Optimizing Revenue in Higher Education: Taking Your Strategic Planning Process to the Next Level
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Presenters

Greta Daniels, Senior Vice President, Fundraising Management, *RNL*

Rebecca Kocher, Vice President for Advancement and Alumni Engagement, *Wittenberg University (OH)*

Bob Stewart, Vice President for Graduate and Online Solutions, *RNL*

Chair

Brian Flahaven, Vice President, Strategic Partnerships, *Council for Advancement and Support of Education (CASE)*
RNL: Trusted non-profit and higher education partner

- 50 years
- 3,000+ organizations
- 1 billion conversations, donations, & applications annually
- $2B cash raised from 10M+ donors
- 66,000 enrollments per year
- Billions in major and planned gifts identified
Optimizing Revenue

Challenges in Today’s Environment

Opportunity to Rethink our Model

Path to Greater Financial Sustainability
Challenges in Today’s Environment
Slowing Growth in Number of U.S. High School Graduates, then Decline (U.S. Total High School Graduates)

Tuition and academic fees historically covered less than half (often approx. 1/3) of total “cost” of university operations.

- Other 2/3 made up by gifts, grants, other contracted revenue, endowment income, and government appropriations.

Since 1980, those non-tuition based sources of revenue have gradually decreased, putting pressure on tuition to make up the gap.

But when only the wealthiest students/families are actually paying list price, the gap isn’t actually closing.
Rising Costs of Operations

Growing Need for Broader Student Support

- Mental health
- Athletics and intramural sports
- Academic support
- Workforce preparedness
- DEI Initiatives
Student Expectations have shifted. And are impacting our delivery costs.

Past student expectations

NETFLIX

GRUBHUB

amazon

"Me" centric view of the world

Rise in consumer mentalities

Need for speed

Meaningful connections
Value Proposition is In Question

**College Wage Premium**

The income/earnings differential between college graduates and those without college degrees.

- Today, college degree holders earn, on average, 65% more than those without college degrees.

**College Wealth Premium**

Lifetime net wealth differential between college graduates and those without college degrees.

- Degree holders born before 1980, on average, accumulated 2-3X wealth as peers without degrees.
- Degree holders born in the 1980s and later have very small advantage over peers without degrees and that advantage is predicted to remain small throughout their lifetime.

*Americans Are Losing Faith in the Value of College. Whose Fault Is That? Paul Tough; NY Times Magazine; September 5, 2023*
The Double Whammy of Student Debt

Prospective debt load is driving many students/families to delay or avoid college entirely.

Recent graduates may not be able (or willing) to give to their alma maters while paying off loans.
Quantifying the Impact of College Closures
by NCS Blog | May 22, 2023 | Research Reports, Research Services |

2nd Report, “A Dream Derailed,” Finds the Odds of Earning a Credential Cut in Half When Experiencing a Closure

Rural Residents Search for Solutions after Devastating College Closures

Town colleges in West Virginia, Iowa, and Maine shutter, the communities they leave behind struggle to reorient.

3 Ways Campus Closures Impact College Towns

What a decline in rural colleges means for rural communities
While undergraduates’ net tuition price, plateaued...

Student debt ballooned....

And net tuition revenue declined....

Leading to greater need for diversified sources of revenue.
Opportunity to Rethink the Funding Model
64% $319.04 billion
Giving by Individuals
*declined by 6.4% over 2021

21% $105.21 billion
Giving by Foundations
*increased 2.5% over 2021

9% $45.60 billion
Giving by Bequest
*increased 2.3% over 2021

6% $21.08 billion
Giving by Corporations
*increased 3.4% over 2021

While giving by individuals continues to grow over time, it has fallen below 70% of all giving for the fourth consecutive year.

Foundations are growing as a share of giving over time. In 2022, over $1 out of every $5 that went to charity came from a foundation.

*All figures on this infographic are reported in current dollars unless otherwise noted. Inflation was especially high in 2022, at 8.0%, and results may differ when adjusted for inflation. Learn more in the chapters.
Is Giving Really Down?

