Dollars Over Donors:

Is Higher Ed's Reliance on the Wealthy Minority a Sustainable Strategy?

BY

KEITH HANNON, ASSOCIATE DIRECTOR OF SOCIAL MEDIA FOR
CORNELL UNIVERSITY ALUMNI AFFAIRS & DEVELOPMENT

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Executive Summary

Break out the bubbly! According to a new report from the Council for Aid to Education (CAE), charitable donations to colleges broke an all-time record for the second year in a row. Higher-ed advancement can declare victory. We brought in $38 *billion* dollars last year, almost an 11% increase from 2013. Raises for everybody!

Well, hang on, there are just a couple of problems. First, according to Inside Higher Ed, the majority of the money went to an extreme minority of American institutions:

> *"The top 20 colleges in fund-raising brought in more than $10 billion. That means that 28.6 percent of the total was given to fewer than 2 percent of the roughly 1,000 institutions that participated in the Council's Voluntary Support of Education survey. On average, 12 large gifts represented a third of the total at typical participating institutions."*

Another potential red flag is that alumni participation has been dropping for the last 20 years, despite efforts to reverse this downward trend. We're constantly focused on moving that needle, and while we chase an increasingly difficult goal, we're relying on a wealthy few to carry the fundraising load for our institutions. The harsh fact of the matter is that alumni participation has been cut in half since 1990. Part of that is rapid increase in class sizes, but it also speaks to alumni's unwillingness to give back.

So we've reached a point where not only are a minority of schools bringing in the majority of the money, but those institutions are raising the money from an extremely small percentage of their donor bases. The purpose of this whitepaper is to unpack why this is the case and understand how we can utilize online relationships to feed a starving pipeline before it becomes barren.

Part I: Higher Ed is Hurting

THE DISTRACTION THAT IS ALUMNI DONOR PARTICIPATION

Many schools focus intently on the percentage of their alumni who are making a gift from year to year. It makes sense; if a higher percentage of your alumni are giving back, it implies that your pipeline is healthy and that your alumni genuinely appreciate their alma mater. According to the CAE:

> *"The participation rate in 2014 was 8.3 percent, compared to 8.7 percent in 2013. At private liberal arts colleges, which as a group always have higher alumni giving rates, about 20 percent of alumni donate. Overall, the number of alumni donors increased 1.2 percent, and the average size of the gift, which is calculated as the mean, went up by about a quarter."*

However, looking at it this way is problematic. For one, class sizes are constantly increasing, which means you have a denominator (number of alumni) increasing much faster than the numerator (number of gifts). This is evident by the fact that the national average for alumni giving rate is only 8-9%. "We have an unhealthy fixation on alumni participation," said Steve Savage, Associate Vice President for Institutional Advancement at Ithaca College.

The Inside Higher Ed review of the CAE survey backs up Savage's skepticism:

> *"The (alumni giving) rate has been dropping steadily for at least 20 years, as it's grown easier to track down alumni, although many fund-raisers worry about the drop and say other factors also may be at play. (CAE) Survey director Ann Kaplan said that some colleges that report high alumni donor rates have poor records of alumni contact, which produces misleading information about the true alumni support."*

So, at the end of the day, your alumni giving rate could just boil down to bookkeeping. Better access to data over the past 20 years has had an *inverse* effect on alumni giving rate.

Then why do we focus on it so intently? The answer won't surprise you: rankings.

For some, rankings represent the key to attracting the best students and keeping alumni happy. For others, they represent everything that's wrong with higher education. But regardless of where you fall in the debate, rankings fuel much of the decision-making within institutions. The alumni giving rate, seen as a metric of alumni satisfaction, is estimated to make up 5% of a school's overall ranking in U.S. News & World Report.

It's not uncommon for the school's administration or the board of trustees to put pressure on advancement to improve this percentage. Although Chris Marshall, Senior Vice President at Grenzebach Glier and Associations (GG+A) and former executive at Lehigh University and Cornell University, has seen more schools washing their hands of this metric, for most, the desires of trustees serve as a constant battle:

