

**Special Report:** Spring 2018

# DRIVERS OF ANNUAL GIVING SUCCESS

**agn**  
ANNUAL GIVING NETWORK

# ABOUT AGN

AGN is the world's leading resource and consulting firm for annual giving programs. With a network of experts, more than 40,000 advancement professionals, and over 400 member institutions, we help educational and nonprofit organizations improve their annual giving efforts through training, recruiting, and consulting services. Why? Because annual giving matters!

## OUR SERVICES

At AGN, we believe that strong annual funds are the foundation of successful advancement efforts. We specialize in helping institutions understand and implement annual giving best practices. We offer a variety of services to help you build an exceptional team and improve the productivity of your annual giving program.

- Training & Professional Development
- Job Advertising & Recruiting
- Program Assessments
- Campaign Planning
- Research & Analytics

## MEMBERSHIP

AGN's membership program is designed to provide year-round training and professional development to your advancement staff and volunteers. Membership applies to your entire institution, so everyone on your team can access our resources and take advantage of these benefits:

- Unlimited FREE registration for 100+ live and on-demand training webinars – new courses added weekly!
- Exclusive access to our Sample Library with hundreds of innovative examples and useful templates
- Personal feedback when you submit a question or issue to our team of annual giving experts
- Special updates and reports on the latest trends and best practices in annual giving
- Discounts on Job Board advertisements and other services
- And more!

For more information, please visit our website at [AnnualGiving.com](https://www.annualgiving.com) or contact us directly by email at [info@annualgiving.com](mailto:info@annualgiving.com) or phone at 888.407.5064.

# DRIVERS OF ANNUAL GIVING SUCCESS

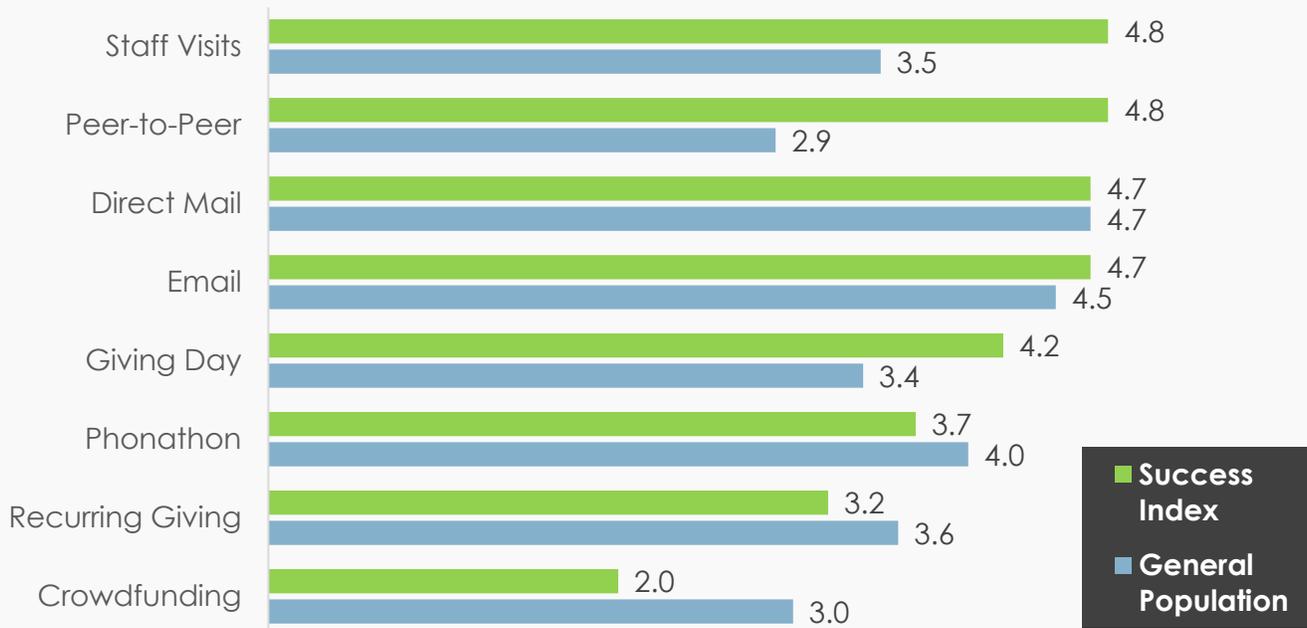
## What separates a *great* annual giving program from all the rest?

