



2015 donorCentrics™ Annual Report on Higher Education Alumni Giving

Summary of Annual Fund Key Performance Indicators

July 2014–June 2015

2015: ANOTHER CONSISTENT YEAR FOR HIGHER EDUCATION

A strong economy and stock market, coupled with new techniques that appear to be taking hold, helped lead higher education annual giving programs to another year of revenue growth in 2015, with an overall 4% median positive change in revenue. In fact, the revenue growth across the board and in nearly every key metric speaks to the ability of annual giving programs to secure multiple gifts from donors during the year, upgrade donors, and grow revenue. Annual giving programs are thriving in their ability to secure more dollars and larger gifts for their purpose.

This past year was another good one—the second in a row—for alumni donor participation in annual giving programs. The overall change in the number of donors was flat compared to 2014. This is good news, considering the declines most programs have posted over the past several years. Retention rates were again steady, reactivation rates were flat or slightly up, and acquisition efforts generated stronger results with a median change in new donors of 1.9%.

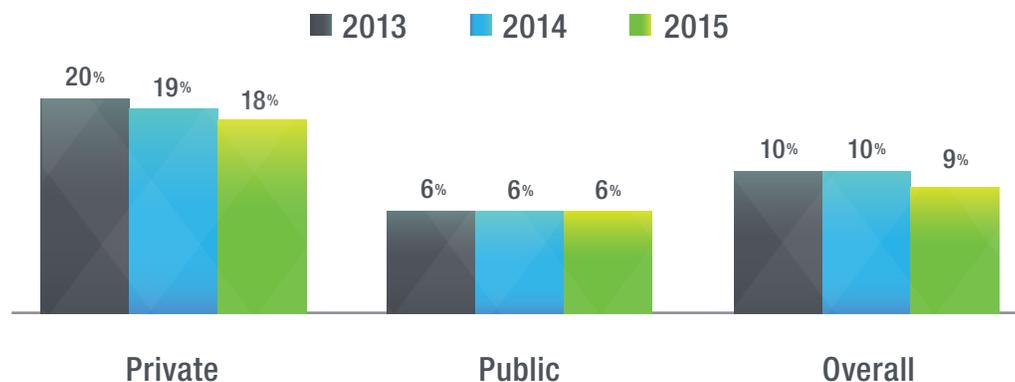
More programs report successful implementation of giving days, which help to retain donors, reactivate donors, and acquire new donors, as well as provide some forward momentum for sustainer programs. These new (at least to higher education) strategies are continuing to move the needle for many programs, while reversing or staving off some negative trends of just two to three years ago.

In all, with modest movement in either direction among most key metrics, 2015 is best described as a stable year in higher education fundraising. However, that consistency is allowing programs to grow for the most part, particularly in the dollars they raise.

ALUMNI PARTICIPATION

Median Participation Rates

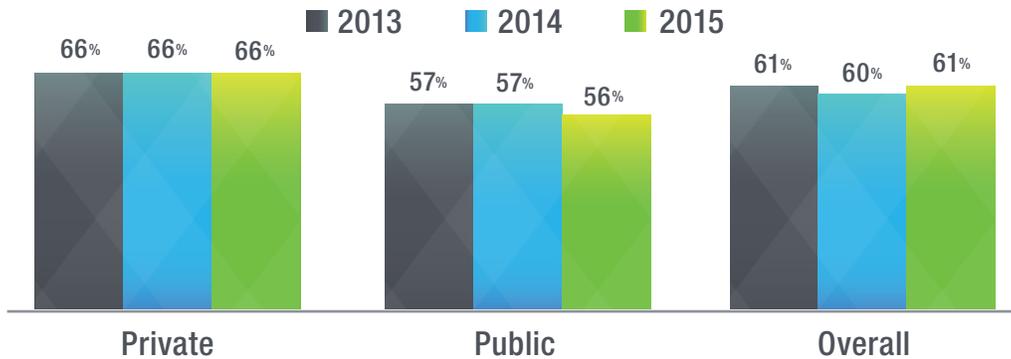
Participation rates, after a steady decline for a few years, have appeared to stabilize with private school medians slightly dropping to 18% and public institutions holding at 6% for the third consecutive year. The increased activity among student giving programs, particularly senior class gifts, has allowed some universities and colleges to keep pace with alumni donor counts and therefore participation rates. As more programs implement giving days and sustainer programs, each are likely to create a safety net for participation rates.