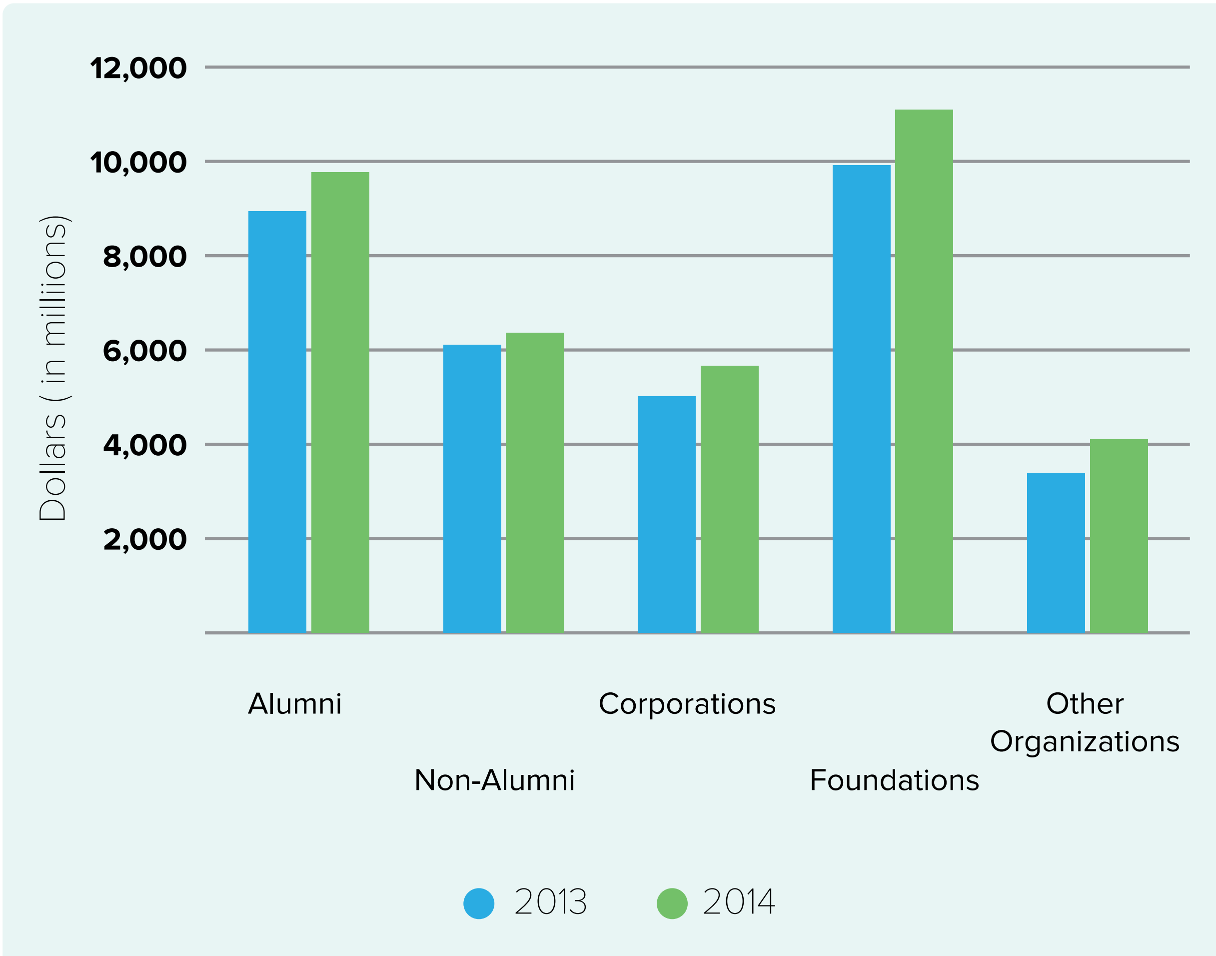
> *"Dollars are going up, donors are holding relatively steady, but participation is declining because schools are graduating more alumni than they're adding to the donor pool. Schools are not setting participation goals because of these issues. Trustees want a higher ranking in U.S. News, so they might want the school to raise their giving rate. More schools are becoming more interested in total number of donors and could care less about the percentages, but VPs are still faced with the reality of reporting percentages to their trustees."*

Here, we have a clear conflict between the old guard and the new reality of fundraising in higher education. While a high alumni giving rate is certainly something to be proud of, to engineer a strategy focused primarily on moving that needle is a bit of a fool's errand. The important metric should simply be: Are you adding more donors from year to year? Savage believes we can no longer rely solely on alumni to make up our donor bases:

> *"We need to focus on overall donations. That means reaching out to parents and friends of the university, in addition to alumni. We need an overall donor goal, not just an alumni goal."*

Higher ed does seem to be trending this way as evident from the CAE survey, which shows alumni gifts accounting for just 25% of the $38 billion raised in 2014. Foundations led the way by donating 29% of the total, and corporations chipped in 16%. Leaning on the minority of the donor base to carry the fundraising load is nothing new to education, but the dramatic change in the ratio is downright startling.

Source of Donations to Higher Education



95/5 IS THE NEW 80/20

Historically, higher-ed advancement has lived by the 80/20 rule: 80% of the dollars raised coming from just 20% of the population.

However, in recent years the ratio has shifted dramatically to 95/5—and even 99/1 for principal gifts, according to Marshall.

This paints a scary picture for the future of higher ed. Is getting all your fundraising dollars from a tiny portion of your donor base a sustainable model? If 5% or less of donors are carrying the universities on their backs, what happens when those donors are gone? Will the next generation of major and principal gift donors be as willing to carry the load?

Dan Allenby, founder of the Alumni Giving Network and Assistant Vice President for Annual Giving at Boston University, said that while this may be a successful short-term strategy, ignoring your base could be problematic in the future:

> *"Many think it's [95/5] a more efficient way to raise money—focus your limited resources on the very big payoffs. It's a short game, but at the same time if you do that at the expense of your base, you could have problems. Long term, it's not sustainable. Eventually your pipeline will dry up."*

Savage sees the current giving trends as a result of a healthy stock market and expressed concern about what happens when things get rocky on Wall Street:

> *"I think we're riding a nice financial wave as a country, but when it dips, you better have broader support. If you're not feeding the pipeline with numerous donors because only a handful will be major donors, it doesn't bode well long-term, especially if there is an economic downturn."*

For Savage, this issue hits close to home—he has seen first hand what happens when there's a major economic shift at the top of the donor pyramid. His alma mater and former employer, Texas Christian University, has had to endure the unpredictable nature of the oil industry and its impact on giving.

> *"TCU had been raising money like crazy, then oil prices drop and the big donors pull back philanthropy considerably. All of a sudden, support you were relying on isn't there. Though TCU is still in a good position, it impacts any plans they might have. This scenario creates a wake-up call for advancement. We're tempting fate by ignoring the broad base."*

