

Donor Preferences for Fundraising Solicitations
and Donor Acknowledgement

by

Amy L. Bloomberg

Submitted in Partial Fulfillment of the Requirements for the
Degree of Master of Education

July 2015

Goucher College
Graduate Programs in Education

Table of Contents

List of Tables	i
Abstract	ii
I. Introduction	1
Statement of the Problem	2
Statement of Research Hypothesis	2
Operational Definitions	2
II. Review of the Literature	3
Challenges and Opportunities in Fundraising	3
Donor Characteristics and Motivation	7
The Importance of Donor Relations on Fundraising	12
III. Methods	16
Design	16
Participants	16
Instrument	16
Procedure	17
IV. Discussion and Analysis of the Data	18
Discussion	18
Relationship to the Literature	22
Threats to Validity	23
Suggestions for Further Research	24
References	26

List of Appendices

1. Appendix A: Questionnaire	29
2. Appendix B: Sample Responses	33
3. Appendix C: Email Invitation to Complete Questionnaire	39

Abstract

This research explores donor preferences as it relates to fundraising appeals and donor acknowledgement. The literature review outlined the challenges and opportunities in fundraising, donor characteristics and motivation, and the importance of donor relations in fundraising. An online questionnaire was developed to send to perspective donors who received an undergraduate degree from the same college. The results from the questionnaire revealed that the participants favored personalized fundraising solicitations and acknowledgements authored by a familiar college representative. In addition, interaction with those who benefit from the donor's gift was highly rated, and identified as a favorable action to properly acknowledge and thank a donor for their gift.

CHAPTER 1

INTRODUCTION

Overview

Since tuition only covers a portion of the cost of a college education, colleges must rely on funding above and beyond regular tuition revenue from a variety of sources including alumni, parents, faculty, staff and friends of the college. In addition to providing valuable resources to the college, alumni support signals to external constituencies that the institution is worthy of their support. Foundations and other funding organizations view the percentage of alumni support as a sign of institutional strength and it is also a factor considered for college rankings such as the U.S. News and World Report.

With so many non-profit organizations in need of financial support, fundraisers must stay attuned to the latest trends in the field as far as the types and method of solicitations and donor acknowledgement. Colleges utilize various methods to raise important funds for scholarships, program support, endowed funds, capital projects and more. Solicitations can take any form such as letters, emails, phone calls, face-to-face meetings, and peer solicitations. Donor acknowledgment can range from a simple thank you letter from a college representative to large scale philanthropy celebrations. The effectiveness of these programs are lost if they are not appropriately designed to appeal to each donor constituency.

The researcher is a fundraiser at a small liberal arts college. With the rising cost of a college education and more families in need of financial aid, the researcher has the responsibility of raising more money for the college to meet these increasing needs. In order to do so, the researcher must find ways to appeal to various constituencies to garner their support of the

institution. The results found in this study will assist the researcher in developing fundraising and donor acknowledgement strategies for the upcoming fiscal year.

Statement of Problem

The purpose of this study is to examine donor preferences for different types of fundraising solicitations and donor acknowledgement. The problem statement for this study is as follows: What fundraising strategies are most appealing to prospective donors?

Hypothesis

The purpose of this study was to obtain information on donor preferences in regards to fundraising activities. This study is a descriptive study and utilized an online questionnaire to gather information. There is no hypothesis for this study.

Operational Definitions

The literature review was completed over a 14 week course called Research Methods. The review covers challenges and opportunities in fundraising, donor characteristics and motivation and the importance of donor relations on fundraising. The literature review examined 12 sources that covered a timeframe of 2004 through 2013.

Chapter II

REVIEW OF THE LITERATURE

Introduction

Philanthropy is essential to the success of colleges and universities. Since tuition only covers about two thirds of the actual costs of an education, colleges and universities must rely on funding from other sources such as grants, state-funding programs, and donations from alumni, parents, faculty, staff and friends of the institution. The purpose of this action research paper is to explore how donor relations influence philanthropy at institutions of higher education. Section one examines the fundraising challenges that face institutions of higher education. Section two explores the characteristics of donors and the factors that influence donors to contribute to higher education. Finally, section three will study the critical role of donor relations in fundraising.

Challenges and Opportunities in Fundraising

Colleges rely on donations from individual donors to help cover general operating expenses, fund new programs and initiatives, and grow the endowment (Holmes, 2009). In 2008, educational institutions received \$31.6 billion in donations (McDearmon & Shirley, 2009), with 47% of this amount given by alumni (Wastyn, 2009). Higher educational institutions face a multitude of challenges when it comes to raising funds from private individuals. A volatile economy and donor motivation are common themes found in literature on this topic.