DONOR RETENTION

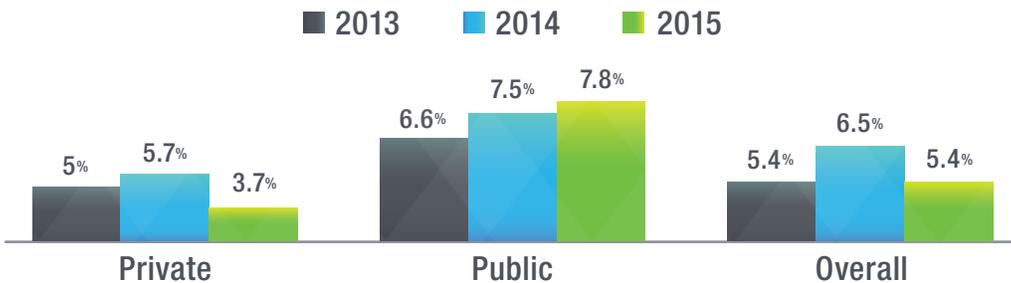
Median Donor Retention Rates

As always, among the most consistent metrics year over year, the median donor retention rates remain steady. Private institutions held at 66% for the third year, and public institutions dropped slightly to 56% from 2014. Over the course of the last decade, these rates have typically varied by less than one percent from any given year to another, marking an incredible consistency among alumni donors and annual giving programs in retaining their best donors.



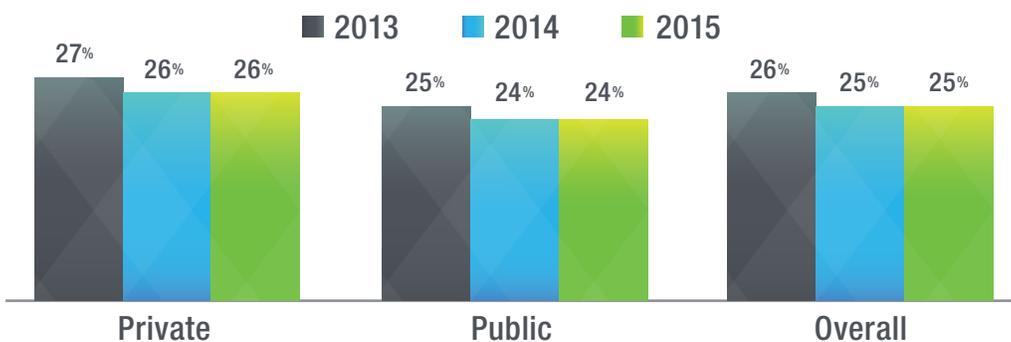
Median Change in Retained Donors

While overall retention rates remain steady, the median change in the number of retained donors (versus the rates) was positive at 3.7% for private schools and a strong 7.8% for public schools. The overall median change for all institutions was 5.4%, demonstrating a greater number of retained donors in 2015 compared to 2014.



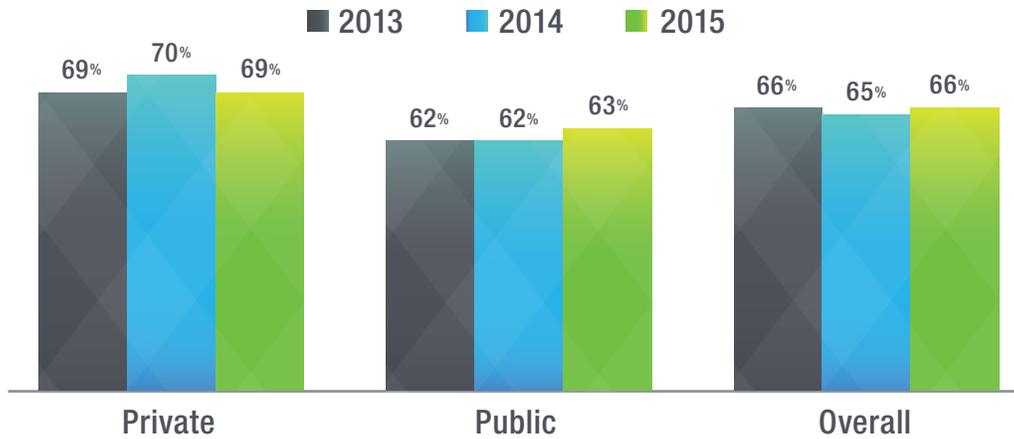
Median New Donor Retention Rates

Median new donor retention rates were precisely flat for public and private institutions. The overall rate of 25% was the same in 2015 as it was in 2014. The rate has varied by no more than 1% in any given year over the previous three years.