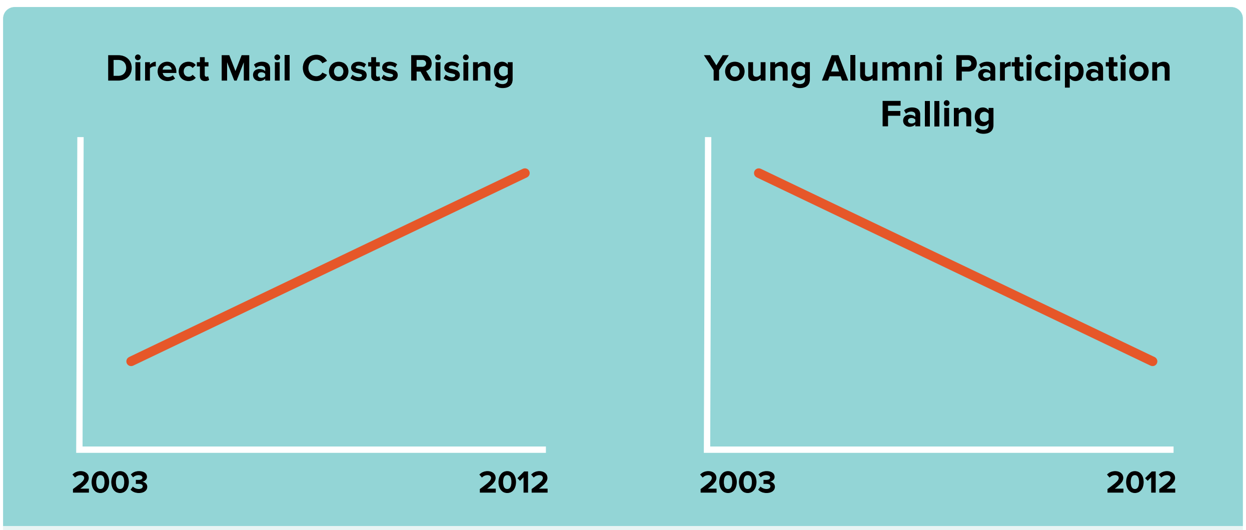
When you consider the rise in tuition costs and the trillions of dollars of student debt currently on the books, it isn't crazy to think that today's young alumni don't feel quite as warm and fuzzy about their school as their grandparents and parents did.

How confident are we that a member of the class of 2005 will give us the time of day when we solicit them for a major gift in 2035? We don't know young alumni giving rates for the classes of the '60s, but we do know that the major donors from that era all have one important thing in common. Marshall explained:

> *"One of our clients did a study of their million dollar donors. The one thing they all had in common was that they all made a gift, of some level, within three years out. A behavior of giving was created early on."*

If making a gift within the first three years of being out of school is a prerequisite for becoming a major or principal gift donor, the young alumni participation rates paint a bleak picture for those relying on million dollar gifts in the future.

Why Higher Education Must Explore Social Media Fundraising



"We are holding on white-knucked to direct mail, but it keeps getting more expensive. We're not even sure how effective it is."

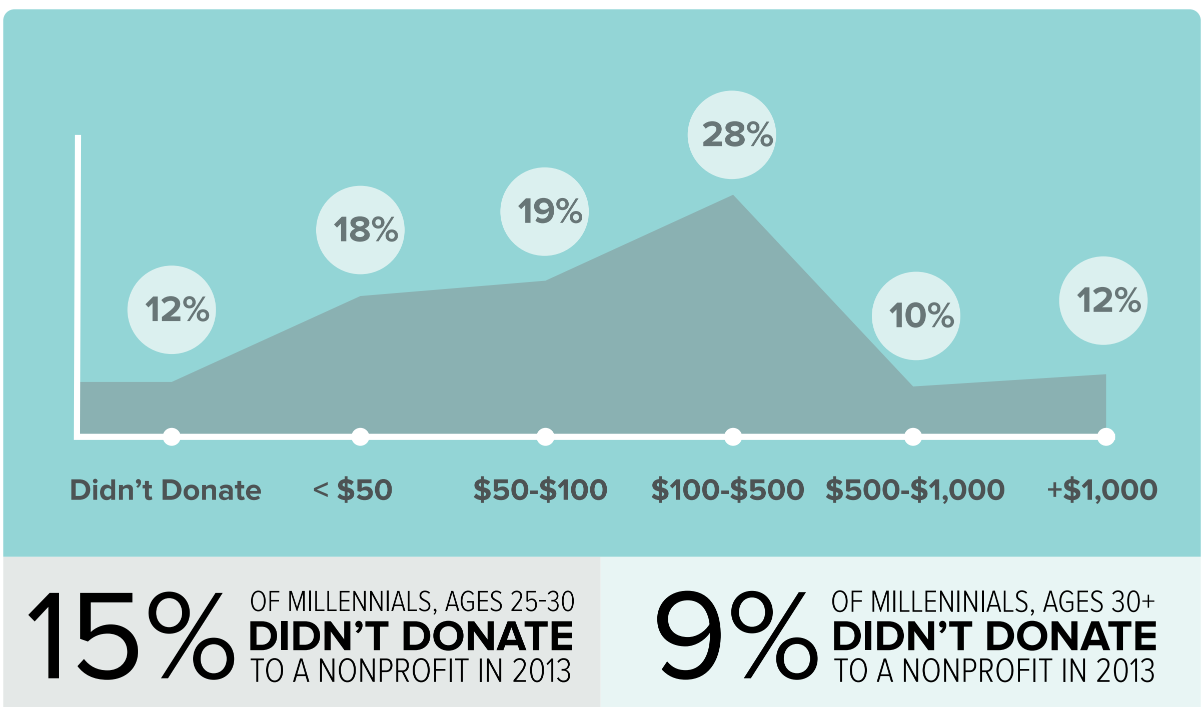
"Young alumni participation has declined over the past few years, and we can't seem to bend the curve."

THE MILLENNIAL MINDSET

Perhaps the demographic most likely to keep fundraisers up at night is young alumni. Why the focus on millennials? Because they are the pipeline. Yes, we still have to finish cultivating the boomers—not to mention Gen X—but millennials are the largest generation of college graduates, and they will either make us or break us with their philanthropy. If we're going to keep 99/1 from becoming 99.5/.5, we need to get this generation engaged *now*.

There's a generalization that, because of many factors, millennials are not an overly philanthropic group. Turns out that's not the case. According to the 2014 Millennial Impact Report, 73% of millennials made a donation to a nonprofit in 2014. Now compare that with your own millennial/young alumni donor rate (which is probably less than 10%). This is evidence that young alumni do give... they just don't give to us. So if we know that million dollar donors are people who made a gift within three years of graduating, then it's looking like millennial millionaires will be making large gifts... just not to their alma mater.

How Much Money Did Millenials Give in 2013?



