

Team

The Education Advancement Monitor

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

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from the coastal-desk of
David T. Shufflebarger | Senior Partner

First Principles

A friend gave me Thomas Ricks' recent book, **First Principles**, an examination of the impact of the Greek and Roman classics on the thinking of our first four American Presidents. As a political science major and a recovering Virginian, I immediately took to it and was delighted by Ricks' portrayal of how Washington, Adams, Jefferson, and Madison were influenced by the classics in their approach to governing with a central theme of virtue. (Just in case you missed it, three of the four are from Virginia).

Now, you may wonder, what place does this have in a newsletter devoted to philanthropy? Well, *First Principles* reminded me of what influenced me the most and shaped my thinking about our work in development. My two classics are *Designs for Fund-Raising* (1966) by Harold J. Seymour and *The Raising of Money: Thirty-Five Essentials Every Trustee Should Know* (1983) by James Gregory Lloyd. I suspect I am not alone in having been greatly impacted by their enduring wisdom.

To be sure much has changed in the 55 years since Seymour and the 38 years since Lloyd put pen to paper. Indeed, when the Fund Raising Institute published a second edition of Seymour's work in 1988, it included annotations from Charles E. Lawson, the then Chairman and CEO of Brakeley, John Price Jones, to reflect changing trends in the 22 years since it was first published. While Lawson cited 21, most of them were statistical updates. The major changes noted included the increasing role of women, computers, and phone-mail; annual giving becoming a year-round program; and Seymour's rule of three in campaigns (one third of the total from the top 10 gifts, one third from the next 100, and the final third from all of the rest) morphing into 40-40-20 (40% from the top 10 gifts, 40% from the next 100, and 20% from all the rest). Alexander Haas updated that with our study focusing on the outsized role of the top 10 gifts which we presented to the *CASE Annual Assembly* in 2006.

But while much has changed including the role of social media, the sophistication of prospect research with predictive modeling, and the use of artificial intelligence, the core principles endure. Indeed, as I reviewed Lloyd's 35 essentials, all ring true today and are well worth repeating:

1. Organizations Have No Needs
2. Seek Investment, Not Charity
3. Position Your Organization Relative to its
19. People Prefer Structure
20. Take One Step at a Time
21. Scheduling Creates Momentum

Competition

4. Listen to the Donor Community
5. Listen to What Each Donor Has to Say
6. Donors Will Tell You What They Want
7. Make Your Case Larger Than the Institution
8. Go for the Gold
9. Create Authentic Involvement
10. The Process of Planning is More Important Than the Plan Itself
11. Share Your Plans Without Asking for Money
12. Use a Feasibility Study to Build a Strategy
13. If You Seek Average Gifts, You Get Below-Average Results
14. A Few Will Do the Most
15. The Early Donor Sets the Pace
16. Trustees Have an Opportunity, Not an Obligation
17. Staff Giving Lends Credibility
18. Make Great Investments Possible
22. Build a Sense of Campaign
23. Create a Climate of Universality
24. Winning is Fundamental
25. Meetings Keep Things Moving
26. People Give to People
27. The Right Person Makes the Difference
28. The One Who Asks Must First Give
29. See Each Prospect Face to Face
30. Ask for a Specific Amount; As for Enough
31. Qualify the Prospect
32. Tenacity Prevails
33. Ask for the Order
34. The Donor Deserves Good Stewardship
35. The Best Advocate is Both Donor and Volunteer

Underlying all of this is the principle that ours is a virtuous endeavor, exemplified by Seymour's inclusion of a quote from John R. Mott the legendary leader of the YMCA:

Blessed are the money-raisers. For in Heaven they shall stand next to the martyrs.

News from our Client Partners

Catawba College (Salisbury, NC), received a \$200 million endowment gift from a donor who wishes to remain anonymous. A third of the gift will provide recurring funding for the college's established programs focused on the environment and sustainability, while the remaining two-thirds will be dedicated to supporting strategic initiatives, strengthening student scholarships, enhancing student success programming, promoting a thriving workplace, and investing in faculty excellence. Earlier this year, Catawba received gifts totaling \$18 million to retire the entirety of the college's debt, including \$13.7 million from an anonymous donor. *Catawba College is an Alumni Client Partner.*

The Lumina Foundation awarded grants totaling nearly \$2 million to five historically Black colleges and universities in North Carolina and five other partners committed to benefitting adult students of color. Each university will receive \$175,000 over the next 22 months. Alexander Haas Alumni Client Partner **Winston-Salem State University** (NC) was one of the recipients and will launch a degree completion program tailored for adults with services that enhance academic outcomes, professional development, and personal growth.

The Strada Education Network announced a \$25 million partnership with 28 historically Black colleges and universities in support of experiential learning and leadership development. The initiative will support leadership development programs as well as scholarships and other financial assistance. It also will help students explore graduate schools, prepare to launch their careers, or build professional networks. Alexander Haas Alumni Client Partners **Alabama State University** (Montgomery) and **Florida A&M University** (Tallahassee) are recipients.

The **University of Alabama at Birmingham** received a \$95 million commitment from Marnix E. Heersink, the largest single gift in university history. In honor of the gift, the university will name the *Marnix E. Heersink School of Medicine* and provide both endowed and outright funds in support of the school's key initiatives. The gift also will establish and name the *Marnix E. Heersink Institute of Biomedical Innovation* and the *Marnix E. Heersink Institute for Biomedical Innovation Endowed Support Fund*; name the *Marnix E. Heersink Institute for Biomedical Innovation Conference Center*; and establish and name the *Mary Heersink Institute for Global Health* and the associated *Mary Heersink Institute for Global Health Endowed Support Fund*. *UAB is an Alumni Client Partner.*

East Carolina University (Greenville, NC), an Alumni Client Partner, received a \$5 million gift from alumnus Tom Arthur in support of its *College of Business*. The award includes a \$2.5 million cash commitment and a \$2.5 million planned gift. Funding will be used to strengthen graduate-level education in the College of Business and provide support for student veterans and military personnel in the program, including leadership, travel, or internship experiences and financial incentives.