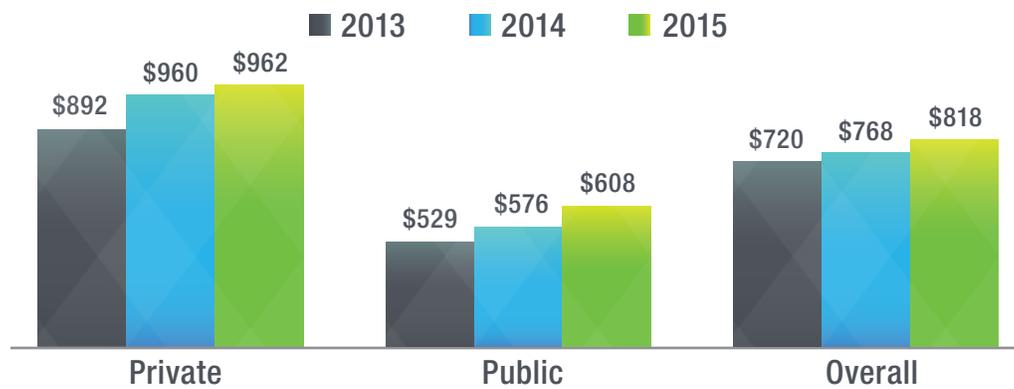
Median Multi-Year Donor Retention Rates

Much like overall retention rates, multi-year donor rates were incredibly consistent compared to 2014 levels. For private institutions, the rates dropped from 70% to 69%, while public institutions increased modestly to 63%. This stable, loyal group of donors continues to perform similarly from year to year.



Median Revenue per Retained Donor

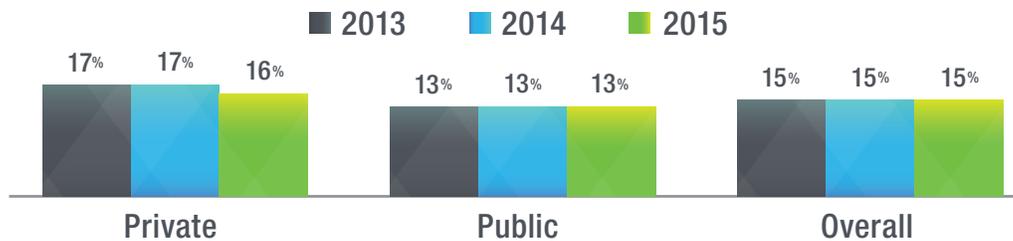
While retention rates held steady for the most part, retained donors gave more in 2015 than in 2014. For private schools, the median moved from \$960 in 2014 to \$962 in 2015. Public schools saw a more significant jump, from \$576 in 2014 to \$608. A stronger economy, aggressive ask programs, giving days, and specific upgrade strategies paved the way for this growth.



DONOR REACTIVATION

Median Reactivation Rates

Like the previous year, reactivation rates were stable in 2015. After an extended period of steady decline, it appears that reactivation of lapsed donors (one to five years) plateaued among public and private institutions. Private institutions dropped to 16% while public universities held steady at 13% overall. The three-year trends now demonstrate consistency, with less than 1% fluctuations between the three years. Sustainer programs can also significantly influence this group of donors over time as more programs implement recurring giving as a standard practice. Young alumni—specifically senior class giving programs—have created more instability over time among reactivation rates, but again this seems to be leveling off.



