



# Charitable Giving Report

Spotlight: How Fundraising Performed  
in the Higher Education Sector in 2016



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## INTRODUCTION

I'm privileged to provide you with this spotlight continuation of the *Charitable Giving Report*, which exclusively highlights the higher education sector. As president and general manager of Blackbaud Higher Education Solutions, I am honored to provide current and relevant information for the higher education space. This spotlight is an excellent way to showcase the impact we have seen in 2016 across the philanthropic landscape. You will hear from Sue Cunningham, CEO of the Council for Advancement and Support of Education (CASE) and get her perspective on the state of higher education and where there's possible room for growth in 2017. I am excited to share this with all of you and for what is yet to come in 2017!

— *Tim Hill, President & GM,  
Higher Education, Blackbaud*

**The 2016 Charitable Giving Report leverages The Blackbaud Index to provide a year-in-review based on the largest analysis of overall and online giving data anywhere in the nonprofit sector. See the highlights around Higher Education institutions in the following pages, and download the full report at [www.blackbaud.com/charitablegiving](http://www.blackbaud.com/charitablegiving).**

## THE FINDINGS

### Overall Giving

In 2016, overall charitable giving in the United States increased 1.0% on a year-over-year basis. The higher education sector experienced a 1.5% increase in year-over-year revenue, on par with the average for all sectors. The U.S. nonprofit sector is entering a period where sustainable growth depends on embracing best practices in donor engagement, retention, and stewardship. This includes using data and analytics to drive informed decision making.

#### 2016 OVERALL GIVING TRENDS

SECTOR	YOY % CHANGE
Higher Education	1.5%
All Sectors	1.0%

### Online Giving

While 2016 showed a continuation of lower year-over-year growth rates in overall charitable giving, it also saw strong growth in online donations. Online giving grew 7.9% in 2016 compared to 2015 for all sectors. But in the higher education sector, online giving grew significantly with a 12.3% year-over-year. This continues a trend in significant online growth for higher education over the past three years.

#### 2016 ONLINE GIVING TRENDS

SECTOR	YOY % CHANGE
Higher Education	12.3%
All Sectors	7.9%



## Trends by Percentage of Total Fundraising from Online Giving

The percentage of total fundraising that came from online giving reached a record high in 2016. About 7.2% of overall fundraising revenue, excluding grants, was raised online. However, online giving as a percentage of total revenue for higher education institutions still lags behind the average for all nonprofits—in fact, online giving makes up only 4.3% of total fundraising, the smallest percentage of any nonprofit sector. Higher education Institutions must continue to push for growth in this area to keep up with the pace of consumer trends for online activity.

### 2016 PERCENTAGE OF TOTAL FUNDRAISING FROM ONLINE GIVING

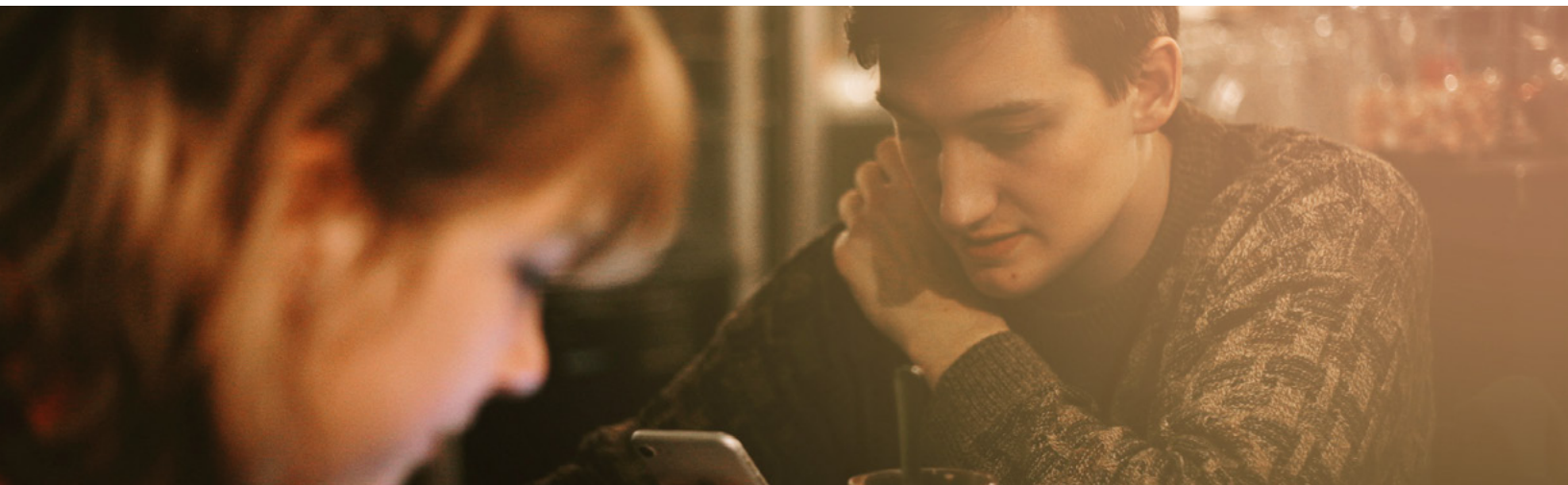


## Giving Trends by Month

Across all of 2016, December remains the largest giving month of the year for higher education organizations, followed by June. This year, a significant percentage of online giving also occurred in November, which could be due to continued growth in #GivingTuesday online donations.

