Growing Annual Giving

Case Studies Highlighting Impact at Three Diverse First-Year Partner Institutions
Helping Advancement Leaders Solve Their Biggest Problems

We start by forging and finding best practices to address education’s top challenges with thirteen research forums dedicated to presidents, provosts, chief business officers, and many other key academic and administrative leaders. Through these forums, we provide peer-tested research that answers education’s most pressing issues. Then, we hardwire those insights into each organization with our technology and services:

**Advancement Practice**
Royall & Company Advancement and Advancement Forum provide best practice research, actionable insights, and data-driven services to help you attract and retain top fundraising talent, engage alumni, and increase revenue across the donor lifecycle.

**Enrollment Management**
Our Royall & Company division provides data-driven undergraduate and graduate solutions that target qualified prospective students; build relationships throughout the search, application, and yield process; and optimize financial aid resources.

**Student Success**
Members, including four- and two-year institutions, use the Student Success Collaborative™ combination of analytics, interaction and workflow technology, and consulting to support, retain, and graduate more students.

**Growth and Academic Operations**
Our Academic Performance Solutions group partners with university academic and business leaders to help make smart resource trade-offs, improve academic efficiency, and grow academic program revenues.

EAB is what forces us to think outside the box ... [and] anticipate what lies ahead. [They] ... serve as our thought partners time and time again.”  

*VP Development and Alumni Relations  
Private Research Institute in the Northeast*

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**Focus: Advancement Practice**

**Advancement Forum**
We provide thought leadership to advancement executives through our extensive library of best practice research and tools, our meeting series, and onsite strategy sessions.

**Royall & Company Advancement**
We analyze years of donor data to find untapped opportunity and then execute customized strategies and campaigns to increase annual giving participation, revenue, and pipeline.
Embracing Data-Driven Strategies to Reverse Participation Declines for a Historically Strong Annual Fund

Small, Private Liberal Arts College

About: Long-standing high-affinity annual giving program at a top 50 U.S. News & World Report liberal arts college, a long-standing solicitation model, a strong class network, and a good presence of alumni on staff.

Challenge: Despite consistent investment in phonathon, this institution was experiencing the national trend of downward donor participation. Participation declined 11 percentage points between 2012 and 2016, despite having a historically robust program supported by an active class network. The largest drop in participation came in the last two years.

Solution: Our experts worked with the institution to implement data-driven, multichannel strategies. Deadline-driven messages created a sense of urgency leading up to the calendar year-end, and data-driven tactics ensured that the institution engaged individuals via the most effective communication channel.

Impact: In the first year of partnership, the decline in participation has been reversed. With alumni donor participation down nationally 6% year over year, this institution is seeing an 8% increase in participation.

Achieving Significant Participation Growth Using a Multichannel Approach

Mail, Email Drive Donor Growth
Donors through 1/31

Direct Mail

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>660</td>
<td></td>
<td>1.1K</td>
</tr>
</tbody>
</table>

62% increase

Email

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>860</td>
<td></td>
<td>1.2K</td>
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</table>

33% increase

Engaging Alumni at Calendar Year-End

Royall-led campaigns deploy a deliberate cadence of mail and email, driving urgency through calendar year-end deadlines. Testing determines the frequency; segmentation determines the creative strategy and messaging.

In this case, high-dollar donors received only key messages and other groups, such as young alumni, received messages with increased frequency.
Creating a Strategically Persistent Annual Campaign Calendar

Reactivating Lapsed Donors with Data-Driven Strategies

Segmentation of Previous Giving History Plays Key Role in Messaging

Reactivating Lapsed Donors Has Contributed Significantly to Growth

Lapsed donors are a "prequalified" group needing balanced communication to remind them why they gave previously.
CASE STUDY

Aligning Robust Program with Best Practices Leads to Record Undergrad Alumni Participation

Private, Religiously Affiliated University

About: Strong faith-based institution, located in Southwest, has a high affinity with alumni located all across the country. A comprehensive fundraising model was in place prior to partnering with Royall, including a large contingency of non-alumni, faith-based donors.

Challenge: Despite strong affinity, donor participation dropped 11 percentage points between 2012 and 2016. The institution has aggressive participation goals to support quickly growing class sizes and an online education program. Additionally, young alumni giving lagged.

Solution: Our experts worked with the university to analyze data and develop a more effective segmentation strategy, actually decreasing the frequency of messages sent to some groups while producing better results.

Impact: Donor participation grew 8% in the first year of partnership (while nationally donor participation is down 6% year over year). Additionally, undergraduate alumni donor participation hit an all-time record with a 31% increase.