James Madison University (Harrisonburg, VA) received a \$3.6 million grant from the Virginia Early Childhood Foundation in support of efforts to increase preschool access and equity across the state. The funding will provide more than 300 preschool slots for 3- and 4-year-olds currently facing barriers to formal school entry, at no cost to families. We are excited for our Alumni Client Partner.

More Philanthropic News

#GivingTuesday November 30

Yes, it's just a few days away, and by this time you should have crafted your plan of attack for this growing in popularity, and results, international day of fundraising. Let's look at some statistics from 2020:

Key findings include:

- Giving in 2020 grew an estimated 5.2% year-over-year when compared to 2019.
- The sector experienced more donor mobility than ever before, with big gains in new donor acquisition largely offset by big drops in donor retention.
- The multi-year trend of fewer donors overall was reversed in 2020. A 1.3% top-line gain in donors was driven almost completely by an 11% growth in small donations between \$101 and \$500, the highest growth for this donor size in five years.
- Key giving moments in 2020 corresponded to upticks in COVID-19, pivotal events such as action for racial justice and election activity, and #GivingTuesdayNow, a day of unity and giving held as an emergency response to COVID-19 on May 5, 2020 and GivingTuesday (December 1, 2020) giving events. These moments were largely driven by many donors giving smaller amounts.

This should encourage you to work harder. Take last year's new donor and show them what an increased gift can do for your institution. Highlight a student or program. Be loud and be proud of the work you do.

The #GivingTuesday website [has a toolkit](#) that offers advice and resources to help pull your program together. It's not too late.

More Donors Made One-Time and Monthly Online Gifts in 2020

Charities' revenue from one-time online donations grew more than 15% in 2020, according to a new report from **Blackbaud**. Before the coronavirus outbreak, revenue from one-time online donors declined 1% from 2019 to 2020. But as nonprofits moved the bulk of their fundraising appeals online during the pandemic, the average size of those gifts grew to \$169.59 — a more than 3% increase.

Other Key Findings

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- The charities in the study recorded 43.2% more gifts in response to a fundraising email in 2020 than in 2019. Revenue from these transactions grew by more than 42%.
- Nonprofits increased the volume of emails they sent nearly 14%, and the volume of readers who clicked on links in the emails jumped 29%.
- The number of one-time donors who gave online grew by nearly 16% in 2020, despite declining in 2019.
- Monthly donors boosted their giving 18% from 2019 to 2020, and the monthly gifts were slightly larger — about \$1 more in 2020 than in 2019.
- One in 40 donors now makes a monthly recurring gift.
- Growth in revenue from sustaining donors has now outpaced growth in dollars from one-time donors for nine straight years.

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America's Wealthiest Got Wealthier in 2020, But Their Giving Was Stagnant

Forbes magazine assigns wealthy Americans a philanthropy score from 1 to 5. The number of those with a top score of 5 (for giving away at least 20 percent of their wealth) dropped from 10 to eight last year. Most of the rich on the list received a score of 1, meaning they have given away less than 1 percent of their net worth, or no philanthropic information was available. George Soros was the biggest giver relative to his wealth for the second year in a row. Others who were notably generous included MacKenzie Scott, Michael Bloomberg, Gordon Moore, Julian Robertson Jr., Amos Hostetter Jr., Lynn Schusterman, Ted Turner and Denny Sanford. The laggards include Jeff Bezos and Elon Musk. *Forbes*, October 2021

Charitable Giving by the Affluent Increased 48% in '20 Over '17

Based on a survey of 1,626 U.S. households with a net worth of at least \$1 million (excluding the value of their primary home) and/or annual household income of at least \$200,000, The *2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households* found that 88.1% of respondents gave to charity in 2020, comparable to survey results from 2017 and 2015. According to the report, issues-based philanthropy is becoming increasingly important for the affluent, who were nearly as likely to base their giving decisions on issues as on organizations (44% vs. 45%), with donors ages 38 and younger more likely to be focused on issues over organizations (55% vs. 34%).

Other Key Findings

In terms of issue area, affluent households, were most likely to give in support of:

- basic needs (57.1% of respondents and 19.9% of dollars),
- religious organizations (46.9% and 32.4%),
- health (32.1% and 4.3%),
- youth and family (29.7% and 2.1%),
- animal welfare (27.4% and 1.9%),

- disaster relief, including COVID-19 relief (26.6% and 2.7%),
- social and racial justice causes (21.6% and 4.9%),
- the environment (20.2% and 2.5%), and
- international affairs and development (10.2% and 1%).

When asked how their charitable giving would change if they were to receive no income tax deductions, 72% of respondents said it would "stay the same," while 6% said it would "increase" and 22% said it would "decrease." *PND, 9-30*

We'd Like You To Know

Transforming Institutions Continuing Client Partner



The University of Texas at San Antonio is a continuing Client Partner.

For more than 30 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with some of the largest, and some of the smallest, institutions that help make our country a better place to live.

[Take a look at our past and present
Higher Education Client Partners.](#)

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3520 Piedmont Road | Suite 450 | Atlanta, GA 30305
404.525.7575

