

# A SOBERING LOOK AT YOUR LAST FIVE FISCAL YEARS OF ALUMNI GIVING?

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For a while now, John Sammis and I have been asking our higher ed clients to provide us with two kinds of giving data: (1) Lifetime giving and (2) giving over each of the last five fiscal years. We had decided these data would help us build better donor acquisition models. That's been working out nicely.

Happily, there's been a bonus in having these data on hand. They've allowed us to go on the hunt for something new. Something we wouldn't have uncovered if we hadn't gone rummaging around in all that information.

Our recent focus has been on data from three universities in the eastern half of the U.S. We've found some patterns we suspect you'll find in your own data if you work at or consult to a college or university (or even a secondary school). Are these patterns unsettling? Maybe they are; maybe they aren't. That's a judgement call we probably shouldn't make. But, at the least, we think these patterns deserve more attention than they seem to be getting in the world of higher education advancement. That's why we wrote this piece.

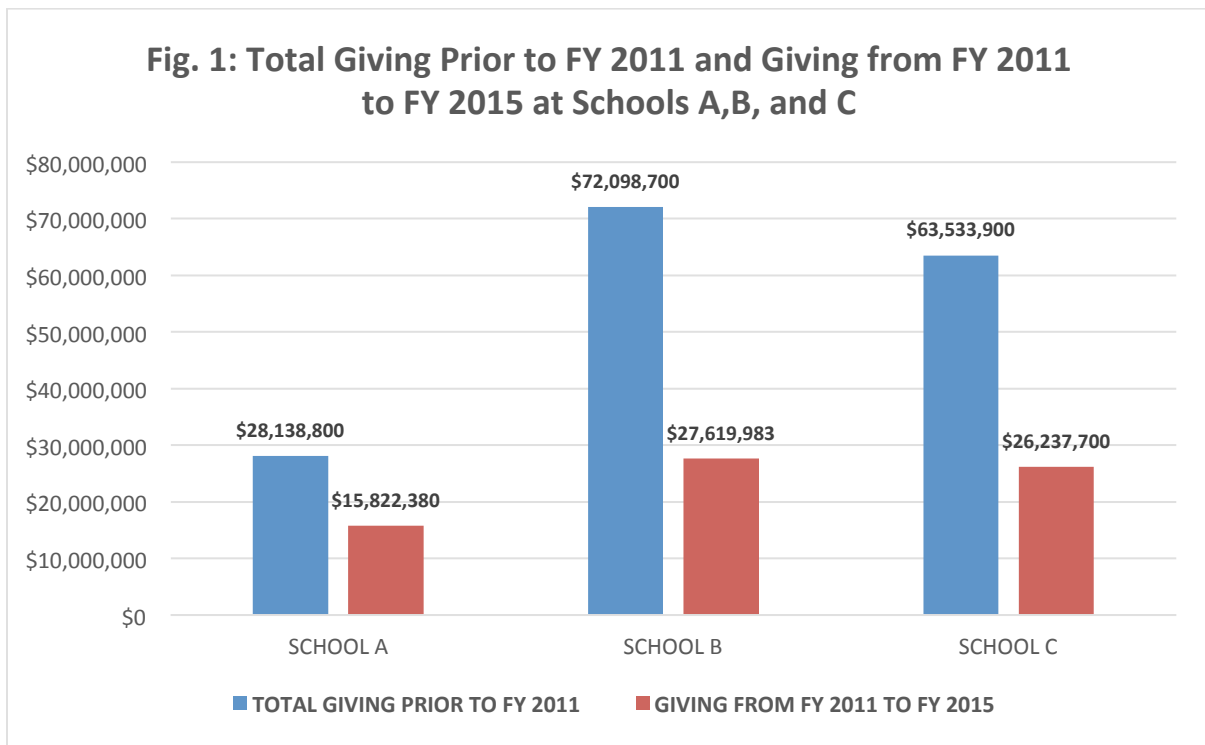
## **The Schools**

Two of the schools are private institutions with something on the order of 40,000 solicitable alums. The third is a public university with about 250,000 alums. Each school gave us a bunch of data. Here we've focused only on lifetime giving and annual giving for all of the five fiscal years from 2011 through 2015.