In 2017, AGN launched a survey of annual giving programs at more than 300 colleges, universities, and independent schools. Participants submitted a series of budgetary and staffing data, and were also asked to rate a list of solicitation tactics on a scale of 1 to 5 (least to most important) based on each one's significance within their institution's overall annual giving strategy.

Responses were analyzed for two groups. The first group (i.e., the **general population**) includes all survey participants and reflects the median of all annual giving programs in the United States. The second group (i.e., the **success index**) includes only those institutions who fall in the **top 10 percent** of US annual giving programs in terms of both *alumni participation rates* and *annual fund revenue per alumni*.

### Strategic Priorities

Ranked from 1-5 (least to most important)



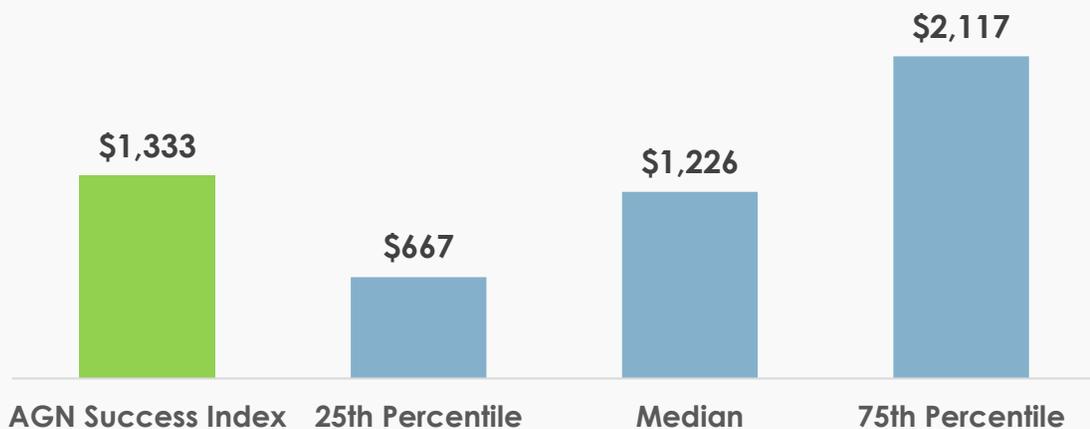
Comparing the results of the general population to the success index reveals some common characteristics of successful programs. From our analysis, AGN is pleased to identify the following **10 drivers** as instrumental in the success of the highest performing annual giving programs. Implementing these into your own program will increase the likelihood that your efforts will be more efficient and productive.

1

## Investing in all-star staff.

The most successful institutions recognize that their annual giving programs are only as good as the people who run them. They spend an average of \$1,333 on training and professional development for each member of their team. This is 10 percent more than the median of the general population. Well-trained staff are more productive and more likely to stick around and grow with the organization.

### Budget Spent per Annual Giving Staff Member on Training & Professional Development



2

## Seeing value in face time.

Having staff get out of the office to meet with prospects and donors in-person is a key driver of success. In fact, it was tied as the highest rated strategic priority for the most successful programs – 37 percent higher in its importance compared to the general population. Personal meetings are one of the most effective ways to cultivate meaningful relationships, collect information, and solicit gifts.

3

## Pushing for peer-to-peer.

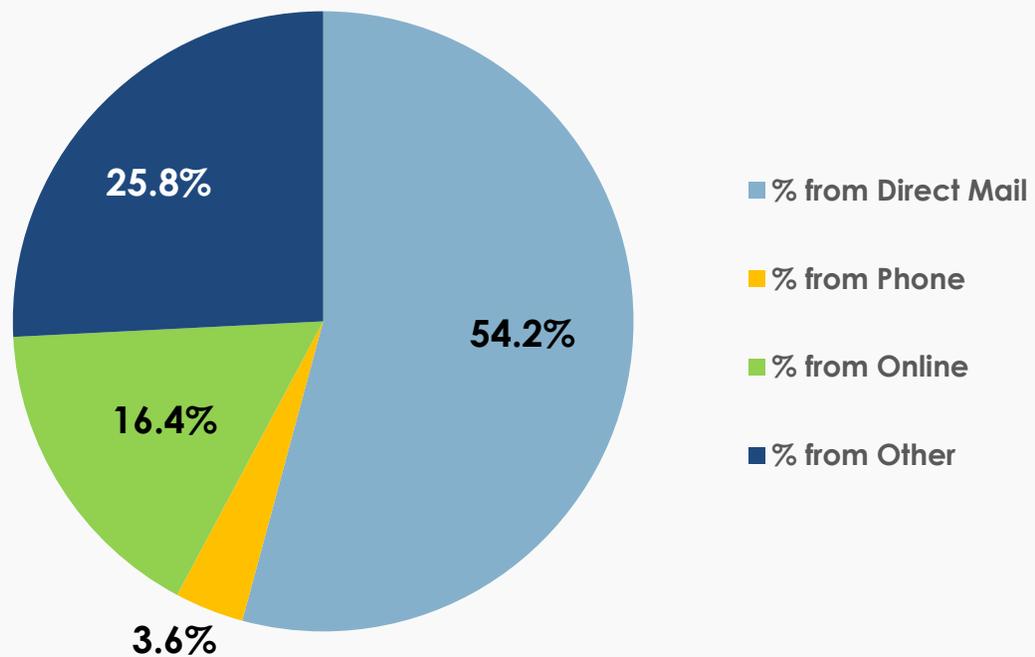
The most compelling appeals come from someone the prospect knows and trusts, which is why class agents, reunion gift committees, and social media ambassador programs can be so effective. It's no surprise that volunteer-based solicitation is tied as the top strategic priority for the most successful annual giving programs, rated 66 percent higher in its importance compared to the general population.