Here are some other characteristics of millennials as researched by The Millennial Impact:

- *Millennials engage with causes to help other people, not institutions.*

- *Millennials prefer to perform smaller actions before fully committing to a cause.*
- *Millennials are influenced by the decisions and behaviors of their peers.*
- *Millennials treat all their assets (time, money, network, etc.) as having equal value.*

They prefer to help people over institutions via small actions? Sorry, unrestricted annual fund. They're influenced by peers? I guess they aren't loving all those institutional emails. They see all their assets as having equal value? So much for time, talent, and treasure. We're lucky to get one of the three—and you can probably guess which one we're the least likely to get.

Marshall elaborated on several factors that make it hard for us to "get in front" of our young alumni:

> *"Rising debt, rising tuition, and lack of dependency on the institution for contacting other alumni, are all factors that have schools falling down a person's 'list' (their personal set of life priorities). The number of students is increasing; debt is increasing; there are decreasing feelings of loyalty to the institution; and also, they're just very busy. Throw it all together and it's harder today to engage alumni than ever before."*

Savage echoed this sentiment, explaining that higher ed has an image problem amongst young alumni:

> *"We have a reputation for being expensive and creating young alumni debt. It's very easy for a young alum to feel there's no reason to give to us because of the loan they're paying off. This is a major barrier that did not exist in previous generations."*

Despite the difficulty associated with engaging this demographic, Marshall believes we must remain vigilant:

> *"We can't quit just because it's too hard or it will get even worse. If we set a goal where we try to get on the 'list' of one-third of recent graduates, that would be a huge victory."*

So how do we get on the "lists" of alumni when all the odds are stacked against us? We change our ancient definition of engagement.

EARLY GIVING IS LIFETIME GIVING

> *"The number one reason young alumni don't give—if they were asked—is debt. They have the money, they spend it on other things, they just don't see how $5 a month over the year can make a difference, but it can and we need to show them how."*
>
> – Chris Marshall, Senior Vice President at Grenzebach Glier and Associations

If the statistics are accurate and alumni who give in their first few years out of school give for life, then we need to engage them earlier. How early? I would argue the moment they set foot on campus to begin their freshman year.

Schools are beginning to realize that they need to have a student and young alumni programming team as part of their advancement division. How are we taking advantage of the four years students are on campus? Are we waiting until the senior class campaign to ask for a gift or, even worse, not asking until they're officially off campus? Marshall thinks that's too late—and that's why young alumni programs have emerged as the new kid on the block:

> *"Class and regional programs are 100 years old, affinity programming is about 25 years old, and young alumni programming is maybe 10 years old. Comparably, it's very new to advancement."*

But engaging students during their time on campus isn't just about making an ask; it's also about educating. John Howell, a student at Brown and Co-Chair of the Brown Annual Fund Student Board, said that educating students and alumni about the annual fund is imperative because most students don't fully understand its purpose and impact:

> *"The most eye-opening aspect has been realizing how little undergraduates actually know about the annual fund. And to be honest, before the annual fund individuals selected me to co-chair the Student Board, I was not overly familiar either... I had no idea how much emphasis and time goes into the annual fund. At first, students can be a little taken back because they hear the words 'annual fund' and think we are going to ask them for a significant amount of money. However, when they realize we are asking for any donation at all (even one dollar), students are much more receptive."*

Marshall agreed that teaching philanthropy to students while they're still reaping the benefits of the university is key to post-graduation giving and engagement:

> *“It’s important to educate them while they’re students on why a school with a big endowment needs their modest gift. If you can get young alumni to give every year, the first 10 years out, you’ll have them for life.”*

While encouraging giving may be the ultimate goal, Allenby added that we can’t get too caught up in the mighty dollar when talking to students and young alumni about philanthropy:

> *“The term philanthropy isn’t just about money. In our business we make the mistake of thinking it’s just about money. If you only talk to them about money, whether it’s a young alum or a billionaire, you’ll struggle. You should ask young alumni for money, but don’t only ask them for money. We can’t see it just as black and white.”*

Still, exposing students and young alumni to the idea of giving doesn’t mean we’re home free. There are plenty of sharks in the nonprofit waters looking for a feeding frenzy of donors, and they don’t care where these people went to school.

THE NO-NONSENSE NONPROFIT

For decades, if not centuries, institutions have counted on alumni as their main source of philanthropic support. If you speak with older classes, they’ll talk to you about the sense of duty they felt when it came to giving back—and for most of higher ed’s history, the industry has had very little competition.

Since 2001, however, the number of nonprofits in the United States has jumped more than 25% to 1.5 million. All of a sudden, alumni don’t have to give back to their alma mater if they want to make a difference in their community and beyond.

This especially breeds problems with younger donors, because we know they want to see the direct impact of their gift. Nonprofits tend to do better job of this than higher ed. Local nonprofits also have the ability to give our alumni more face-to-face time, while we are often resigned to broad email and direct mail campaigns. If an alum has high capacity, we can’t get a gift officer in front of the alum as often as the local SPCA or United Way chapter can.