## The Analysis

The analysis we'll describe here didn't jump right out at us. There was just too much data to look at – too many trees, not enough forest. At any rate, after a lot of fumbling around, we honed in on total *amount* of alumni giving and alumni giving *participation*.

Let's start with amount of giving. Take a look at Figure 1.



We see a pretty happy picture here:

**School A.** The total giving for all solicitable alums prior to FY 2011 went up by \$15,822,800. An increase of well over 50%.

**School B.** The amount here went up \$27,619,983. An increase of over 38%.

**School C.** The amount here was \$26,237,700. An increase of over 41%.

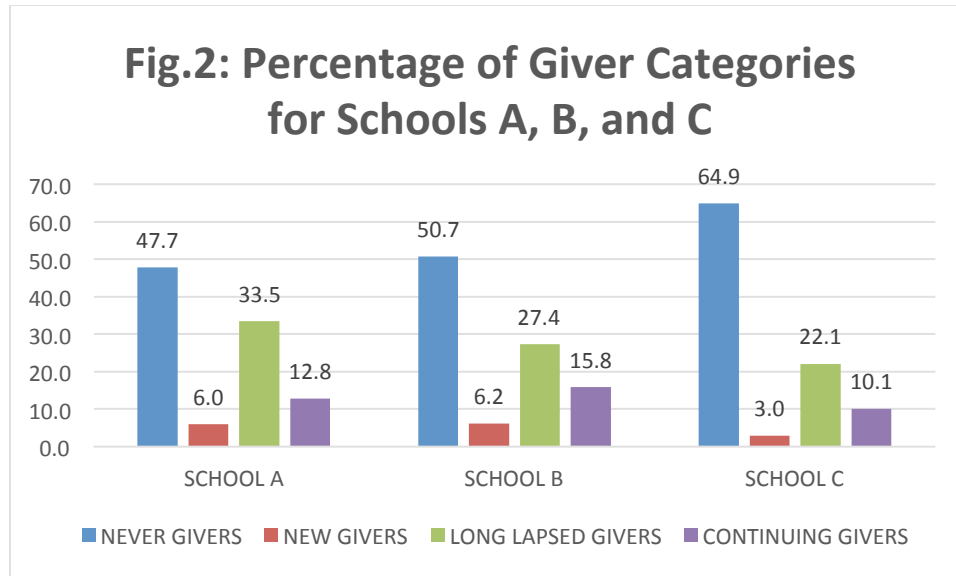
Now let's look at what happened to alumni participation over this same five year interval. To get that look we divided the alums in each school into four giving categories:

- **Never Givers:** Alums who had never given anything at all to their school.
- **New Givers:** Alums who had not given anything to the school prior to FY 2011 but had given at least once between FY 2011 and FY 2015.
- **Long Lapsed Givers:** Alums who had given something to the school prior to FY 2011 but nothing since then.
- **Continuing Givers:** Alums who had given prior to FY 2011 as well as at least once between FY 2011 and FY 2015.

Take a look at Table 1 and Figure 2; they show numbers and percentages of alums in these categories for each school.

**Table 1: Percentage and Number of Giver Categories for Schools A, B, and C**

<b>GIVER CATEGORIES</b>	<b>SCHOOL A</b>	<b>SCHOOL B</b>	<b>SCHOOL C</b>
NEVER GIVERS	<b>19,192</b> <i>(47.7%)</i>	<b>20,080</b> <i>(50.7%)</i>	<b>132,656</b> <i>(64.9%)</i>
NEW GIVERS	<b>2,411</b> <i>(6.0%)</i>	<b>2,438</b> <i>(6.2%)</i>	<b>6,051</b> <i>(3.0%)</i>
LONG LAPSED GIVERS	<b>13,453</b> <i>(33.5%)</i>	<b>10,840</b> <i>(27.4%)</i>	<b>45,099</b> <i>(22.1%)</i>
CONTINUING GIVERS	<b>5,156</b> <i>(12.8%)</i>	<b>6,269</b> <i>(15.8%)</i>	<b>20,629</b> <i>(11.0%)</i>



In Figure 1 we saw a happy picture. That’s not what we see here:

**At best, the lifetime giving rate in any of the schools is little more than half.** Schools A and B are roughly split 50/50: half givers, half non-givers. In School C almost two thirds of the alums (64.9%) are non-givers.