With the recession of 2008, Curry, Rodin and Carlson (2012) found that 80% of non-profit and educational institutions surveyed experienced financial stress, with some organizations experiencing such difficult times that they had to reduce employee hours, or even reduce staff size. Colleges and universities reported that revenue from direct mail decreased by at least 1% over the previous year compared to other fundraising activities. Institutions who reported an

increase in direct mail revenue attributed their success to delivering a strong, clear message about the needs of the organization within the direct mail solicitations.

Institutions that used a transformational approach to fundraising fared better than those who used a more transactional method (Curry, et al., 2012). Transformational fundraising focuses on developing genuine relationships with donors through face-to-face meetings and personalized communication that delivers a clear and compelling message. It also involves getting to know the donor's interests and passions and connecting them to the vision of the college. Transactional fundraising utilizes a sales approach to motivate alumni to give to the college. The development officer focuses on the transaction of the gift first followed by the relationship with the donor.

Donor motivation is another factor that influences the success of fundraising in higher education. In her research, Wastyn (2009) indicates that “[a]lumni decisions not to give may prove detrimental for higher education as the need for alumni contributions to maintain fiscal health continues to grow” (p. 97). As identified in previous research, there are four factors that are likely to influence alumni when making a decision of whether or not to give to their alma mater: demographics, experiences, motives, and trigger events.

Demographics such as age and income correlate to giving behaviors among alumni. Income does not determine giving status (donor or non-donor); however, it is an indicator of the size of gift a donor may make to the institution. Giving tends to peak when a donor reaches their early fifties, declines slightly before bouncing back (Wastyn, 2009). Capacity and motivation of a donor are important factors to consider. Capacity describes the donor's income while motivation refers to a donor's values and personality (Wu & Brown, 2010). A donor with a large

capacity doesn't necessarily translate into a gift if the donor does not have any interest in the institution, or the program that is in need of funding.

The experiences a donor has with their alma mater, both as a student and alumna/us, will likely influence a person to give to the college in the future (Wastyn, 2009). Alumni who were involved in clubs, affinity groups, leadership groups, fundraising campaigns, or athletic teams as undergraduates tend to give more than those who did not participate in extra-curricular activities (Holmes, 2009). An opposing view, however, states that identification with a college is influenced more by interactions within the classroom rather than a student's involvement in extra-curricular activities (Tom & Elmer as cited in Wastyn, 2009).

Previous studies have found that alumni who retain a connection with their alma mater after graduating tend to give, especially among those who recently visited campus and/or had interactions with a college representative (Shim as cited in Wastyn, 2009). On the contrary, other research suggests that alumni involvement does not influence giving (Connor as cited in Wastyn, 2009). Overall, alumni are triggered to give to their alma mater by being asked, the availability of charitable tax benefits, and a sense of obligation to give back (Van Slyke & Brooks as cited in Wastyn, 2009).

Four main themes have been found to generalize why alumni do not give back to their alma mater. Many people see their college experience as a transaction. They paid for their education, and their association with the college is now over. Alumni also cite that they do not believe the college needs their money. There is a misconception that smaller gifts do not make a difference at a large institution. This feeling may be attributed to fundraisers asking for larger gifts with the assumption that donors will make a smaller gift if the original ask amount is beyond their budget. As a result, alumni choose not to make a gift at all (Wastyn, 2009).

Endowment growth has also been cited as having a negative effect on alumni donations. If the endowment increases, alumni feel as if the school has become more affluent and does not need additional support (Gottfried & Johnson, 2006). In addition, alumni non-donors are unsure how the institution would use their donation. Other non-donors admit that charitable giving decisions are handled by their spouse, and that they have little or no involvement in the decision.

While colleges face many challenges, there are opportunities to increase alumni support. As mentioned earlier, a transformational approach to fundraising often leads to greater effectiveness by building relationships with donors through face-to-face meetings. As a result, the college can find a fundraising opportunity that would align with the donor's interests (Curry et al., 2012).

The literature also emphasizes a need for colleges to integrate communications and public relations strategies so that social media, advertisements, and direct mail all tell the same story. Fundraisers need to deliver a clear, consistent, compelling message of the needs of the university (Wastyn, 2009). In addition, institutions should demonstrate the value of the gift through the alumni newsletter or magazine, events, or a personalized letter to tell the donor how their gift was used by the college.