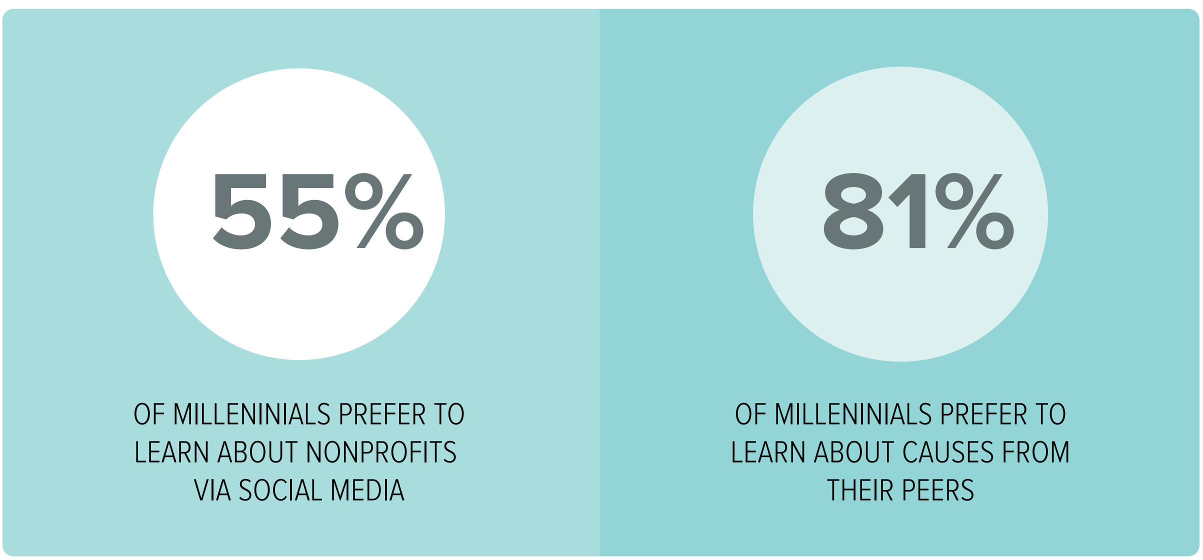
If we are to inject life into our pipeline, we have to find the right methods and triggers for our young alumni. Understanding we need to invest more resources in engaging young alumni is one thing, but knowing how and what to use to do it is another. This is what we'll be focusing on next.

Part II: Steps to a Better Future

NOT YOUR GRANDFATHER'S ENGAGEMENT STRATEGY

How does higher ed compete for the attention of our donors? How do we get on their "list" in hopes of adding more people to our pipeline? Gone are the easy days of posted mail always hitting its mark and everyone wanting a subscription to the alumni magazine. We have to go where alumni are and engage with them in a way that's enjoyable for them.

Social Media Shapes Millennials' Interactions with Nonprofits



By now you know social media is a necessary part of any brand's communication strategy… or do you? Does your advancement operation have full-time staff dedicated to engaging alumni through social media? If not, then you're not doing it right. Marshall emphasized that social media is still not taken seriously enough in advancement:

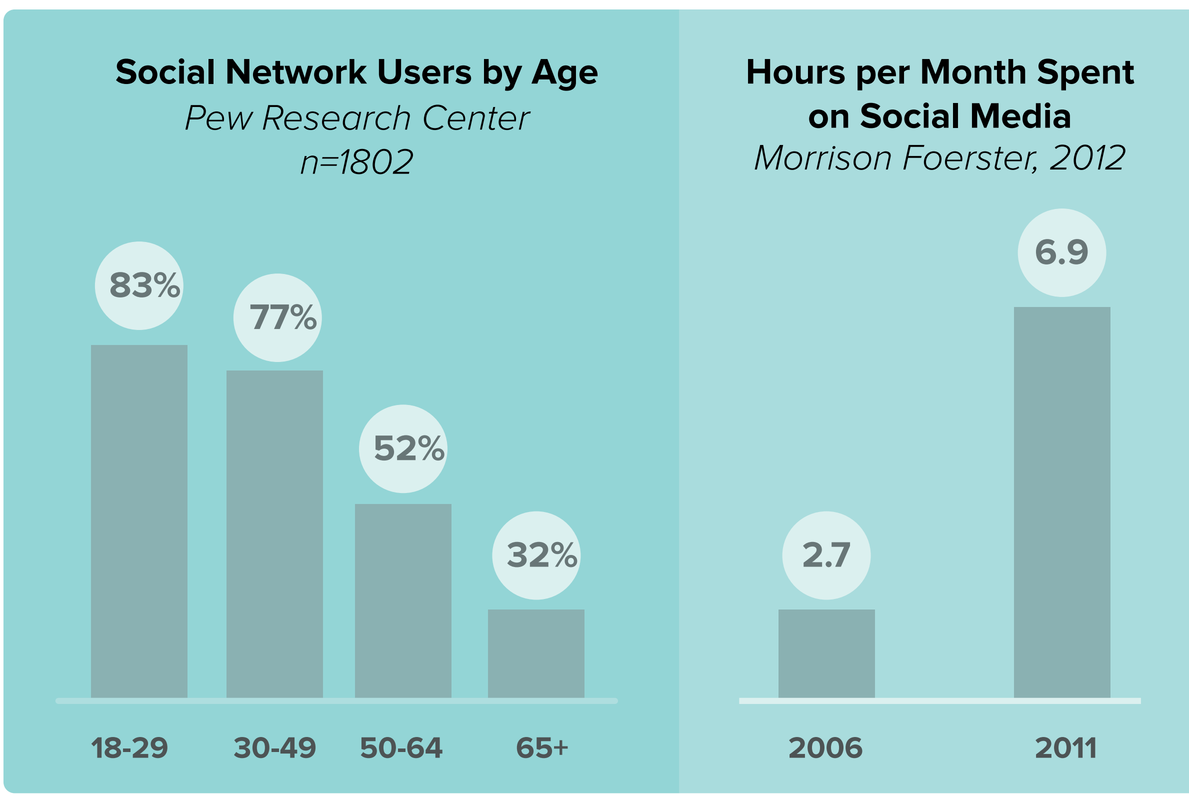
> *"It's the same thing we saw when people were patronizing schools with a pat on the back if they had a young alumni program. Schools see social media as a 'nice to have' and*

assign it as part of someone's job. Ten years from now, a full-time social media position in advancement will be the norm. There's no way around it. Social media needs to be someone's sole job."

The numbers don't lie: Your alumni are literally living their lives on social media. Here are some key statistics from the Pew Research Center's 2014 social media report:

- ***52%** of online adults now use **two or more social media sites**, a significant increase from 2013, when it stood at 42% of Internet users.*
- ***71%** of online adults use Facebook, 70% of which visit it every day.*
- *For the first time, the share of Internet users with college educations using LinkedIn reached **50%**.*

Consider these stats for a moment and then ask yourself: Is your advancement operation budgeting a proportionate amount of resources for social media? If nearly all of your alumni are online, is social receiving 70% of the marketing budget for advertising and boosting Facebook content? That's probably an extreme example, but I'm willing to bet social media is lucky to get 1% of the advancement marketing budget.