**The number of new givers versus the number of long lapsed givers is strikingly low.** In the period between FY 2011 and FY 2015, here's what happened:

**School A.** More than *five* times as many alums stopped giving as started giving (13,463 versus 2,411).

**School B.** More than *four* times as many alums stopped giving as started giving (13,463 versus 2,411).

**School C.** More than *seven* times as many alums stopped giving as started giving (45,099 versus 6,051).

The percentage of continuing givers never got close to 20%: 12.8% for School A,

15.8% for School B, and 11.0% for School C.

### So What Happened Here?

To answer this question, let's go back and look at the alums who had given anything at all prior to FY 2011. (These folks include alums we've called **long lapsed donors** and **continuing givers**.) We've divided these previous givers into ten equal size groups (deciles) based on their lifetime giving prior to FY 2011. Take a stroll through Tables 2-4. Then we'll talk about what we see here.

**Table 2: Sum, Median, Minimum, and Maximum Lifetime Giving Amounts prior to FY 2011 by Decile for School A**

DECILE	Count	Sum	Median	Min	Max
1	1861	\$16,612	\$10	\$1	\$20
2	1861	\$42,208	\$25	\$20	\$25
3	1861	\$73,278	\$40	\$25	\$50
4	1861	\$113,284	\$60	\$50	\$78
5	1861	\$183,587	\$100	\$78	\$120
6	1861	\$283,325	\$150	\$120	\$200
7	1861	\$449,735	\$240	\$200	\$300
8	1861	\$737,411	\$395	\$300	\$505
9	1861	\$1,345,240	\$700	\$505	\$1,044
10	1860	\$24,894,100	\$2,035	\$1,045	\$5,230,430

**Table 3: Sum, Median, Minimum, and Maximum Lifetime Giving Amounts prior to FY 2011 by Decile for School B**

DECILE	Count	Sum	Median	Min	Max
1	1711	\$28,895	\$20	\$1	\$20
2	1711	\$41,933	\$25	\$20	\$37
3	1711	\$91,281	\$50	\$37	\$75
4	1711	\$169,236	\$100	\$75	\$125
5	1711	\$284,243	\$165	\$125	\$210
6	1711	\$464,318	\$269	\$210	\$345
7	1711	\$767,025	\$445	\$345	\$580
8	1711	\$1,346,240	\$775	\$580	\$1,050
9	1711	\$2,717,260	\$1,520	\$1,050	\$2,425
10	1710	\$66,188,200	\$5,060	\$2,425	\$13,182,800

**Table 4: Sum, Median, Minimum, and Maximum Lifetime Giving Amounts prior to FY 2011 by Decile for School C**

DECILE	Count	Sum	Median	Min	Max
1	6573	\$78,505	\$10	\$1	\$20
2	6573	\$153,922	\$25	\$20	\$30
3	6573	\$258,966	\$40	\$30	\$50
4	6573	\$382,575	\$55	\$50	\$75
5	6572	\$614,552	\$100	\$75	\$113
6	6573	\$955,684	\$150	\$113	\$185
7	6573	\$1,533,910	\$230	\$185	\$295
8	6573	\$2,580,910	\$385	\$295	\$520
9	6573	\$5,059,550	\$740	\$520	\$1,145
10	6572	\$51,915,400	\$2,270	\$1,145	\$2,887,860

Each of the three tables contains a lot of information. However, what jumps out at us is the huge imbalance between the tenth decile and the other nine deciles. Any way you look at it, these alums had given *far* more than other alums who'd also given prior to FY 2011. (We're not at all surprised by this. If you do a similar analysis on your own alumni data, you'll find the same phenomenon. We'll bet the farm on it.)