# 4

## Sticking with direct mail.

Despite monumental advances in the digital world, print mail is still alive and well. A particularly effective channel for renewing and upgrading donors, it's a top priority for the most successful annual giving programs, which spend nearly \$5 more per alum on direct mail than the general population. What's more, as the following chart indicates, they see more than half of their annual fund revenue generated through print mail.

### Sources of Revenue (Success Index)



# 5

## Celebrating the annual fund with a day of giving.

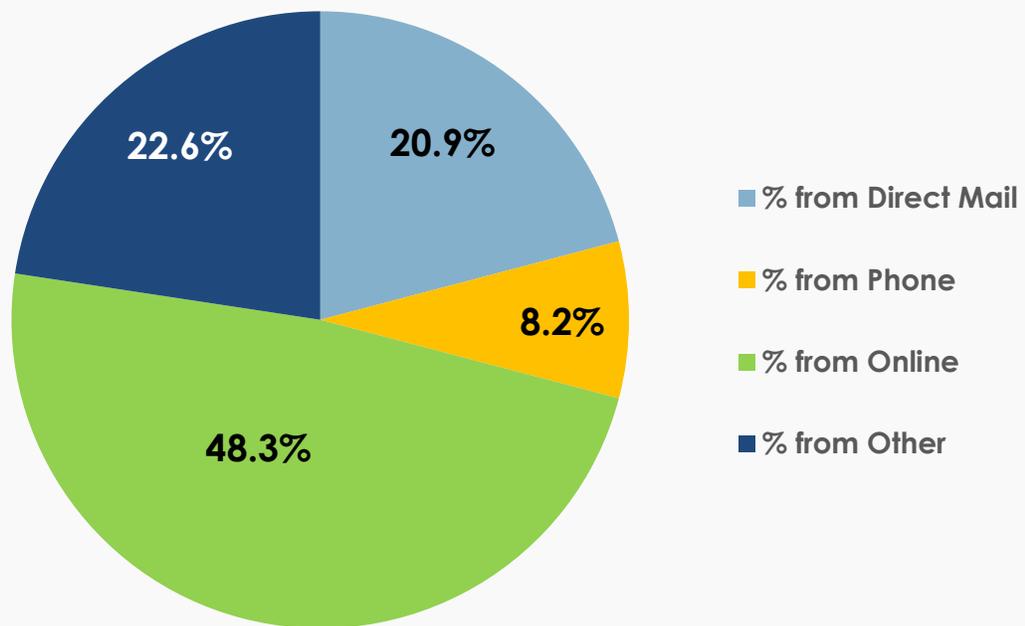
Three out of four educational institutions report that they have held or are planning a Giving Day – the trend may be here to stay for high achievers. In fact, the most successful programs rate them 24 percent higher in their importance compared to the general population. A day of giving can not only be an outstanding way to highlight the importance of annual giving, it can also encourage collaboration among schools and units, strengthen a culture of philanthropy on and off campus, and generate a significant number of donors and dollars.

## 6

## E-lectrifying direct marketing efforts.

As the old marketing adage goes, it can take up to 7 “touches” to get an interested prospect to take action. Email is a low-cost way to cut through the static of busy lives and capture the attention of a donor. Although print mail is still the primary source of annual fund revenue, online giving continues to grow as the preferred method for most donors to transact. As the following chart illustrates, the most successful annual giving programs are keeping ahead of the trend by generating nearly half of their revenue through online channels. Frequent email campaigns are key to driving online giving and boosting overall participation rates.