Odds are, you're spending tens to hundreds of thousands of dollars on email and direct mail. According to the Education Advisory Board, from 2011 to 2012, time spent on email dropped significantly amongst all age groups:

15-24 dropped 42%
25-34 dropped 32%
35-44 dropped 44%

That was three years ago. Does anyone get the sense email has rallied in the past three years? Not a chance. As for direct mail, well, considering the United States Postal Service is fighting just to stay in business, I'd say it's not a preferred communications channel.

It's time to refocus. Clearly, our alumni are spending more time on social media and less time on email—and even less time paying attention to letters in the mailbox. Yet, advancement operations devote the majority, if not all, of their marketing budgets to email and direct mail... then we sit around and wonder why we're not attracting and retaining donors.

CONTENT THAT COMPETES

Success on social requires a creative strategy that produces compelling, genuine content designed to connect alumni with their alma mater. When it comes to getting your alum's attention on social media, keep in mind you're competing with everything on the social web. Alumni aren't on Facebook because your institution is on Facebook; your institution is on Facebook because all of your alumni are on Facebook.

A content strategy that revolves around, "The end of the tax year is approaching; make your gift before December 31!" is both ineffective and self defeating. You have to earn the right to solicit through social media. Your content strategy needs to be vibrant, diverse, and offer value to your audience, not just to you. Remember, people aren't donating because they don't have money; they're not donating because they don't think the money they do have to donate can make a difference at an institution boasting a large endowment. You need to create an emotional connection with your audience and make your institution feel human. This could be achieved through posting photos of campus, sharing videos, linking to BuzzFeed quizzes, holding contests, or remembering local watering holes. Content isn't cookie-cutter; you just need to figure out what resonates.

Once you have their affection, you can earn their attention and then their trust. When you earn all three, you can make the occasional ask, but don't get lazy—the ask has to come in an engaging way.

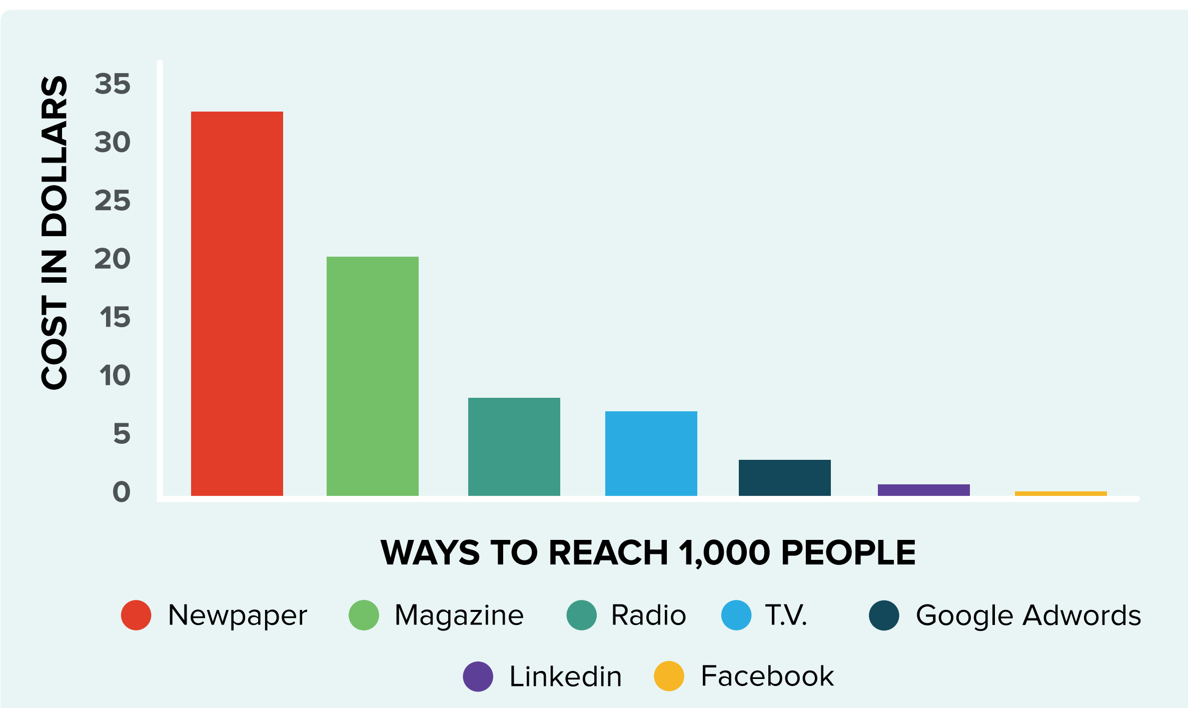
So what types of social media-inspired tactics can engage alumni and fill your donor pipeline? That is a very appropriate question.

PAY TO PLAY

First, you have to realize that social networks are businesses. They've been free for a long time, but now they're starting to focus on monetization. This means you're going to have to pony up a little dough to get the most out of them, especially Facebook.

Since Mark Zuckerberg went public with Facebook, the organic reach of page content has shrunk dramatically. It is now estimated that your page's posts appear in the Newsfeeds of only 1% of your total number of followers. Facebook wants you to pay to "boost" your post to your followers or people you select through targeting.

This sounds evil until you realize it is the most affordable and efficient way to market. The average cost to reach 1,000 people through newspapers is $32. To reach the same amount of people via television costs $7. How much does it cost to reach 1,000 people on Facebook? How about 25.... cents. LinkedIn? 75 cents.



