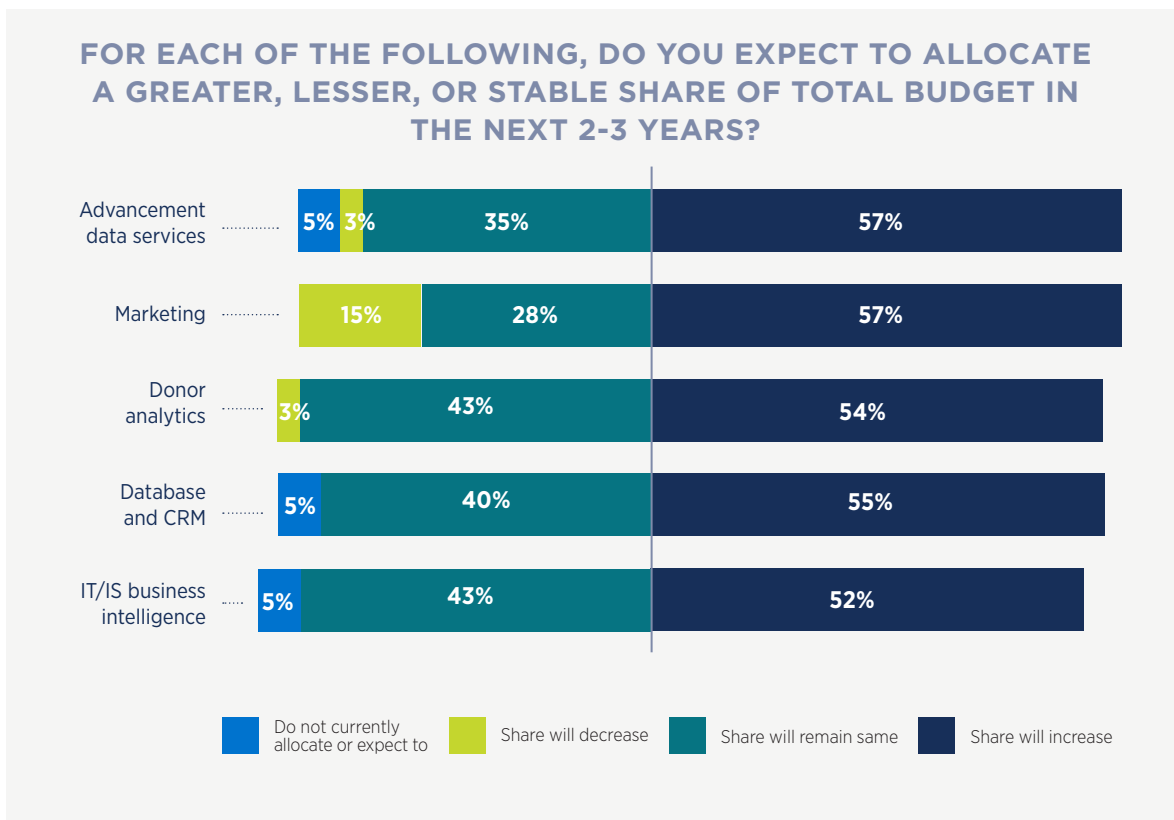
“We need more analytics and predictive data.”



—Live poll, 2017 CASE Institute for Senior Annual Giving Professionals

Senior annual giving professionals felt the need for more data, with less than one-third of the poll respondents indicating their institution dedicates at least one-half of a position to analysis of annual giving patterns or uses an outside product. Only 43 percent of the poll respondents reported having usable predictive analytics to guide appeals (26 percent and 17 percent, combined, in the second table above).

**ANALYTICS AND DATA SERVICES ARE TOP AREAS INDICATED FOR GREATER INVESTMENT**



—Interviews of 40 chief advancement officers conducted by Sterling Associates Group, LLC

More than 90 percent of the chief advancement officers interviewed expected to either increase their budgets for donor analytics and data services or keep them the same. A common topic in interviews was the need for greater attention to donor patterns and individual donor behavior.



4

## HIGHER EDUCATION FUNDRAISING IS GOING DIGITAL, BUT TRADITIONAL CHANNELS STILL POPULAR

**“We’re going digital and social.”**

—Chief advancement officers

### WHAT AREAS DO YOU PLAN TO INCREASE IN THE NEXT 2-3 YEARS?



**Online giving, social media, and planned giving**  
(80% of chief advancement officers interviewed)



**Giving days and annual fund**  
(60% of chief advancement officers interviewed)



**Digital advertising and crowdfunding**  
(40% of chief advancement officers interviewed)

—Interviews of chief advancement officers conducted by Sterling Associates Group, LLC

Eighty percent of the chief advancement officers interviewed expected to increase their use of online giving and social media in the coming years. In addition, 60 percent of these executives expected to increase their focus on giving days and annual fund, while another 40 percent expected to increase digital advertising and crowdfunding.

The chief advancement officers said the Millennial donor group may not be as responsive to traditional contact channels like phone, direct mail, and email, and student debt levels limit ability and willingness to contribute. This is causing a strategic shift: Almost all of these executives reported the need to adjust engagement strategies for these new donors who have different views of service and philanthropy, who give differently, and who are drawn to different causes.