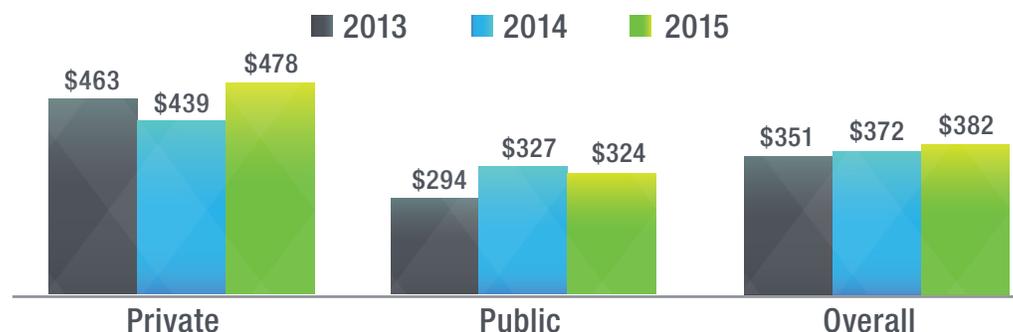
Median Change in Reactivated Donors

While rates were relatively stable, the number of reactivated donors increased in part due to the larger body of reactivated donors that most universities have. The median change in reactivated donors for private schools was a very strong 9.3% (after a decline in 2014) and the median change for public schools was a positive 1.8%, leading to an overall median change in higher education reactivated donors of 5.9% in 2015.



Median Revenue per Reactivated Donor

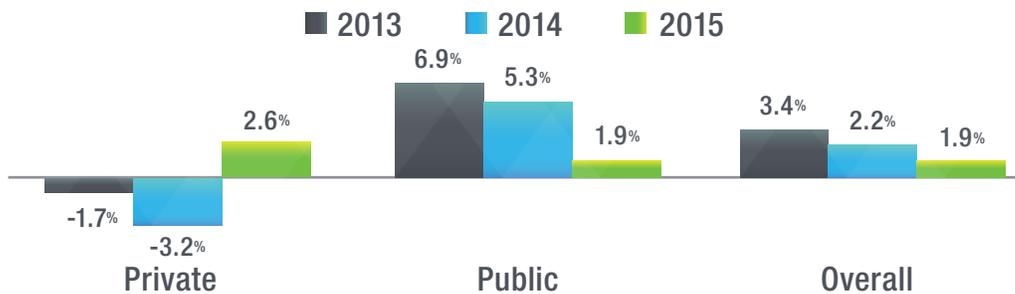
The median revenue per reactivated donor moved in different directions for public and private institutions in 2015. For private colleges and universities, the median rose from \$439 to \$478. For public institutions, the median dipped from \$327 to \$324. Given the stronger economy and general upward trends in giving over the past several years, it is unusual that the median revenue per donor would actually decline, even with reactivated donors.



DONOR ACQUISITION

Median Change in New Donors

Acquisition continues to be an important element of many higher education programs. The continual focus of acquiring new alumni donors led to positive growth this past year. The median change in the number of new donors was a positive 2.6% for private schools and a positive 1.9% for public schools, leading to a 1.9% overall median change in new donors at all higher education combined.



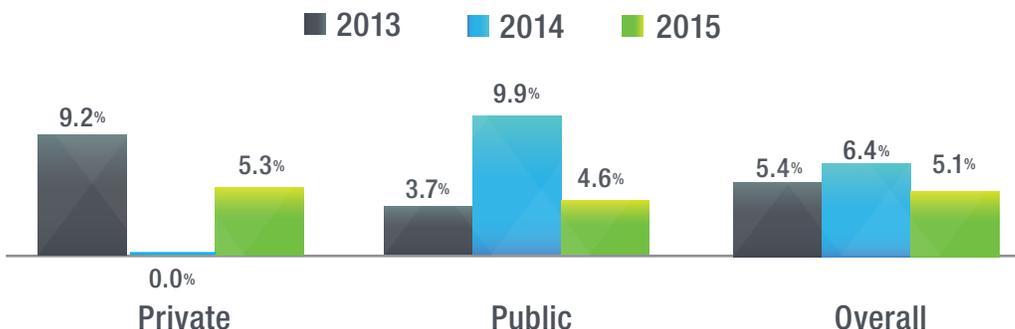
Median Revenue per New Donor

Revenue per donor went from \$109 in 2014 to \$116 in 2015 for private schools, and public schools—which have outpaced private schools in this metric in recent years—also saw growth from \$141 to \$144. More aggressive ask strategies (including second ask programs for first-time donors) have helped push this metric higher in each of the past three years.