It would also be beneficial for colleges to focus on learning the personal narratives of the non-donor to understand why they do not give to the college, so that they can respond to any misperceptions, and identify opportunities that may lie ahead.

Overall, the literature states that although colleges may face challenges related to a volatile economy and a variety of donor motivation, there are opportunities to overcome these challenges through clear, consistent messaging, by understanding the characteristics of donors, and paying special attention to the non-donor.

Donor Characteristics and Motivation

Since donations from alumni have consistently accounted for about a quarter of all university donations, colleges must understand the determinants of alumni, faculty and staff giving as well as the mindset and characteristics of young alumni donors (Gottfried & Johnson, 2006). Prior experiences with the college as an undergraduate student, demographics such as gender, income, and age as well as alumni involvement with the college all factor into whether or not a person will make a gift to their college. Males are 7% less likely to donate than females. Those who do contribute, give 22% less than females (Holmes, 2009). Alumni who had a relative attend the school prior to them, are 6% more likely to give than those who had no prior connection to the school. Occupation also plays a factor in giving. Alumni who majored in the natural sciences are 2% more likely to give while arts majors are 4% less likely to donate than those who majored in the humanities. Overall, those in banking and financial services are the most likely to give. All of these characteristics are important to consider when planning fundraising strategies for a college.

There are six theoretical perspectives that may prove to be helpful in identify donor motives. These theoretical perspectives can help colleges develop a comprehensive fundraising campaign that will determine the types of interactions and communication a college has with its alumni as well as how donors are recognize for their generosity (Mann, 2007).

Within the charitable giving theory, there are three motivations that explain why people give: altruism, reciprocity and direct benefits. Donors who have altruism to their alma mater have a strong sense of loyalty, pride and empathy. The motivation of reciprocity describes an alum who makes a gift in return for a special benefit. The third motivation of direct benefit

refers to advantages received from making a contribution, for example, a naming opportunity within a building or a special reference in the alumni magazine (Mann, 2007).

The organizational identification theory describes those who feel a strong connection with the college. Alumni who are closely connected with their alma mater are more likely to support the college and its mission and contribute to the fundraising campaign (Mann, 2007).

Alumni who identify themselves through the social interactions are characterized within the social identification theory. Those who maintain a strong connection to the college through affinity groups such as clubs, social housing or athletic teams may be more inclined to give if the college personalizes fundraising campaigns based on these affinity groups (Mann, 2007).

Donors who are characterized by the economics theory feel called to support a cause to benefit others in need. When the donor understands the needs of the college, the donor is motivated to give by how the gift will impact others (Mann, 2007).

The services-philanthropy giving theory suggests that a person is influenced by service value, service quality, and satisfaction. Service value describes the exchange between what the donor receives versus what the donor gives up in order to receive these benefits. Service quality refers to how the donor determines the level of quality of service received from the college (Mann, 2007).

Relationship-marketing recognizes that donors have varying degrees of relationships with the college. Those who have a positive relationship with the college feel connected while those who view their relationship as more transactional have no emotional connection to the college. Clear and effective communication with alumni will help shape a positive connection which may lead to support of the fundraising campaign (Mann, 2007).

These theoretical perspectives will help a college identify the many characteristics of donors and how to integrate different messaging into a fundraising campaign in order to motivate alumni to give.

The age of the donor plays a significant role in fundraising. The literature categorizes donors into three age groups: Young Adult (18-39); Baby Boomer (40-58) and Mature Adult (59-70 or older). These age groups have different methods to determine if they will make a gift to their alma mater. Approximately 74% of young adults use the internet to research a charity or educational institution and to review the organization's website before making a gift compared to 48% of mature donors who use the same method (Williams, 2007). Baby boomers prefer to support causes that have quantifiable results, and view contributions as an investment in the future of the organization (Nicols, 1989, as cited in Williams, 2007). Mature donors and baby boomers take organizational efficiency into account when making a decision about a gift, while young adults place less emphasis on this factor (Williams, 2007). The literature indicates that overall, donors want charities and educational institutions to provide more information that will be helpful when considering charitable gifts.

