Core Group
Presentation of Findings:
Support for The University of North Carolina at Greensboro,
& Investment in Development
Prepared for
Board of Trustees of The University of North Carolina at Greensboro

December, 2010
Core Group Consortium Partners

**Public Universities:** Rutgers, Temple University, University of California at Berkeley, UCLA, University of Florida, University of Massachusetts (Amherst, Lowell, Worcester, Dartmouth, Boston) University of Michigan, University of North Carolina at Chapel Hill, *University of North Carolina at Greensboro*, University of Texas at Austin, University of Virginia, University of Washington, Virginia Tech, Washington State University.

**Private Universities:** Boston College, Brown, Canisius, Carnegie Mellon, Chicago, Clark, Columbia, Cornell, Creighton, Dartmouth, DePaul, Duke, Fordham University, Georgetown, Harvard, John Carroll University, Johns Hopkins, Loyola Marymount, MIT, Northwestern, Princeton, Regis, Rice, Santa Clara University, Simmons, Stanford, Tufts, Penn, Xavier, Yale.

**Liberal Arts Colleges:** Amherst, Bates, Bowdoin, Carleton, Colby, Colorado College, Connecticut College, DePauw, Holy Cross, Mount Holyoke, Franklin and Marshall, Haverford, Macalester, Pomona, Reed, Smith, Swarthmore, Vassar, Wabash, Wesleyan, Williams.
Cornerstones of Knowledge

Membership Analysis of Gift Receipts & Investments

Growth and Campaign Success
Operational Maturity

Informs Strategy

Informs Tactics

Productivity and Benchmarking
Program Growth Opportunity

Investment in the Operation and Return
Resource Needs & Deployment

Most Generous Donors & the Alumni Donor Relationship
Annual Program
• UNCG's *Historical Success*
  • Long Term Trends & Drivers of Success
  • Campaign Success
• *Productivity & Peer Benchmarking*
• *Investment in Advancement and Consequent Gift Receipts*
  • Investment and Return
• *Summary* of Key UNCG Findings & *Implications for Planning*
Makes the point that we’ve grown over time and especially since ‘04.

Total 6.6% growth (compound annual growth rate) comprised of two growth cycles and one period of slight decline.

Strength: Ability to achieve periodic high growth over time.

Opportunity: Sustained growth.

Note: This shows cash gifts in constant dollars in each fiscal year over the period.
Gifts by Size - Emergence of Larger Gifts & Periodic Growth in Smaller Gifts

Illustrates the growth by gift size and strength in the mid-tier – your major gift efforts, Patti.

Strength: Stability & growth in bands <$25k.
Opportunity: Continue to inspire largest gifts.

Note: This shows cash gifts by gift size in constant dollars in each fiscal year over the period.
UNCG Campaign Success – *Growth in an Average Year*

The Second Century Campaign inspired a 41% increase in an average year from the pre Campaign period. This level of support was sustained and improved in the post Campaign period and the Students First Campaign increased +43% from that level.

Strength: Campaign success.

Note: This shows cash gifts in constant dollars in an average year for Campaign and non-Campaign periods.
UNCG Campaign Success – *Growth in Individual Gifts*

Campaign growth was driven by growth in Individual gifts, but Organization gifts and Realized Bequests also increased. Individual gifts declined in the post Campaign period, but growth in Organization gifts and Realized Bequests grew to create the increase in an average year after the Campaign.

**Strength:** Campaign increased gifts from, especially those from Individuals.

Note: This shows cash gifts in constant dollars in an average year for Campaign and non-Campaign periods by source of gift.
Example: Maturity Metric – *Growth Across Gift Bands*

UNCG is an emerging operation, able to achieve periodic growth across most gift size bands. Contrasts us to a more mature operation.

UNCG’s gifts are becoming more consistent, but growth is periodic.

This more mature operation has volatility in larger gifts, but has more consistent growth across lower bands.
Example: Maturity Metric: *Campaign Changes the Floor of Fundraising*

UNCG can inspire growth during the Campaign, and can retain that new peak and grow gift level after the campaign.

A mature operation has steady growth - strong growth during Campaigns and continued growth at a lower level after the campaign.
Peer Group

Peers are selected to be aspirational or to have a similarity in size or maturity. Universities included in the peer group are:

- Rutgers (maturity peer*)
- Temple University (maturity peer)
- UC Berkeley
- UCLA
- University of Florida
- University of Massachusetts (maturity peer)
- University of Michigan
- University of North Carolina, Chapel Hill
- University of Texas at Austin
- University of Virginia
- University of Washington
- Virginia Tech (aspirational peer*)
- Washington State University (aspirational peer)

Note: Maturity Peers are institutions that are at a similar point in their maturity as UNCG, while Aspirational Peers are slightly more mature than UNCG and therefore suggest growth opportunities.
**Benchmark:** Average Year Cash Gifts

Peers vary in average year gifts. UNCG is in the 14th position, clustered with peers 11, 12 and 13.

Note: This aggregates the gifts over the last decade for UNCG and peers to create an average year of cash gifts raised.

**Benchmark:** Productivity Metric

UNCG remains in the 14th position, but the peer group shifts. UNCG is clustered with peers 12, 11 and 8.

Note: This normalizes the average year by dividing by the number of Alumni in each institution over the decade to create a measure of “Productivity”.