Median Revenue per New Donor Change

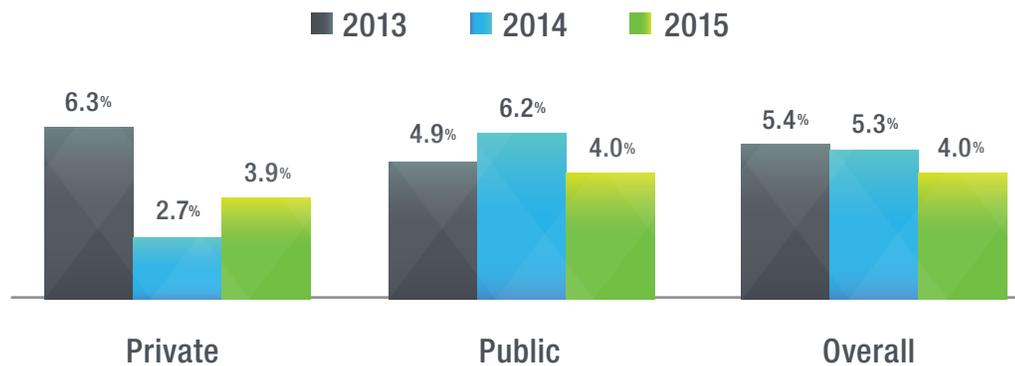
The change in median revenue per new donor was also positive in 2015. For private institutions, the percentage change was 5.3% and for public institutions, a strong 4.6%. New donors are giving more, and this trend occurs despite the growing number of new, low-level donors giving via senior class gift programs.



CONCLUSIONS: OVERALL PERFORMANCE

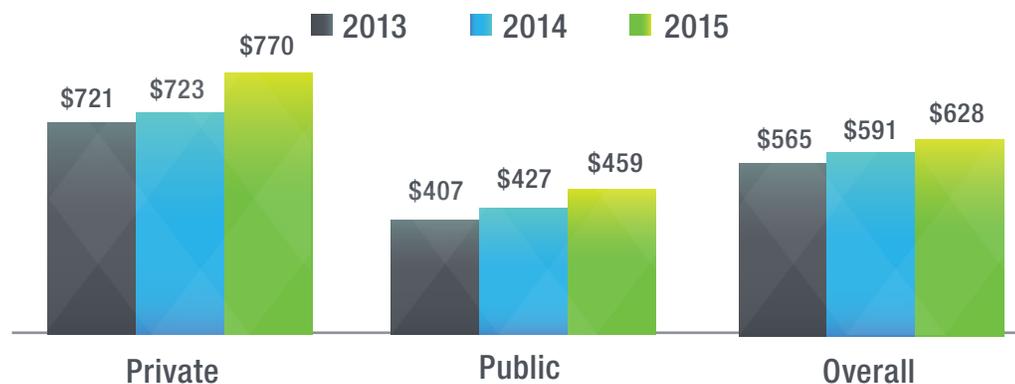
Median Change in Revenue

With the stronger economy, the overall revenue for public and private programs continues to move in a positive direction. The median percent change in revenue for public universities was 4%, while private schools changed by 3.9%. For many schools, revenue growth of 5% or more was not unusual in 2015.



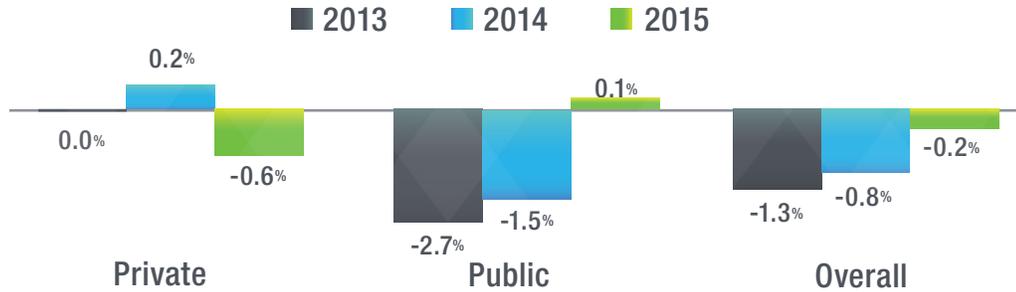
Median Revenue per Donor

While overall revenue was up last year for the vast majority of schools, the same can be said for overall median revenue per donor, which climbed from \$730 to \$746 for private institutions and from \$421 to \$451 for public institutions. This represents strong growth and again points to a very good year for revenue in 2014 across the board.