Damar Hamlin GoFundMe page raises more than $9 million

February 12, 2023

One month after Damar Hamlin almost died of a cardiac arrest during a football game against the Cincinnati Bengals, the 24-year-old Buffalo Bills defensive back’s fundraising page has received more than $9 million in contributions, the Rochester Democrat and Chronicle reports.

Hamlin created the GoFundMe page in 2020 to benefit a community toy drive at Kelly and Nina’s Daycare Center — operated by Hamlin’s mother, Nina — in McKees Rocks, Pennsylvania, near Pittsburgh. Hamlin, who attended the University of Pittsburgh, began the fundraising effort through his Chasing M’s Foundation with an initial goal of raising $2,500. To date, more than 247,000 donations have been made to the fund.
Generational Breakdown of Population

Does your donor pool reflect the current U.S. population?
Population breakdown vs. donor profile

Understand what the data tells us about:
• Who to ask for what
• Where to concentrate our efforts
• Tips for putting the info into action

Successful fundraising is an ART and a SCIENCE!
• Adjusting our thinking, planning and success metrics
• Educating others
• Moving beyond the little bucket
Promoting Noncash gifts

Asking for noncash gifts
- Asking everyone to consider annual, major & planned gifts
- Being intentional and prepared (practice makes perfect)
- Market and make it easy for your donors

Where do you start?
- Are your stock transfer instructions readily available and easily found or accessed online?
- Is the internal procedure for accepting and recognizing noncash gifts seamless and donor-centered?
- Can you convey the donor-centered benefits of noncash gifts in your donor conversations?
Young alumni and “the why”

Meet people where they are at....
Financial Power of Millennial/Gen Z

Millennial average net worth doubled during the pandemic. Most is in real estate, making up one third of wealth.

$33 Trillion
Purchasing power of Gen Z

81%
Gave to a charity in 2021

55%
Say issues matter more than the organization.

Sources: Bank of America Study on Philanthropy
Tapping into Major Source of Fundraising Potential - Women

85% of philanthropic decisions in high-net-worth households are made by women
- But occupy only 28% of board seats in US universities and colleges

Single women are more likely than similarly situated single men to give to charity

Women give significantly more than similarly situated men at almost all income levels

Women give more when it aligns with their values, they are engaged as volunteers/board members, or in response to unexpected/emergent needs

Source information:
Association of Governing Boards; Increasing Diversity on the Boards of Colleges and Universities
Gender Matters: A Guide to Growing Women’s Philanthropy
Women 4 Witt: Our Greatest Advocates

- $1,845 for Recent Grads & Young Alumni
  - MATCH: $1,845 MATCHED
  - CHALLENGE UNLOCKED! Thank you, Laurice Moore ’95

- $3,000 to Honor Dr. Buscemi
  - MATCH: $3,000
  - CHALLENGE UNLOCKED! Thank you, Stacy Rastauskas ’98

In Their Own Words:

“Having light means different things to different people. Light can mean passion, talent, knowledge, wisdom, a divine spark, or the light of grace. Our light is our legacy. Thank you for sharing yours.”

Janet Jackson ’76, Campaign Co-Chair

SELLING TO THOSE WHO HELPED BUILD IT

After Nearly 20 Years in Business, Gina Schaefer ’93 and Husband Marc Friedman Are Selling Their Business To Their Employees
A shift toward strategic, social giving

- Grants from **donor advised funds** to qualified charities totaled an estimated $45.74 billion in 2020, growing by 27.3 percent.

- In 2022, foundation giving was one of few methods up in Giving USA tracking, due largely to **DAFs and Family Foundations**.