Shows the derivation of the Productivity metric and how it shifts peers, creating different peer groupings.
BENCHMARK: **Productivity by Gift Size Band**

More productive peers have strong Productivity in all gifts sizes.

Provides a context for the differences between good, great and best – balance in Productivity across gift sizes (the result of a well balanced effort across all programs).

**Most productive operations create balance across all gift size bands.**

Note: This shows Productivity by gifts size over the decade.
**Relevant Peers Using the *Productivity Metric***

UNCG’s Productivity is most like peers 12, 11 and 8. These Maturity Peers are at a similar point in building maturity as UNCG. Peers 2 and 13 are Aspirational Peers, those having slightly higher Productivity than UNCG has today and a good benchmark for UNCG growth.

Note: Maturity Peers are Temple, Rutgers and University of Massachusetts. Aspirational Peers are Virginia Tech and Washington State.
**Benchmark: Productivity by Gift Size & Peer Segment**

UNCG’s Productivity is 67% of Maturity Peers and 41% of Aspirational Peers and is closest to Maturity Peer Productivity in gifts under $250k.

Compared us and maturity and aspirational peers – shows strength in the mid tier where we’re closest to Peers.

**Strength:** Gifts under $250k.

**Opportunity:** Larger gifts.
Benchmark: *Difference in Productivity by Gift Size UNCG & Maturity Peer Average*

The biggest differences in Productivity are in largest and smallest gifts. UNCG has Productivity closest to the Peers in gifts between $1k and $50k and in gifts between $250k and $500k.

Compared to Maturity peers in each gift size band – again, we’re strongest in gifts $1k-$50k.

**Strengths:** Mid-tier Gifts.

**Opportunities:** Largest and smallest gifts.
Breaks productivity by donor source and shows our strength in Individual fundraising. Patti – this argues for keeping the team/practices that are making us successful in major gifts, need to work on the Annual Fund and high end.

Benchmark: Individual Productivity Compared to the Maturity Peer Average

UNCG has Productivity that is ahead of or equal to peers in gifts between $1k and $250k.

Note: This shows UNC G’s Individual and Organization Productivity compared to the maturity peer average by size band.

Benchmark: Organizational Productivity Compared to the Maturity Peer Average

UNCG lags peers in all gift sizes, but is closest to the peer average in smaller gifts.

Strength: Individual gifts.

Opportunity: Organization gifts.
Peers in the Investment Study

All Public Universities are included in the peer group in order to track evolution over time:

- Rutgers
- Temple University
- UC Berkeley
- UCLA
- University of Massachusetts
- University of North Carolina, Chapel Hill
- University of Virginia
- University of Washington
- Virginia Tech University
- Washington State University
Determine the Dynamics of Investment – *Range of Productivity Among the Group*

High to low range of productivity measure – Average year level of gift receipts raised per Alumnus/a.

UNCG’s Productivity is below the average (index of 100).
Determine the Dynamics of Investment – *What correlates to “Productivity”?*

Sets up methodology for Investment study.
Our Traditional Metric – Cents Per Dollar Raised - and Productivity

Note: This analysis shows an index of Productivity (vertical axis) and an index of the cents per dollar raised so that the lowest cents per dollar raised are on the right hand side of the matrix (horizontal axis).

Peer 6 spends 88% of Peer 8 on a cents per dollar raised basis and raises 483% more in Productivity.

No correlation between Productivity and cents per dollar raised.

Cents per Dollar Raised is not a good strategic planning metric.
**Total Investment and Productivity on a Per Alum Basis Move Together**

*Introduces the Investment – Productivity correlation.*

**UNCG’s Productivity is slightly lower than investment would suggest.**
This Correlation Exists for All Types of Institutions

Show correlation across the consortium.
Critical Mass – Return Accelerates with Investment

UNCG generated $3.76 for each invested dollar per Alumna/us in FY ‘08. More Productive Peers generated a higher return on investment than moderate Productivity Peers.

Note: This analysis shows Productivity (vertical axis) and total investment on a per Alumna/us basis (horizontal axis).

The critical mass is moving beyond $125 per Alumna/us.
Summary of Investment Findings

Summary of Investment Study findings.

• *Investment in Development provides a return that accelerates after reaching a “critical mass”.*

• *There is not yet a “diminishing return”.* Hypothesis - expanding market.

• Investment in *Front Line Fundraisers correlates with productivity*

• Investment in *Support of those Fundraisers also correlates with productivity*

• Some of the most productive operations have also made the highest investment in *Communications and Alumni Relations*.

Most productive operations are balanced in their investment in the front line, support of those fund raisers and Alumni Relations.

It is likely that investment in Communications also will correlate with productivity as that function matures.
Strategic Planning Implications

• UNCG is an operation emerging into maturity – able to sustain growth and with support across gift sizes.

• Individual gifts are driving success, especially gifts $50k-$250k.

• In the Campaign, UNCG was building donors until ’09.

• UNCG’s Productivity is commensurate with investments made.

• Opportunities exist in:
  • Building smaller and larger gifts from Individuals.
    • Arresting the decline in small gift donors.
    • Building Alumni donors.
  • Building the Corporate and Foundation gift base.

The Productivity metric and peer benchmarking can assist in quantifying growth opportunities. The Investment and Return metrics can be used to assist in forecasting needed to realize growth.