Also keep in mind that social network ads come with targeting that traditional media cannot offer. In a **blog post** for Moz.com, Brian Carter explained why Facebook ads are the "biggest marketing opportunity ever":

- *They can reach as many people or more people as radio or TV, and in whatever country.*
- *They have sophisticated targeting like AdWords, albeit on different criteria.*
- *The minimum spend is just $1 per day.*
- *They are the lowest cost per 1,000 impressions ad in history. They average around $0.25 per 1,000, which is only 1% of the cost of TV. Are you kidding me? Nope, it's for real.*

The math doesn't lie. Social media ads can get us in front of more donors, faster, more efficiently, and more cheaply than anything else out there. Sure, conversion rates aren't through the roof, but that's the product of casting a wide net. You can't sit back and say "social doesn't help us move the bottom line" if you're not spending money on social marketing.

FOLLOW THE CROWDFUNDING

Living at the intersection of small gifts and meaningful impact is a little phenomenon known as crowdfunding. Dating back to the early 2000s but exploding around 2009, crowdfunding has excelled at bringing philanthropy to the social web. The viral nature of social media has made crowdfunding a legitimate strategy in funding projects ranging from artistic pursuits, to scientific research, to technology.

Because of the proven virality of the platform, several institutions have launched **their own crowdfunding platforms** in the hopes of featuring niche projects that will engage previously unengaged donors. We know millennials like to give online to causes when they feel they're making a direct impact. The question is, can we harness that same enthusiasm for institutional projects? Several schools can answer "yes" to that inquiry.

The first school to make a splash in crowdfunding was Middlebury College. With the MiddSTART crowdfunding site, the college was successful in funding student travel and scholarships through the accumulation of small donations from a number of donors. Not long after, other schools followed suit.

Cornell University launched a crowdfunding program in the fall of 2013 and featured seven projects between August and December. All the projects surpassed their goals, and the pilot raised a total of $115,000 from 1,300 unique donors. Who was the most engaged demographic (based on giving)? You guessed it: young alumni. Among the alumni donors, 45% were classified as young alumni. Since then, Cornell has launched over 20 more projects, young alumni continue to give, and projects continue to hit their goals.

Other institutions boasting impressive crowdfunding sites are Boston University, UCLA, Arizona State, Penn State, University of Connecticut, University of Virginia, and USC. Crowdfunding seems to satisfy the millennial criteria for giving and backs up Savage's belief that we need to diversify giving opportunities:

> *"There's greater skepticism about how money is spent. Young alumni want to see how their dollars are used. We have to realize donors want more control over their donations, and we need to show how that support impacts the day-to-day lives of our students. "*

Not only does crowdfunding demonstrate the difference a small gift can make, but the donor is able to connect with the recipient of the gift and, in the end, he or she receives million dollar stewardship for a $50 gift. When done well, the crowdfunding experience has the potential to bring in new donors as well as retain them.

GIVING DAY GAMIFICATION

Crowdfunding is a great way to engage new donors and highlight inspiring student projects, but it's also as restricted a gift as there is. While millennials clearly prefer targeted gifts, your institution relies on unrestricted funds to keep the university operating. That's why **giving days are one of the hottest trends in higher-ed advancement**.

Back in 2012, Columbia University turned heads when its first giving day brought in nearly $6.8 million from thousands of donors, including 2,200 new/lapsed donors. In its 2014 giving day effort, the university raised $11 million.

Cornell University just completed its first giving day, and while data is still trickling in, the team brought in $6.9 million from 9,600 gifts and over 8,000 unique donors. One key statistic is that Cornell received gifts from 1,000 alumni who had never made a gift. There were also another 1,000+ gifts from alumni who had not made a gift in the past five years.

But what's so special about declaring one day a "day of giving"? Giving days are so effective because they typically involve an element of competition. A leaderboard, for example, is an essential piece of a giving day and helps fuel competition amongst different schools or departments within the institution as they all vie to unlock additional challenge dollars. This and other gamification mechanics help stir up pride and support beyond what a traditional solicitation might generate.

Giving days are also a rare time when an alum can make a gift and then see it make an impact on the leaderboard in real-time. While, at its core, that gift isn't different than a gift on any other day, the other 364 days of the year usually don't have a real-time tracker showing contribution to the "team." There's also a sense that, as an alum, you want to be part of the crowd and take part in a movement.

Because of the above reasons and more, schools are increasingly taking a run at these 24-hour giving challenges. However, much like with crowdfunding, the mistake here is to think that just because you do it, you'll make piles of cash. Giving days take extensive planning and, in most cases, require the help of an external vendor. All things considered, giving days are a great way to build out your donor pipeline while creating a sense of impact for the hard-sell annual fund gift.