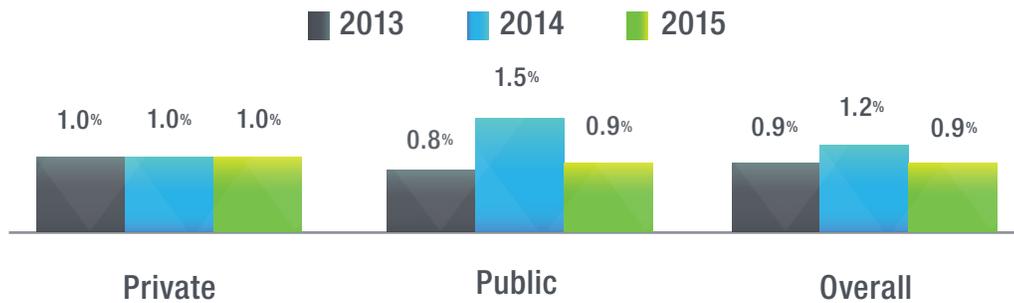
Overall Donor Counts

The median change in overall donor counts was mostly flat, with a -.6% dip for private schools and a positive .1% for public schools. The overall median change in donor counts was off a modest -.2%, suggesting a flat trend in the number of donors that year, even as the number of gifts per donor rose modestly.



Median Change in Gifts per Donor*

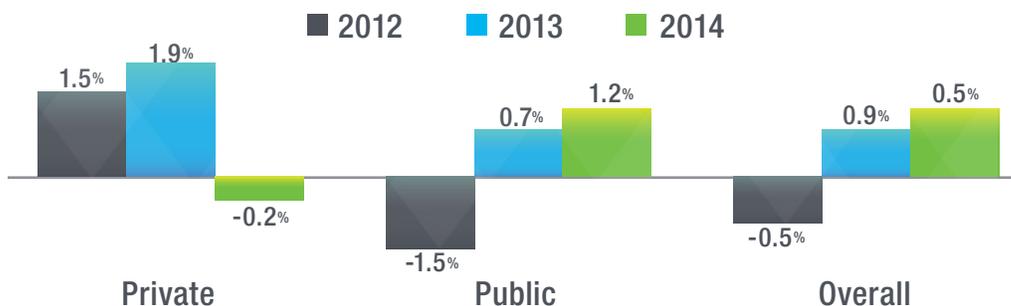
As more programs adopt and promote aggressive second ask programs, multiple asks during the year, and giving days, the median change in gifts per donor continues to rise with a positive 1% change for private schools and a .9% change for public schools. This movement demonstrates the ongoing and potentially increasing willingness of donors to make multiple gifts during the year.



*Pledge payments, recurring gifts, and payroll deductions are counted as one gift for this analysis.

Median Change in Gifts*

The number of gifts continues to increase due in part to more donors making multiple gifts during the year. For private institutions, the median change was 2.3% and public institutions had a positive median change of 1.1%. Despite challenges in recent years related to the number of donors, the number of gifts to institutions continues to rise.



*Pledge payments, recurring gifts, and payroll deductions are counted as one gift for this analysis.

PARTICIPATING PRIVATE INSTITUTIONS

Alfred University	George Washington University
Azusa Pacific University	Gonzaga University
Barnard College	Grinnell College
Benedictine College	Harvard Medical School
Boston College	Holderness School
Boston College Law School	Johns Hopkins University
Boston University	Lake Forest Academy
Boston University School of Management	Lake Forest College
Boston University Medical School	LaSalle University
Brandeis University	Lewis and Clark College
Carroll College	Luther College
Carnegie Mellon University Tepper School of Business	Luther Seminary
Clark University	Marquette University
College of St. Benedict	Massachusetts Institute of Technology
College of Wooster	McDaniel College
Colorado College	Meharry Medical College
Columbia University	Milton Academy
Columbia University Business School	MIT Sloan School of Management
Columbia University College of Medicine	Mount St. Mary's College
Cornell University Johnson Graduate School of Management	Muhlenberg College
Dartmouth College	Northeastern University
Emma Willard School	Northwestern University
Emory University	Northwestern University Kellogg School of Management
Episcopal High School	New York University
Fairleigh-Dickinson University	New York University Law School
Furman University	New York University Stern School of Business
Gettysburg College	Occidental College