Tables 5-7 show the giving of each of these deciles between FY 2011 and FY 2015. You can take a quick look at these tables if you like. But you might just want to pop down to what we have to say below these tables.

**Table 5: Sum, Median, Minimum, and Maximum Giving Amounts between FY 2011 and FY 2015 by Decile for School A**

DECILE	Count	Sum	Median	Min	Max
1	1861	\$16,560	\$0	\$0	\$1,750
2	1861	\$26,534	\$0	\$0	\$5,000
3	1861	\$24,417	\$0	\$0	\$4,000
4	1861	\$39,176	\$0	\$0	\$5,700
5	1861	\$54,973	\$0	\$0	\$5,939
6	1861	\$160,501	\$0	\$0	\$80,390
7	1861	\$648,390	\$0	\$0	\$306,991
8	1861	\$325,844	\$0	\$0	\$104,500
9	1861	\$352,760	\$35	\$0	\$12,500
10	1860	\$13,751,600	\$250	\$0	\$5,615,550

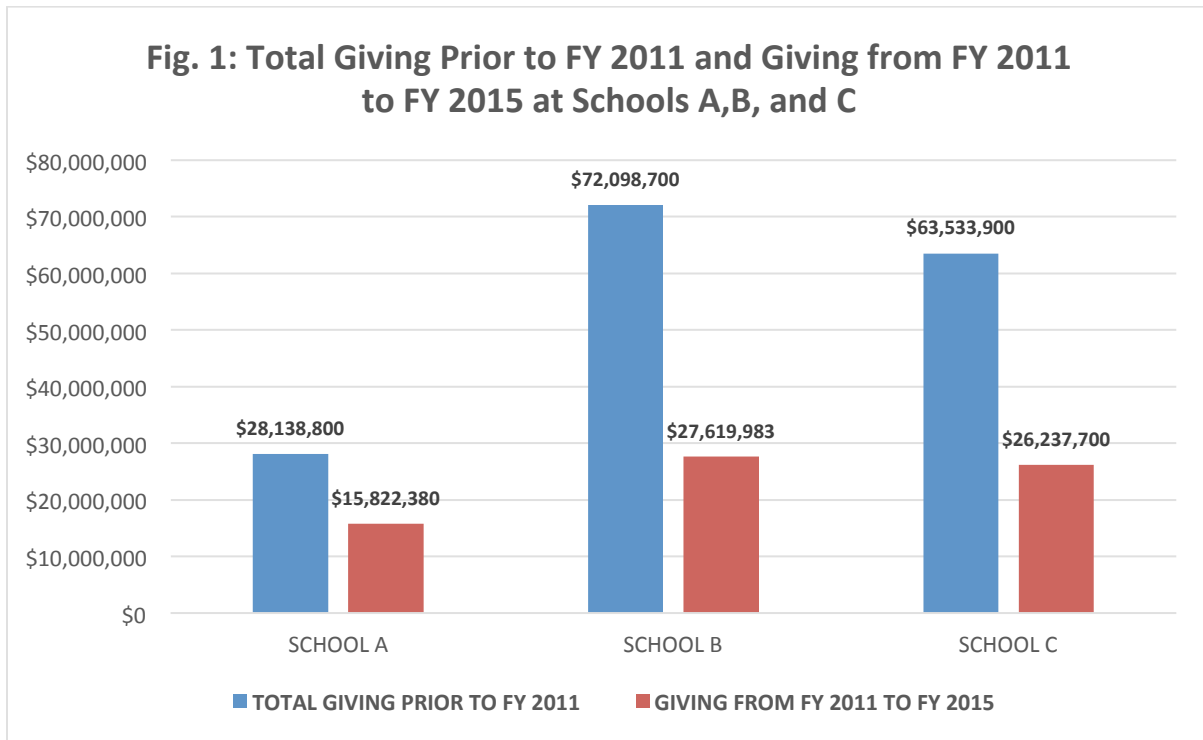
**Table 6: Sum, Median, Minimum, and Maximum Giving Amounts between FY 2011 and FY 2015 by Decile for School B**