The young alumni constituency, described as graduates from the past 10-15 years, is often faced with significant student loan debt when they graduate. Those who do contribute to the college usually give less than \$200 (McDearmon & Shirley, 2009). This constituency is important to the future success of the institution. For every one year increase in a donor's age, gifts to the institution increase by 5 percent (Bruggink & Siddiqui, 1995 as cited in McDearmon & Shirley, 2009)

Young alumni who had a positive undergraduate experience are likely to become donors. Involvement in extra-curricular activities through social housing, an affinity group, academic

organizations, leadership groups, or athletic teams increase the propensity to donate.

Additionally, alumni who developed a personal relationship with a faculty member, advisor, or other college staff member tend to give more than alumni who did not have similar personal connections (McDearmon & Shirley, 2009).

College rankings are another motivational factor that young alumni take into consideration when deciding to give to their alma mater. Colleges and universities that are ranked in the first and second quartile of the US News and World Report is correlated to the success of fundraising campaigns (Liu, 2006 as cited in McDearmon, 2010). Additionally, alumni who attend a top ranked school usually come from an affluent background and are more likely to accept higher paying jobs than students who attended a lower ranked school. As a result, these alumni are usually more willing to give money (Gottfried & Johnson, 2006). There is also a strong correlation between young alumni who give to other charities and those who give to their alma mater (McDearmon & Shirley, 2009).

Student loan debt is cited as a factor of why young alumni do not give to their college. On average, young alumni are faced with \$20,000 or more in student loan debt when they graduate (Baum & Paye, 2008 as cited in McDearmon & Shirley, 2009). Those with at least \$10,000 in debt are cited as giving at least 10% less than alumni who do not have student debt (Monks, 2003 as cited in McDearmon & Shirley, 2009). Alternatively, alumni who received some type of financial aid gave approximately 5% more than those that did not receive any type of aid. Even more, alumni who received need-based scholarships as students, gave 5-13% more than those who did not.

Young alumni non-donors have expressed concern with the career services offered by their college. Young alumni were frustrated that the college did not adequately prepare them to

find a job after graduation; therefore, they did not give to the college when asked. Other young alumni felt that the college should give something in return for making a gift. Incentives such as sweatshirts, mugs, and hats as well as access to college resources such as library databases might encourage young alumni to participate in giving campaigns. Some alumni want to know how giving back to the college will enhance the value of their degree (McDearmon, 2010).

Overall, young alumni who choose to support their alma mater want to be able to designate their gift to their program of choice, and want to know how their money will be used by the college. This constituency is interested in receiving frequent updates from the college on program success (Williams, 2007).

Faculty and staff of a college are an important constituency to consider when developing a fundraising campaign. Fundraisers in higher education have found that external constituencies such as alumni, parents and friends are often influenced by the success of an internal faculty and staff giving campaign. A high participation from employees signals to external donors that the college is successful, healthy, and worth supporting (Knight, 2004). Just like alumni donors, faculty and staff have various motives for giving to the college where they are employed. Senior faculty members tend to give out of a feeling of responsibility, self-fulfillment, professional attitude, and institutional loyalty. Overall, administrative employees are more likely to give, followed by those who are full-time. Employees who are also alumni of the institution have a high participation rate as well. Those who participate in a faculty and staff giving campaign indicate that they feel connected to the college, and give out of a feeling of loyalty to the school.

Employees, however, express frustration from a lack of communication of how gifts are used by the college. Some faculty members have indicated that they purchase instructional materials out of their own pocket because their department's budget is so small. As a result,

these faculty members feel less inclined to give additional money to the college. Other faculty members have an objection to being asked to give money to their employer. Some faculty members feel that they contribute far more to the college at a lower rate of compensation than if they were in the private sector (Knight, 2004). A disagreement with the campaign priorities is also another reason why faculty and staff choose not to give back to the college.

Faculty members tend to be more willing to give if they are able to designate their gift to their department. However, faculty members who have the interest and desire to establish a fund to support the needs of their department are often discouraged by the minimum amount needed to establish an endowed fund at the college (Knight, 2004).

Faculty and staff have suggested that fundraising teams appoint departmental representatives to help deliver the message about the importance of participation through the faculty and staff campaign. In addition, since employees prefer different types of communication, the college should send direct mail pieces, emails, and incorporate the campaign message into employee newsletters. Also, development officers should meet with faculty who wish to create an endowed fund, in order to pool together gifts in order to meet the minimum threshold to establish the fund (Knight, 2004).