### Sources of Gifts (Success Index)



## 7

## Reimagining phonathon resources.

The effectiveness of student call centers to support solicitation efforts has declined dramatically over the past decade. In fact, the most successful annual giving programs rate phonathons 8 percent lower in their importance compared to the general population. At the same time, phonathons still offer a way to connect with donors personally, so many programs – including the high achievers – continue to rely on phonathon resources to support **non-solicitation activities** such as alumni engagement, cultivation, prospect research, and stewardship.

8

## Recognizing that recurring gifts are not a silver bullet.

It's true that monthly or recurring donations might be attractive to some donors but beware that there is a downside. They can be cumbersome to administer on the back-end (think: changing credit card numbers in this age of security breaches!) and they make it more difficult to upgrade donors to higher giving levels from one year to the next. In fact, the most successful annual giving programs rate recurring gifts 11 percent lower in their importance compared to the general population. On the bright side, they can help boost retention rates and are a preferred method of giving for many young alumni.

9

## Keeping a level head about crowdfunding.

While crowdfunding has created a lot of buzz over the past few years, it too is not a silver bullet. It takes a lot of staff resources to properly support crowdfunding programs, which don't always yield high dollar returns. Additionally, donors acquired through crowdfunding efforts tend to have lower retention rates than those acquired through direct solicitation channels. The most successful annual giving programs rate crowdfunding 34 percent lower in their importance compared to the general population. On the other hand, they can be a good way to engage students and faculty, identify affinities, and acquire new donors.

10

## Putting your money where your mouth is.

The most successful institutions don't give lip service to the importance of annual giving. They recognize the critical role it plays in the overall advancement operation and they act accordingly. They make a bigger overall investment in their annual giving efforts, spending nearly 3 times more per alum in non-salary operating budgets and maintaining staffing levels nearly 4 times higher than the general population. Unsurprisingly, for the high achievers, annual giving makes up a much larger piece of the pie. Annual fund revenue at the most successful institutions accounts for up to 33 percent of total private philanthropic support each year, whereas annual fund revenue for the general population is less than 20 percent of total philanthropic support each year.

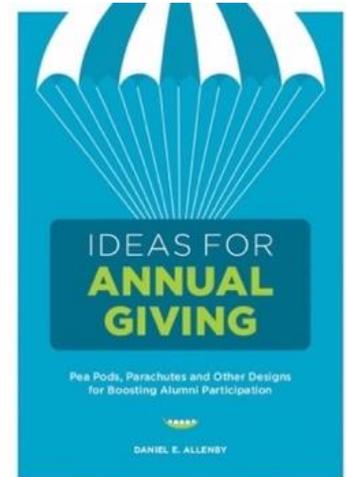
# DAN ALLENBY



AGN's Principal & Founder, Dan Allenby, is an author, speaker, and consultant who has worked with educational and nonprofit organizations for over two decades to train staff and volunteers and design and evaluate annual giving strategies. A recipient of the prestigious CASE "Crystal Apple" award for teaching excellence, Dan is an internationally-recognized expert on annual giving. He has chaired CASE's Institute for Senior Annual Giving Professionals and its Annual Giving Workshop for five collective terms, and served on the faculty for CASE's Summer Institute in

Educational Fundraising.

His book – ***Ideas for Annual Giving: Pea Pods, Parachutes and Other Designs for Boosting Alumni Participation*** – offers practical guidance and playful metaphors to provide readers with a modern (yet timeless) "design" for building an effective annual giving program. Through real-world techniques, examples and tips, this CASE publication shows how to increase annual fund revenues and elevate the number of alumni who make charitable gifts every year.



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*"Ideas for Annual Giving is a terrific resource for understanding—and thriving in—annual giving in the 21st century."*

**– Matthew T. Lambert, VP for University Advancement – The College of William & Mary**

*"Dan Allenby is arguably the nation's most highly regarded expert on the topic of annual giving. This book will become a standard reference on the bookshelves of advancement professionals nationwide."*

**– Michael J. Morsberger, Vice President for Advancement – University of Central Florida**

*"A great compilation of thoughts and tactics that reinforces the importance of the annual giving function in our comprehensive programs."*

**– Fritz W. Schroeder, VP for Development & Alumni Relations – Johns Hopkins University**

*"Dan Allenby delivers across the board, providing clear, tangible and thought-provoking strategies to elevate annual giving in any organization. A must-read!"*

**– Micki L. Kidder, Associate Vice President for Development – University of Notre Dame**