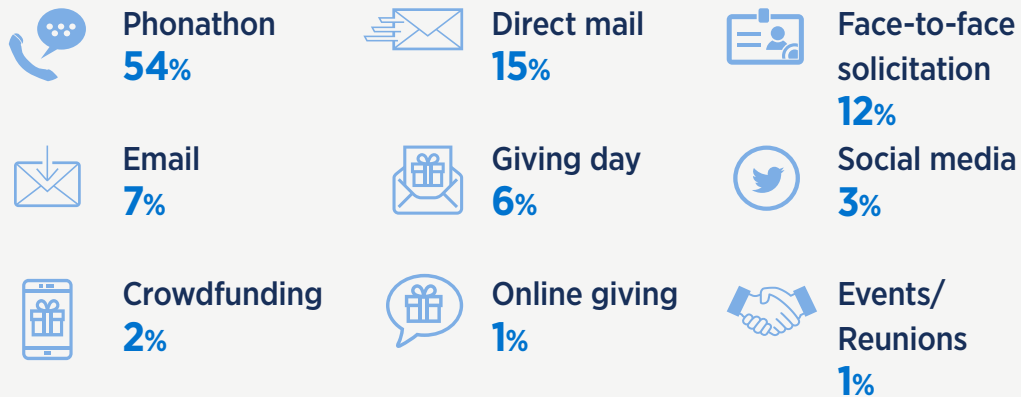
**“We still rely on traditional channels primarily, but we see potential in digital.”**—Annual giving professionals





## Traditional channels still popular with annual giving professionals

### WHAT CHANNEL IS THE MOST EFFECTIVE FOR ACQUIRING NEW DONORS?



—Poll of 200 annual giving professionals, fall 2016, conducted by Ruffalo Noel Levitz

While chief advancement officers are pushing a shift to digital, annual giving professionals still view the phone and other traditional channels as crucial for new donor acquisition, as shown above. However, the live poll of senior annual giving professionals at CASE (see below) showed they, too, will be exploring digital in the coming years.

### ONLINE GIVING DAYS BEAT DIRECT MAIL FOR FUTURE INVESTMENT

When annual giving professionals were polled on which channel(s) they will be placing more resources into during the next two to three years, they gave a higher rating to online giving days compared to direct mail.

—Live poll, 2017 CASE Institute for Senior Annual Giving Professionals

## KEY TAKEAWAYS

Today's annual giving leaders have made it clear that expectations are rising for more dollars raised and greater participation rates—immediately and into the future. To meet these expectations, their divisions expect to shift budgets and attention toward direct solicitation channels, which will bring additional resources to annual giving.

Annual giving leaders are also keen to have more analytics to evaluate donor interest and behavior, which will allow for more personalization and more effective targeting of solicitations. In addition, they plan to invest in digital channels and new technologies, such as online giving days, crowdfunding, and digital advertising.

### Based on the collective vision of the respondents, RNL recommends the following:

- **Leverage your data with quality analytics** to engage the right donors with the right parts of your annual giving program.
- **Use a healthy mix of channels** that blend face-to-face solicitation, digital outreach, and traditional channels like phone and direct mail to optimize campaigns, basing outreach strategies on donor behavior and engagement signals.
- **Capitalize on donor passion** with personalized, time-sensitive opportunities to give, using digital engagement technologies like giving days and crowdfunding.



### 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 “pulse” of higher education annual giving, Ruffalo Noel Levitz gathered information from the following groups:

**150 LIVE POLL PARTICIPANTS**  
AT THE MARCH 2017 CASE  
INSTITUTE FOR SENIOR  
ANNUALGIVING  
PROFESSIONALS

**200 TELEPHONE  
POLL PARTICIPANTS**  
IN A NOVEMBER 2016  
RUFFALO NOEL LEVITZ POLL

In addition, RNL commissioned an independent research firm, Sterling Associates Group, LLC, to conduct anonymous interviews with a representative group of chief advancement officers:

**40 IN-DEPTH TELEPHONE INTERVIEWS WITH CHIEF  
ADVANCEMENT OFFICERS IN DECEMBER 2016**

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All chief advancement officers interviewed had visibility to performance metrics and budget dynamics for their institution. The average size of the advancement teams represented was 112.

*See RNL's Advancement Leaders Speak Executive Report at [RuffaloNL.com](http://RuffaloNL.com) for titles of executive interviewees.*

## Building your annual giving strategy? Talk to us today.

Ask for a free consultation and learn how to get more from your annual giving program.

Call: **800.876.1117** or Email: [ContactUs@RuffaloNL.com](mailto:ContactUs@RuffaloNL.com)

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### RNL COMPLETE FUNDRAISING

Intelligent fundraising solutions tailored to your institution

#### Annual Giving Solutions

Our best-in-class annual giving strategies include smart segment modeling and innovative multichannel outreach to increase donor participation and annual donations.

#### Digital Giving Solutions

Industry-leading crowdfunding and giving day platforms combine with digital display advertising, retargeting, and mobile geo-location to amplify your reach and elevate fundraising results.

#### Major and Planned Giving Solutions

Our tested, data-driven solutions identify, warm, and engage the right donors—people who are ready to move their giving to the next level—so your gift officers can spend more time talking to the right people, increase productivity, and get more out of your existing efforts.

#### Advancement Services

Our comprehensive set of data cleansing and enrichment solutions can transform the quality and completeness of your organization's data, so you have the best information at your fingertips.

#### ABOUT RUFFALO NOEL LEVITZ

Ruffalo Noel Levitz provides higher education and nonprofit organizations with technology-enabled services, software, and consulting for fundraising and enrollment management. Since 1973, we have partnered with more than 3,000 colleges and universities and numerous nonprofit clients worldwide.

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