The Importance of Donor Relations on Fundraising

Since alumni have a significant role in the financial stability of high educational institutions, it is important for fundraisers to develop strategies to effectively acknowledge and show gratitude to these donors. It is the role of the fundraiser to demonstrate to donors that the college is utilizing contributions effectively and responsibly. It is estimated that non-profit organizations will spend \$1.50 for every \$1 raised from new donors whereas they will spend only 25 cents for every \$1 raised from a previous donors (Greenfield, 1996 as cited in Waters,

2009). Donor relations is a critical component to the fundraising cycle. If an institution spends the time to cultivate donors appropriately, then donors are more likely to remain loyal and make additional contributions.

The literature organizes stewardship into four strategies: reciprocity; responsibility; reporting and relationship nurturing. Reciprocity describes the act of acknowledging the donor and showing gratitude on behalf of the institution. Fundraisers must thank donors in a timely manner and provide a receipt for tax purposes. When donors make a contribution, institutions are obligated to reciprocate that support through acknowledgement and documentation of the gift received (Waters, 2009).

Institutions are responsible for using contributions according to the donor's intent. Betraying a donor's wishes and redirecting the contribution to another program is a costly mistake. This will cause donors to lose trust in the institution and as a result may refrain from making additional contributions. It is critical that fundraisers ensure that gifts designated to a particular program are used only for those programs (Waters, 2009).

Fundraisers must keep donors informed of how the donor's contribution has been spent. Institutions need to provide timely reports to donors outlining the financial status (if an endowed fund) and recent news regarding the program, department or scholarship. Institutions must also provide audited financial statements on their website along with IRS 990 tax forms. News about the college, programs and services may also be shared on the institutional website (Waters, 2009).

A fundraiser's ability to build and nurture a relationship with a donor will likely lead to additional support in the future. There are numerous opportunities to keep donors engaged with the institution. Institutions should keep loyal donors in mind and share important college news

with these key donors first. In addition, fundraisers should make sure to send copies of newsletters and other relevant college articles to the donor as well as personal handwritten thank you notes. Donors should also receive special invitations to exclusive college events (Waters, 2009).

Of those surveyed regarding their preferences in regards to stewardship, donors valued reciprocity the most. Overall, major gifts donors (those who gave over \$10,000) favored all of the stewardship strategies more strongly than annual giving donors (Waters, 2009).

The literature also evaluated the effectiveness of utilizing the internet for the stewardship of donors. The internet offers a plethora of resources to communicate with donors. Institutions are turning to the internet because of the ability to instantly share up-to-date campus news with donors, and for the efficiency and low-cost factors. The most widely used internet resources to communicate with constituencies are institutional websites and various social media outlets such as Facebook, Twitter, and blogs. Social media allows colleges to foster engagement as well as open dialogue with various constituencies and gives the college an opportunity to change attitudes of donors (Waters & Feneley, 2013).

Some critics question whether social media is an appropriate means to communicate with donors. There are challenges with incorporating social media into a stewardship strategy. In a time when individuals rely on the internet more heavily for up to date information, organizations are challenged with keeping their web presence fresh and up-to-date. Additionally, social media outlets such as Facebook need to be constantly monitored to ensure that the dialogue on these institutional pages are appropriate and positive (Waters & Feneley, 2013).

Summary

Fundraising is a critical component to the financial stability of higher educational institutions. Since alumni donors are a significant source of funding, colleges must understand donor characteristics and motives and incorporate these factors into its fundraising strategy. Since it is much easier to obtain a second gift from a donor than to find a new donor, colleges must develop an extensive stewardship plan to appropriately acknowledge donors. Effective stewardship of a gift will demonstrate institutional appreciation and will show the donor their gift at work.

CHAPTER III

METHODS

This research examined donor preferences as it relates to the types of fundraising solicitations and donor acknowledgement preferred by alumni from a small liberal arts college. The information for this research was gathered through an online questionnaire sent to alumni who received their undergraduate degree from the same college.

Design

The researcher developed an electronic questionnaire to assess donor preferences as it relates to methods of solicitation and donor acknowledgement among a select group of alumni. This action study is described as descriptive research since it describes characteristics of something that is already in existence. The researcher did not change the environment in order to obtain information for the study. Since this is descriptive research, no treatment or controls were used in this study. The independent variable is solicitations and donor relations and the dependent variable is philanthropy at a college/university.

Participants

There were no major demographic characteristics for this study. Participants must have had a college degree in order to complete the questionnaire. Participants were selected by convenience sampling. Ten alumni were invited by an email invitation to complete the questionnaire. A total of eight questionnaires were completed and returned to the researcher.