Ohio Wesleyan University	The Thacher School
Oral Roberts University	Union College
Phillips Academy Andover	University of Chicago
Point Loma Nazarene University	University of Chicago Booth School of Business
Presbyterian College	University of Chicago Law School
Rensselaer Polytechnic Institute	University of Chicago School of Medicine
Rice University	University of Denver
Rice University Jones School of Business	University of Miami
Rollins University	University of Pennsylvania
Samford University	University of Pennsylvania Law School
Saint Louis University	University of Redlands
Saint Mary's College of California	University of Richmond
Sarah Lawrence College	University of Richmond School of Law
Siena College	University of San Francisco
Smith College	University of San Diego Law School
Southern Methodist University	University of Scranton
St. John's University	Wake Forest University
St. Joseph's University	Webb Schools
St. Mark's School	Whitman College
St. Olaf University	Whitworth University
Stanford Law School	Willamette University
Syracuse University	Woodberry Forest School
Texas Christian University	Yale Law School
The Principia	

PARTICIPATING PUBLIC INSTITUTIONS

Appalachian State University	Indiana University of Pennsylvania
Arizona State University	James Madison University
Augusta University	Kansas University
Augusta University Medical College of Georgia	Kent State University
Bowling Green State University	McMaster University
Cal Poly Pomona	McMaster University Faculty of Health Sciences
Cal Poly San Luis Obispo	Michigan State University
California State University Bakersfield	Montclair State University
California State University Fresno	North Carolina State University
California State University Fullerton	New Jersey Institute of Technology
California State University Los Angeles	Ohio University
California State University Northridge	Oklahoma State University
California State University Sacramento	Oregon State University
California State University Stanislaus	Pennsylvania State University
Carleton University	Purdue University
Clemson University	Queens University
Colorado School of Mines	Richard Ivey School of Business at Western University
Colorado State University	Rutgers University
College of William and Mary	San Francisco State University
Dalhousie University	San Jose State University
Darden School of Business at the University of Virginia	Sonoma State University
East Carolina University	Southern Alberta Institute of Technology
Ferris State University	Texas A&M University
Georgia Southern University	The College of New Jersey
Georgia State University	The Ohio State University
Humboldt State University	The Ohio State University College of Medicine
Iowa State University	University of Arizona

University of California, Berkeley	University of Minnesota Carlson School of Management
University of California, Berkeley Haas School of Business	University of Nebraska
University of California, Davis	University of North Carolina, Chapel Hill
University of California, LA Anderson School of Management	University of North Carolina, Flagler School of Business
University of California, LA School of Law	University of North Carolina, Charlotte
University of California, Riverside	University of North Carolina, Greensboro
University of California, Santa Barbara	University of North Carolina, Wilmington
University of California, Santa Cruz	University of Northern Colorado
University of California, San Diego	University of Oregon
University of Cincinnati	University of Saskatchewan
University of Delaware	University of Tennessee
University of Florida	University of Toronto
University of Georgia	University of Texas, Austin
University of Guelph	University of Texas, Dallas
University of Iowa	University of Virginia
University of Illinois	University of Waterloo
University of Kentucky	University of Wisconsin
University of Maine	Washington State University
University of Maryland	Western Carolina University
University of Michigan	Western University
University of Michigan Ross School of Business	Wichita State University
University of Michigan School of Law	Wilfrid Laurier University
University of Minnesota	York University

FURTHER INFORMATION

Participation: For more information about participating in the *2015 donorCentrics™ Annual Report on Higher Education Alumni Giving*, contact Jenny Cooke Smith at jenny.cooke@blackbaud.com or 843.654.3762.

Media Contact: For press inquiries or permission to reproduce, contact Nicole McGougan at nicole.mcgougan@blackbaud.com or 843.654.3307.

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ANNUAL REPORT METHODOLOGY

Target Analytics applied the following rules to standardize data from each of the institutions participating in the *2015 donorCentrics Annual Report on Higher Education Alumni Giving*.

Soft credits and matching gift payments are excluded. Direct mail, telemarketing, and digital giving are by far the dominant revenue sources for most schools; however events, personal solicitation, and other sources are included. Indicators are calculated on a cash payment basis, as opposed to a pledge basis. Gifts or donors are defined as new, retained, or reactivated according to relative gift dates rather than organization-specific business rules or source codes. Retention rates are calculated by dividing the number of donors giving in the current year who also gave during the previous year by the total number of donors who gave in the previous year. Revenue per donor refers to the cumulative giving per donor per year.

The *2015 donorCentrics Annual Report on Higher Education Alumni Giving* uses medians (the middle values in a ranked order of numbers) to measure trends, because it minimizes distortion caused by the wide range of organizations' file sizes or extreme changes at a few organizations.

About Blackbaud

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