Impact Highlights

- 8% Increase in participation
- 71% Increase in donors from direct mail
- 31% Increase in undergraduate alumni giving

Coordinating Timing of Multichannel Messages Provides Big Lift

Donors by Appeal Type

FY 2016 and FY 2017 (through 1/26)

<table>
<thead>
<tr>
<th>Appeal Type</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail</td>
<td>515</td>
<td>878</td>
<td>71%</td>
</tr>
<tr>
<td>Online</td>
<td>351</td>
<td>497</td>
<td>42%</td>
</tr>
<tr>
<td>Phone</td>
<td>1,398</td>
<td>1,553</td>
<td>11%</td>
</tr>
</tbody>
</table>
Giving Channel Preferences Will Influence Spring Strategies

Spring Planning: Engage More Young Alumni
Fall campaign numbers show that young alumni associated with this institution are less conditioned to give by mail than via email or phone. As a result, for the spring additional strategies are in place to get more young alumni engaged in giving online. Additionally, phone lists will be targeted to optimize the use of phone, based on behavioral data.

Fall and Calendar Year-End Campaigns Drive Big Impact on Participation

Donors by Month (All Giving)
Despite Cutting Phone Program, Revenue Increases More Than 25 Percent

Regional Public University

**About:** Flagship university in Midwest with a strong athletics affinity and loyal older alumni base.

**Challenge:** A donor participation decline of 8% over the last five years, combined with increasing cost of running the phonathon, was taxing the institution. Leaders decided to completely divest of the phone program for FY17 to get a true sense of what the impact would be if this declining channel was permanently removed.

**Solution:** The university partnered with our team to grow other channels outside of phonathon. A combination of deadline-driven messaging and targeting of never-givers and lapsed donors was key to driving revenue growth to offset revenue lost from phonathon and grow revenue in general.

**Impact:** In the first half of the first year of this partnership, revenue from gifts under $5,000 from mail donors grew 25%. This increase in mail revenue is even greater (33%) when removing FY16 phone donors from the analysis.

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**Impact Highlights**

- **25%**
  - Increase in revenue for gifts under $5K

- **33%**
  - Increase in revenue for gifts under $5K when removing FY16 Phone Donors from analysis

- **49%**
  - Increase in donations via mail

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**Urgency Messaging and Strategic Targeting via Mail, Online Lift Revenue**

<table>
<thead>
<tr>
<th>Revenue by Fiscal Year</th>
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<tbody>
<tr>
<td>(through 12/31, All Giving &lt;$5,000)</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>$1.5M</td>
</tr>
<tr>
<td>25% increase</td>
</tr>
</tbody>
</table>

| Revenue by Appeal Type (All Gifts < $5,000) |
| FY 2016 and FY 2017 (through 12/31) |
| Direct Mail | Online | Phonathon |
| $289K | $144K | $125K |
| $431K | $150K | $7.4K |
| 49% increase | 4% increase | 94% decrease |

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The best practices are the ones that work for you™
Can You Cut Your Phonathon and Do Just Fine?

8 Out of 10 Donors Who Previously Gave via Phone Have Not Yet Engaged

Cutting Phonathon Has Implications
While this partner decided not to run a phone program for the entirety of FY17, results support the best practice of right-sizing the phonathon rather than divesting of it altogether.

Our recommendations include:

- Bringing Phone Back at a Reduced Investment
  - Smaller calling pools
  - Modest phone investment
  - Manageable in-house

- Targeted, Modeled Data
  - Target data lists based on past behavior
  - Meet past phone donors where they are

Online Communications Engage Donors of All Ages

Online Donors

Online messages sent to all donors and never-givers generate responses from across generations.

Perceptions that young alumni represent the largest group of online givers do not prove true.
Run Annual Campaigns That Keep Giving Back

We do the hard work. You reap the rewards.

State funding has plummeted. Tuition revenue is stagnating. The stakes are much higher for annual fund performance, but giving levels are down 38% since 2002, and colleges and universities are facing heightened competition from nonprofits for philanthropy dollars.

We comb your giving data to find untapped opportunities and deploy a customized campaign to capture them. Let us take on the heavy lifting of planning, executing, and analyzing your annual giving campaign at scale, so you can focus on building relationships with an expanded donor pipeline.

How We Help

1. **Analyze Data and Create Advancement Strategy**
   - Collect 10+ years’ worth of alumni financial and engagement data
   - Segment alumni by propensity to give
   - Find untapped pockets of opportunity and behavioral trends
   - Create customized yearlong strategy aligned with institutional goals

2. **Develop and Design Your Campaign**
   - Customize messaging based on donation history
   - Recommend channel mix, format, message content, and reply devices
   - Produce design and copy using your branding and style
   - Optimize content for mobile viewing
   - Employ high-quality printing techniques

3. **Deploy Your Campaign and Assess Performance**
   - Optimize persistence and timing of messages
   - Maximize email deliverability and list quality
   - Analyze performance in real time to facilitate in-market changes
   - Quantify campaign success

By the Numbers

**Typical Partner Results**

- 15% increase in alumni participation rates
- 10% increase in giving in the first year
- 15% increase in overall donation rates

**Experience and Insight**

- 25+ years experience in higher education
- 350+ expert staff members
- 1.2 billion student and donor interactions managed annually
- 10+ years’ worth of data from each partner
- 300+ A/B in-market tests each year
- 1,000+ campaigns annually

Learn More

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