Instrument

The researcher developed an electronic questionnaire to send to participants. The questionnaire included 19 questions covering topics such as demographics, information about financial aid, level of involvement while attending the institution and as an alum, and preferences

in regards to types of fundraising solicitations and donor acknowledgement. The questionnaire can be found in Appendix A. The responses to the questions can be found in Appendix B.

Procedure

The researcher completed five steps to obtain information for this study. The researcher began the procedure by drafting a series of questions under the guidance of her design advisor. Once the questions were finalized, the researcher created an online questionnaire. Next, the researcher compiled a list of possible participants to complete the questionnaire. The participants received their undergraduate degree from the same liberal arts college and had a pre-existing relationship with the researcher. After ten participants were identified, the researcher sent an email message to invite potential participants to complete the online questionnaire. A sample of the email invitation is included in Appendix C.

Eight individuals completed and returned the survey electronically to the researcher. The researcher compiled and reviewed the results of the survey to identify themes and common preferences identified by the participants.

CHAPTERS IV and V

DISCUSSION AND ANALYSIS OF THE DATA

The literature review outlined the challenges and opportunities in fundraising, donor characteristics and motivation, and the importance of donor relations in fundraising. Utilizing these themes, this study was designed to explore donor preferences by obtaining data from an online fundraising questionnaire. The questionnaire captured demographics, information about financial aid, level of involvement while attending the institution and as an alum, and preferences in regards to types of fundraising solicitations and donor acknowledgement. This chapter outlines common preferences for fundraising appeals and donor acknowledgement among alumnae/i who obtained a bachelor's degree from a college or university, compares preferences identified in the online survey to those identified in the literature review and offers suggestions for further research on this topic.

Discussion of the Data

An online questionnaire was developed to obtain information about donor preferences in regards to the format of fundraising solicitations and donor acknowledgement. The only requirement to participate in this questionnaire was that participants must have received a bachelor's degree from a college or university. The questionnaire was sent to ten alumni from the same college. Eight individuals completed and returned the survey, which contained 19 questions. Relationships between strong alumni engagement and financial support of the college/university were identified in the questionnaire.

The questionnaire asked participants to indicate if they received financial aid while attending college, and if they had debt directly related to their college education. Four out of the eight individuals surveyed indicated that they received some type of financial aid while in

college, and three indicated that they had debt related to their education. Although a third of the participants had debt associated with their education, everyone indicated that they would likely contribute to the college at some point in the future.

Preferences for solicitations:

Participants were asked to rank (from very strong to very weak) their level of connection to the college as a whole, their graduating class, the department in which they obtained their degree, friends made while a student at the college, faculty members, clubs, athletic teams and study abroad programs. This ranking is helpful in identifying the appropriate person or department to author fundraising solicitations, which would lead to greater fundraising results. The participants in this study indicated a strong connection with the college as a whole as well as friends made while attending college for their bachelor's degree. Connections with departments, faculty members, and clubs were ranked the lowest. None of the participants were associated with athletic teams or a study abroad program.

All but one participant indicated that they had given to another non-profit organization last year. Cultural and arts organizations were the most popular organizations that were supported financially by the participants, followed by healthcare, religious organizations, and social service agencies. Those surveyed identified that they are motivated to give out of a feeling of connection to an organization, and also felt that their gift was an expression of what they value. When asked specifically why they would contribute to their alma mater, a majority stated that they gave because of the fond memories they had of their college experience, in addition to providing resources to current students. Alternatively, participants were asked to provide two reasons why they would not contribute to their college. Outstanding educational

debt, financial obligations to their family, preference to give to other worthy causes, and lack of connection with the college were the most cited answers.

The questionnaire delved into questions associated with the method and source of solicitations. Seventy five percent of the participants stated that when solicited for a gift, it is important who signs the appeal. Faculty members and classmates and other alums were ranked the highest, which indicates that solicitations authored by these groups would garner more support over those authored by the president, board member or staff. The questionnaire disaggregated the types of solicitations and asked participants to rank the effectiveness of these appeals as not effective, somewhat effective, and very effective. The most effective solicitations identified within this questionnaire were letters from a faculty member, coach or advisor as well as a personal visit by a college representative. Email solicitations, phone-a-thons, and challenge gifts (e.g. an individual agrees to match all other gifts received by the college within a specific timeframe up to a specific dollar amount) were identified as somewhat effective. The methods least likely to garner financial support were letters signed by classmates; which is contradictory to what was stated earlier in the survey.