### 2016 OVERALL AND ONLINE GIVING PERCENTAGE BY MONTH

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Overall	6.7	6.8	7.3	7.0	7.0	10.5	6.4	7.3	7.7	7.7	7.9	17.7
Online	4.6	6.1	8.0	8.5	6.9	9.2	3.8	5.5	7.0	6.7	9.7	24.2



## #GivingTuesday Trends

Higher education institutions continue to perform well on #GivingTuesday, receiving 17% of all #GivingTuesday revenue in 2016 (up from 13% in 2015). With online #GivingTuesday revenue increasing 20% across all sectors in 2016, this growth in the movement is likely to continue.

### 2016 DISTRIBUTION OF #GIVINGTUESDAY REVENUE IN THE HIGHER EDUCATION SECTOR



#GIVING  
TUESDAY



## SECTOR PERSPECTIVE

### Interview with Sue Cunningham, President of CASE

#### **What ways have you seen giving evolve at CASE in the last year?**

In terms of engagement and building a broad constituency of engaged supporters, the annual fund remains a vital component of any fundraising effort. It can be challenging to sustain energy and excitement year over year for annual campaigns, but each year we see innovative and creative solutions through the CASE Circle of Excellence Awards.

For example, Davidson College in North Carolina was recently honored by CASE for its annual giving campaign. In addition to annual dollar and participation goals, the college continued to build upon its work with crowdfunding to bring continued energy to the third year of a one-day challenge, "All in for Davidson," which secured more than \$763,000 from 2,727 donors in a single 24-hour period. The college further engaged volunteers around class giving and reunion giving, with several class goals surpassed during the year.

#### **What trends are you seeing impact the higher education sector?**

Educational institutions are more proactively engaging their current students in advancement activities—and not just fundraising. At CASE we have seen interest in our Affiliated Student Advancement Program increase more than one-third in the last year alone, and we have more than doubled the number of students participating in our summer advancement internship program.

Philanthropy would not exist without relationships, and although technology has made it easier to give online, significant gifts result from meaningful human interactions. Blackbaud's data supports this: More than 90% of online donations are less than \$1,000. You can't truly understand what motivates a donor without communicating with them, and there is still no better way to do that than through face-to-face conversation.



## Interview with Sue Cunningham, President of CASE (Continued)

### **What do you think higher education institutions can do to increase young or lost alumni giving?**

Donors increasingly want to see the results of their philanthropy, so the more institutions can better demonstrate impact and value, the more successful they will be. *The Journal of Experimental Social Psychology* recently published interesting findings from a study of 12,000 alumni from an elite business school: Donors gave approximately \$150 more on average when they were asked to “come forward and take individual action” than when they were asked to join their community and “support a common goal.” The study is a good reminder that our goal should be to help donors achieve *their* philanthropic goals by aligning them with the institution’s goals.

We also need to be mindful of how people want to receive communications. According to Achieve’s *Millennial Alumni Report*, 73% of millennial alumni surveyed indicated that they wanted to receive emails from their alma mater about university news, underlying the importance of digital engagement with young alumni groups. Grinnell College in Iowa did this successfully through “Scarlet and Give Back Day,” leveraging social media and email marketing to put the “fun” back in fundraising—and earning a CASE Circle of Excellence Award.

### **How can higher education institutions be sure that they are targeting the right asks?**

The people leading fundraising programs are increasingly looking beyond their standard lists of “asks” and working more closely with academic leaders to develop compelling and visionary philanthropic opportunities for donors. The more that those outside of the fundraising office are involved, and the more integrated the advancement functions are, the more successful institutions will be.

### **Do you think #GivingTuesday truly impacts Higher Education foundations and institutions, and if so, how?**

Single-day events like #GivingTuesday continue to be particularly successful at connecting with young alumni and current students and fostering a broad-based culture of philanthropy and alumni engagement. Institutions are increasingly creative in leveraging social media and making these events fun. Digital engagement can also be an effective way to identify new potential donors.

In order for there to be continued success, it will be important for institutions to engage these newer constituents beyond a single-day event—especially if these supporters are to be cultivated for more significant gifts, as one would expect.

### **Where do you think the room for growth is for 2017 in the Higher Education sector?**

Because educational institutions positively impact so many lives and communities, the potential donor universe is enormous. That also can create challenges though as institutions need to segment and target their audiences in order to be most effective. With increasingly mobile populations, the opportunity to engage international donors (alumni, parents, international philanthropists) is becoming an increasingly great opportunity for many educational institutions. I am also hearing more CASE members talk about partnerships with other educational institutions—particularly in the realm of transformational gifts. This is an exciting pattern emerging globally and often a development encouraged by the donor.



## About the Blackbaud Institute for Philanthropic Impact

The Blackbaud Institute drives research and insight to accelerate the impact of the social good community. It convenes expert partners from across the philanthropic sector to foster diverse perspectives, collective thinking, and collaborative solutions to the world's greatest challenges. Using the most comprehensive data set in the social good community, the Blackbaud Institute and its partners conduct research, uncover strategic insight, and share results broadly, all in order to drive effective philanthropy at every stage, from fundraising to outcomes. Knowledge is powering the future of social good, and the Blackbaud Institute is an engine of that progress. Learn more, sign up for updates, and check out our latest resources at [www.blackbaudinstitute.com](http://www.blackbaudinstitute.com).

## About Blackbaud

Blackbaud (NASDAQ: [BLKB](https://www.blackbaud.com)) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for [fundraising and relationship management](#), [digital marketing](#), [advocacy](#), [accounting](#), [payments](#), [analytics](#), [school management](#), [grant management](#), [corporate social responsibility](#), and [volunteerism](#). Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit [www.blackbaud.com](http://www.blackbaud.com).