DECILE	Count	Sum	Median	Min	Max
1	1711	\$76,422	\$0	\$0	\$13,541
2	1711	\$57,421	\$0	\$0	\$9,680
3	1711	\$66,189	\$0	\$0	\$4,500
4	1711	\$72,699	\$0	\$0	\$2,200
5	1711	\$189,511	\$0	\$0	\$32,530
6	1711	\$198,226	\$0	\$0	\$9,300
7	1711	\$293,844	\$0	\$0	\$21,000
8	1711	\$455,391	\$25	\$0	\$25,260
9	1711	\$1,374,230	\$200	\$0	\$363,675
10	1710	\$24,302,800	\$1,100	\$0	\$2,936,010

**Table 7: Sum, Median, Minimum, and Maximum Giving Amounts between FY 2011 and FY 2015 by Decile for School C**

DECILE	Count	Sum	Median	Min	Max
1	6573	\$100,148	\$0	\$0	\$25,316
2	6573	\$103,361	\$0	\$0	\$12,500
3	6573	\$107,636	\$0	\$0	\$5,000
4	6573	\$173,245	\$0	\$0	\$25,000
5	6572	\$266,040	\$0	\$0	\$12,500
6	6573	\$399,641	\$0	\$0	\$46,113
7	6573	\$454,644	\$0	\$0	\$12,000
8	6573	\$712,055	\$0	\$0	\$20,000
9	6573	\$1,871,540	\$50	\$0	\$150,168
10	6572	\$20,100,600	\$250	\$0	\$1,909,500

Here’s what we found happening from FY 2011 to FY 2015 in each of the three schools: The alums in the tenth decile were accounting for the *lion’s share* of the giving in this five year period.



Rather than have you go back and find Figure 1, we copied it and pasted it here for easy reference.



Here are the specifics:

- The total giving for School A from FY 2011 to FY 2015 was \$15,822,380. \$13,751,600 of that amount (86.9%) came from the tenth decile.
- The total giving for School B from FY 2011 to FY 2015 was \$27,619,983. \$24,302,800 of that amount (88.0%) came from the tenth decile.
- The total giving for School C from FY 2011 to FY 2015 was \$26,237,700. \$20,100,600 of that amount (76.6%) came from the tenth decile.

### **What Does All This Stuff Mean?**

We have thrown a lot of information at you. Maybe too much. We hope not. But here are some chunks of thinking we'd like to leave you with:

- What we can say definitively about these three schools.
- What we strongly suspect is going on at other schools.
- Thoughts on the problems we've underscored here.

#### **Definitive stuff about the three schools**

Each of the schools is “taking on water” when it comes to donor participation. They're losing far more donors than they're acquiring; the water's coming in fast.

A small group of big donors from the past are responsible for the lion's share of recent giving. This can't be sustainable. These die-hard, generous alums won't be around forever. And we have no idea who's going to replace them.

#### **What we suspect is going on at other schools**

We can't prove the same things are happening in other schools because we haven't looked. We simply don't have the time and resources to do that. But we're pretty darn certain this is a common pattern across American higher education. We think it should be looked at hard. As far as we know, that looking is not happening. You can do your part by foraging through your own data.

***We think there's a problem here, but ...***

Okay, let's say that the problem we've identified among the three schools is universal. Donor participation is generally lousy across American higher education. And that situation is getting worse, not better.

Here's a question for you: Do the folks who run the show in higher education advancement really, in their soul of souls, *care* about participation? They certainly say they care. But if the campaigns they launch seem to be bringing in more and more big money from alums (and certainly from hugely generous "friends"), is donor participation really anywhere near the front of their burners? Something to ponder. Yeah?