Preferences for donor acknowledgement

Donor relations is a vital component to the cycle of fundraising. The cycle of fundraising begins with the identification of the donor and from there moves into cultivation, solicitation, acknowledgement, engagement, stewarding, and circles back to cultivation. Stewardship is a vital piece to the fundraising cycle and ensures that the donor is properly acknowledge and thanked for their generosity to the institution. It helps to demonstrate to the donor the impact of their gift. If properly stewarded, a donor is more likely to give another gift to the institution.

Stewardship of a gift can include anything from thank you letters, phone calls, donor receptions, or small tokens of appreciation. Donors who give major gifts (gifts identified as \$25,000 or more given within a fiscal year) require additional stewardship such as personal visits by a college representative, private dinners with the president, philanthropy celebrations recognizing donors for their generosity to the institution, personal phone calls and handwritten letters from the President, faculty member or the director of a particular program or department.

The questionnaire asked participants to rate seven stewardship activities as not effective, somewhat effective or very effective. The activities that were rated included donor appreciation events (receptions, luncheons and galas), general thank you letters from the college, an additional thank you letter from the academic department chair, coach or advisor, donor appreciation gifts (calendars, bookmarks, window clings), communication from the college showing the impact of their gift (newsletters or e-newsletters), public recognition (printed honor roll of donors, donor walls, plaques, bricks inscribed with the donor's name), or interaction with students and faculty who benefited most greatly from the donor's gift (scholarship recipient, faculty member who holds the endowed chair). The participants felt strongly that the most effective donor appreciation activities were personalized letters from a faculty member, coach or advisor. Participants also agreed that interaction with students and faculty who benefit from the donor's gift was also an effective way to show appreciation and show the donor the impact of the gift. Donor appreciation events were also favored and identified as an effective fundraising tool. Participants felt that general thank you letters from the college were not all that effective. The other stewardship activities described above were ranked as somewhat effective.

At the conclusion of the questionnaire, participants were given the opportunity to leave comments related to their preferences for fundraising solicitations or donor acknowledgement.

Only one participant left a comment:

Genuine, personal solicitations from people I actually know (much more than the President or Board of Trustees) are more effective. I prefer the ease of online giving but it's still nice to receive reminders to do so in the mail.

In summary, the questionnaire revealed that personalization is key to a successful fundraising campaign. Participants favored personalized fundraising solicitations and thank you letters authored by a familiar college representative. In addition, interaction with those who benefit from the donor's gift was highly rated, and identified as a favorable action to properly acknowledge and thank a donor for their gift.

Relationship to the Literature

The literature review outlined the challenges and opportunities in fundraising, donor characteristics and motivation, and the importance of donor relations in fundraising. The questionnaire covered some of the topics mentioned in the literature review.

Participants in the survey identified personalized fundraising appeals and interaction with the department, program or person who benefited from the gift, as the preferred methods of solicitation and donor acknowledgement. The literature refers to this as transformational fundraising. Transformational fundraising incorporates face-to-face meetings and personalized communication into the development plan. These actions help to develop genuine relationships with donors.

The literature stressed the importance of understanding donor motivation and referenced demographics, experiences, motives, and trigger events as vital factors that contribute to a person's motivation to give to their alma mater. The questionnaire touched on this briefly and

asked participants to rate their overall satisfaction with their undergraduate experience and rank their level of connection with their institution.

The literature stated that participation in extra-curricular activities such as clubs, affinity groups, and athletics is likely to influence a person to give back to the institution as an alum. Additionally, studies have also found that alumni who maintain a connection with their alma mater tend to give back to their college or university. All of the participants in the questionnaire stated that they had visited their college at least once within the past year and all had given to the college in the past few years. This data correlates with the findings in the literature.

In conclusion, the literature states that thoughtful personalized communication with donors is vital to the success of a fundraising campaign. It is also important to understand donor characteristic and motivation and to find a way to align donor interests with fundraising opportunities within the college. The findings within questionnaire are supported by the literature.

Threats to Validity

There are issues of internal and external threats to validity in the questionnaire used for this study. The participants in this study were selected by purposive sampling and included eight individuals who obtained their bachelor's degree from the same college. Because purposive sampling was used and the participants were engaged alums of the college, the results were limited. If the sampling pool had been expanded and included individuals from more than one institution, the increase in information would allow the researcher to identify common themes and also differences among alumni from different types of institutions. For example, a larger sample size might find that alumni from small liberal arts college prefer to receive solicitations

from faculty members whereas alumni who attended a large university might not have the same connection with faculty and would prefer to hear from more familiar college representative.