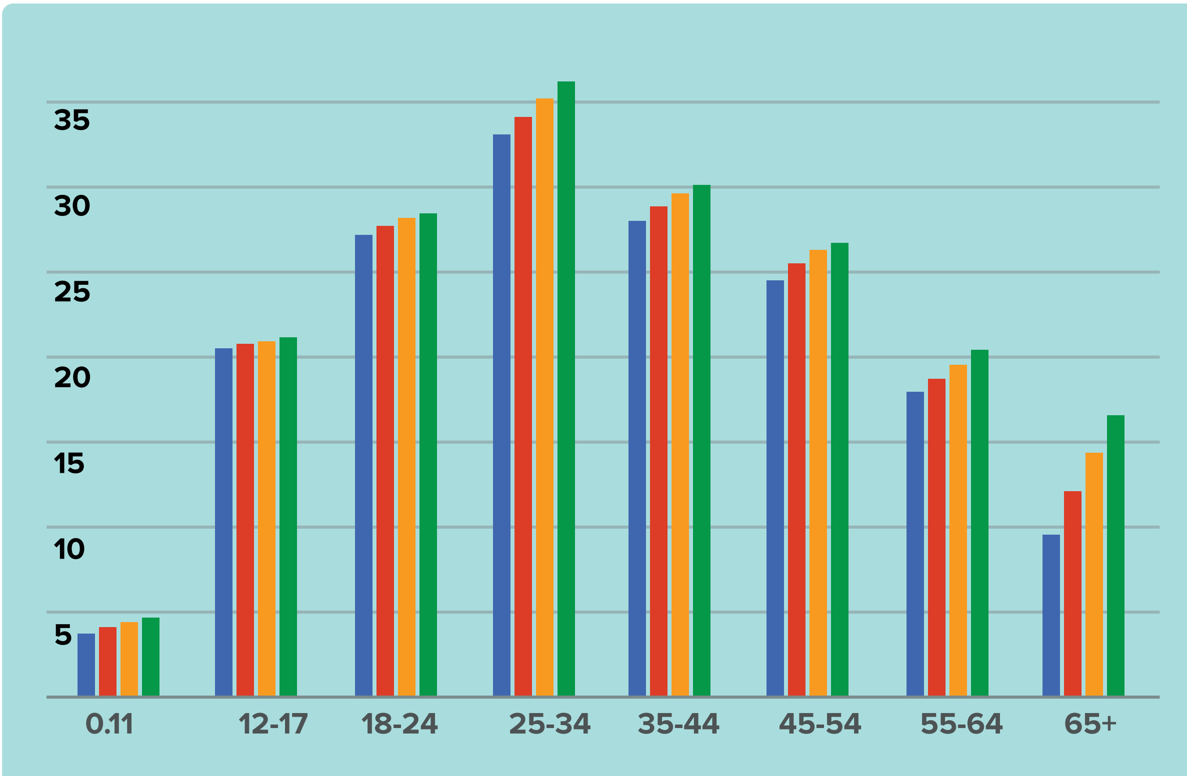
EMBRACE SOCIAL'S GOLD RUSH POTENTIAL

The combination of social media engagement and "big data" offers an unprecedented opportunity for schools to solicit alumni based on the content alumni have "liked" and engaged with. Networks like LinkedIn also offer us a glimpse into the donor capacities of alumni in a way that did not exist five years ago. Just by looking at a LinkedIn profile, you're able to see age, job title, and employer—three pieces of data that are instrumental in rating a prospect.

While this can be performed manually, **a software platform like EverTrue** can automate the process, allowing your team to connect dollars to engagement and identify which donors and non-donors are engaging with your institution on Facebook. In this way, social media affords us a unique opportunity to make an intelligent ask rather than rely on impersonal mass solicitations.

Beyond prospect discovery and solicitations, social media is also a useful tool for building relationships with high-profile alumni. If you don't think they're out there interacting on social, you're wrong. The chart below shows the increase in social users over the ages of 50 and 65. On Twitter, for instance, an occasional retweet or at-reply can go a long way in breaking the ice with an otherwise hard-to-contact professional.

U.S. Social Network Users, 2013-2016 (in millions)



Especially considering the aforementioned competition with local nonprofits, this is one of higher ed's only ways to get in front of alumni when frequent in-person visits are not feasible. The time has come for advancement offices to harness the power of social media and for gift officers to begin cross-referencing their portfolios with updated professional information on LinkedIn and engagement data from Facebook and Twitter.

THERE WILL BE WEALTH… BUT WILL THERE BE DONORS?

We can speculate about why alumni do or do not give. We can debate the value of the alumni giving rate metric. We can even, begrudgingly, argue about whether or not social media can impact fundraising. But what is certain is that philanthropy will chug on, regardless of how higher ed chooses to appeal for it.

Marshall summed this up well:

> *"In the coming years, trillions of dollars will be passed down to people currently in their 30s and 40s. The big question is: Will we be on their list?"*

Right now, it's clear that we're not on the lists of the majority of young alumni. We cannot ignore the fact that most of the money coming into our institutions is from a generation that didn't pay inflated tuition or get saddled with trillions of dollars in student loans. While higher ed boasts back-to-back fundraising records, no institutions are making headlines for lowering tuition or decreasing overhead. If left at face value, this hurts higher ed's case for acquiring donations from its middle-class majority.

The point of this paper was to take a hard look beneath the surface of higher ed's record-breaking fundraising performance. Colleges and universities are bringing in disproportionate monetary amounts from a disproportionate percentage of their donor base—which, as the industry experts quoted in this paper seem to agree on—is likely not a sustainable long-term strategy, especially for smaller, tuition-based liberal arts colleges. It is possible that younger generations will step up with major gifts and carry the load like their predecessors have done. However, even if they do rise to the occasion, it's going to be a tougher sell.

This is a pivotal moment in history for higher education advancement. The decades ahead promise a large alumni population with trillions of dollars at their disposal. Most of these alumni will *just* be finishing off student loan payments when they enter their prime philanthropic years, something that 60-year-old alumni in 2015 cannot relate to. Those of us working in alumni relations and development will be judged by how we engaged this crop of young alumni. Did we give them the same old sales pitch that we've used for the past 50 years? Or did we begin engaging them as freshmen and then continue to "speak their language" through digital and social strategies?

Brown, as well as many other institutions across the country, are already thinking about this and striving to engage alumni *before* they're alumni. As Howell explained:

> *"The goal of raising awareness for the annual fund is not only to benefit the fund presently, but to also benefit 30 years from now when today's students are 50 years old and probably asked to donate more than a dollar! If students learn about the fund as*

undergraduates, we believe they will be more likely to donate a significant contribution 30 years down the road.”

We all know how difficult it is to get young alumni in the pipeline. The two approaches before us are to change the ways we communicate and solicit or to just hope they grow out of it. I might be willing to roll the dice on the latter if millennials showed disregard towards philanthropy, but that is not the case. Data says younger generations like to give—they just don’t like to give to us. The real gamble would be *not* to change.

About EverTrue

EverTrue is a leading advancement software platform that supports fundraising efforts at educational institutions. Powered by institutional data and third-party insights, EverTrue provides streamlined access to donor data to help advancement offices more effectively engage constituents and maximize giving potential. The EverTrue platform improves results for the entire advancement team through targeted products for alumni relations, annual giving, prospect research and gift officers.

Today, more than 300 institutions and organizations are using EverTrue's web and mobile apps to strengthen their donor pipelines and increase giving participation and engagement. EverTrue is headquartered in Boston, MA and is a Bain Capital Ventures-backed company.