- **Giving circles** have tripled in the last decade, and will reach 3,000+ by 2025

_Sources: National Philanthropic Trust, Lilly Family School of Philanthropy, Grapevine and Philanthropy Together._
Changing the Narrative

Investing in the Mission

- Align funding opportunities with bigger financial picture
- Build stewardship that showcases the impact of investment to financial sustainability and growth
- Engage a generation of donors that requires transparency
Path to Greater Financial Sustainability
**Strategic Planning Process**

**Basic Overview**

- **Mission, Vision, Values**
- **Collaborators and Beneficiaries**
  - Environmental Scan
  - Goals
  - Strategies and Action Plans
  - Plan Creation
  - Outcomes and Achievements

**Typical Higher Ed Process**

- **Mission, Vision, Values**
- **Internal stakeholders**
  - SWOT Analysis of Facilities, programs, markets, price, costs
  - Set goals for academics, facilities, athletics, research, student outcomes, etc.
  - Build action plans related to goals
  - Establish costs for action plans
  - Introduce advancement to the conversation to help with funding action plans
  - Survey alumni/external stakeholders to gather feedback
Let’s change the way we plan

“Top-down corporation”

Current common scenario:

• leadership sets campaign goals
• trustees and donors are convinced to buy in
• advancement team brought in at the end to “raise the money”

“The future:

“Collaborative startup with impact investors”

• advancement and teams active partners in setting goals
• trustees and partners take part in early planning as valued stakeholders
• fundraising proceeds collaboratively
Aligning Revenue Streams

Funding Long-term Sustainability

Market Assessment  Academic Planning  Strategic Enrollment Planning  Fundraising Opportunities
Truly strategic revenue planning is a continuous and data-informed process that:

• Aligns revenue streams around core priorities;
• Incorporates market feedback, financial trends, and campus needs into priority development;
• Diversifies funding sources and accommodates fluctuating market trends;
• Sets goals that are achievable given the financial environment, staffing, resources available;
• Creates transparency and reports on impact and growth

...to foster long-term financial sustainability and broaden community engagement.
Aligning Revenue and Changing Value

Proposition: Wittenberg’s Experience

Market Assessment: Students need experiential learning opportunities for job readiness/hiring appeal

Academic Planning: University develops new Connections Curriculum

Challenge: Growth is limited by staffing resources and funding for creative, hands-on opportunities

Investment Opportunity: Gifts support today’s students through new positions, unique programing options, and career exploration/internship funding
How to Get Started

Optimizing Revenue on Your Campus: Start at the Beginning

• What are you doing well?
• What needs adjustment?

Evaluate the spaces your team is effective and adjust where you can given your resources of staffing and time:

• Sustainable practices
  • No good comes from over promising!
  • Where can you get the biggest bang for your buck!?!?
• Habits of giving and thanking
  • You need both to do this work well!
## Wittenberg Case Study:
### Sustainable Practices: Stewardship & Donor Retention

<table>
<thead>
<tr>
<th>Levels/Description</th>
<th>90/120-day outreach and follow-up materials</th>
<th>70/120-day thank you card</th>
<th>Birthday thank you card</th>
<th>Thank you letter with gift (if present)</th>
<th>Alumni Report/Press Release (online)</th>
<th>BPS-SIUE donor notes-signed by OSC</th>
<th>Campaign ambassador - Thank you from VP</th>
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<td>Lifetime Giving Level - $1M+</td>
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<td>SPS - Young Alumni 2 (current students &amp; 0-4 yrs post grad) - SanyS</td>
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<td>Top Campaign prospects (including Bacon List)</td>
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The table above outlines various levels and descriptions with corresponding actions and follow-up strategies for stewardship and donor retention.
FIRST TIME DONOR STRATEGY

12 month approach that cycles donors into the typical appeal schedule for engagement and solicitation

- Personalized, handwritten thank you note and folder of information on how to continue impact/get involved
- 6 month touchpoint
- Targeted outreach at annual Giving Day
- Targeted outreach for those 70 ½ re: RMDs and ways to give without opening a checkbook
Wittenberg Case Study:
Sustainable Practices: Stewardship & Donor Retention

**MILESTONE DONOR STRATEGY**

Personalized acknowledgement program to celebrate milestone years of giving:

- 5, 10, 15, 20, 25, 30, 35, 40+ years giving
- Thanking our most loyal supporters and recognizing their commitment
- Starting January 2023: 30+ year box of gratitude
Questions
Thank you for attending this session!