The validity of the study may have also been affected by the format of the questionnaire. The multiple choice questionnaire limited the information that was able to be collected by the researcher. Although participants were given the opportunity to leave a comment at the end of the questionnaire, only one participant chose to do so. If the researcher had conducted interviews, the participants could have provided additional information that they would not have been able to convey in an online questionnaire.

Suggestions for Further Research

While the questionnaire conducted provided value information about donor preferences, the researcher recommends some modifications that would likely lead to collection of additional information that would be helpful in the development of a multi-layered fundraising and donor relations plan.

It is suggested that face-to-face or phone interviews be conducted to obtain information that would not otherwise be captured in a multiple choice questionnaire. This would allow the researcher the opportunity to ask the interviewee to elaborate on a particular answer, or ask questions to clarify a statement.

The existing questionnaire was given to individuals who obtained their bachelor's degree from the same college. These individuals are very engaged at the college, and everyone indicated that they had given a financial gift to the college in the past and would most likely give another gift to the college in the future. It is recommended by the researcher that the interview pool be expanded to include participants from different institutions so that participants represent state, private, and liberal arts colleges and universities. This would allow the researcher to

identify common themes found at similar type institutions as well as differences between the institutions represented. Expanding the interview pool would also allow the researcher to collect information from participants with different backgrounds and level of engagement with their alma mater.

In addition to expanding the interview pool, the researcher suggests segmenting the pool so that the interview includes questions that are appropriate for each group. Donors who have given major contributions of \$25,000 or more to their institution may have different preferences than donors who give smaller gifts, and might provide additional valuable information that might differ from donors who give smaller annual gifts to the college.

It is also recommended that the interview include more demographic information so that the researcher can identify common themes among segments of donors. As the literature states, demographics such as age and income correlate to giving behaviors among alumni, and it's helpful to know this information so that fundraisers can take donor characteristics and motivation into account when developing a fundraising plan.

In conclusion, a verbal interview, whether it is conducted face-to-face or over the phone, would allow the researcher to gather more information that would be helpful in the planning of a fundraising campaign.

References

- Curry, J., Rodin, S., & Carlson, N. (2012). Fundraising in difficult economic times: Best practices. *Christian Higher Education*, 11(4), 241-252. Retrieved from <http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ973186&site=ehost-live;>
<http://dx.doi.org.goucher.idm.oclc.org/10.1080/15363759.2011.559872>
- Gottfried, M. A., & Johnson, E. L. (2006). Solicitation and donation: An econometric evaluation of alumni generosity in higher education. *International Journal of Educational Advancement*, 6(4), 268-281. Retrieved from <http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ902535&site=ehost-live;>
<http://dx.doi.org.goucher.idm.oclc.org/10.1057/palgrave.ijea.2150034>
- Holmes, J. (2009). Prestige, charitable deductions and other determinants of alumni giving: Evidence from a highly selective liberal arts college. *Economics of Education Review*, 28(1), 18-28. Retrieved from <http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ821781&site=ehost-live;>
<http://dx.doi.org.goucher.idm.oclc.org/10.1016/j.econedurev.2007.10.008>
- Knight, W. E. (2004). Influences on participation in a university faculty and staff annual giving campaign. *International Journal of Educational Advancement*, 4(3), 221-232. Retrieved from <http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ>

[930872&site=ehost-live;](#)

<http://dx.doi.org.goucher.idm.oclc.org/10.1057/palgrave.cjjea.2140002>

Mann, T. (2007). College fundraising using theoretical perspectives to understand donor motives. *International Journal of Educational Advancement*, 7(1), 35-45. Retrieved from <http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ900282&site=ehost-live;>

<http://dx.doi.org.goucher.idm.oclc.org/10.1057/palgrave.ijea.2150042>

McDearmon, J. T. (2010). What's in it for me: A qualitative look into the mindset of young alumni non-donors. *International Journal of Educational Advancement*, 10(1), 33-47. Retrieved from

<http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ896713&site=ehost-live;> <http://dx.doi.org.goucher.idm.oclc.org/10.1057/ijea.2010.3>

McDearmon, J. T., & Shirley, K. (2009). Characteristics and institutional factors related to young alumni donors and non-donors. *International Journal of Educational Advancement*, 9(2), 83-95. Retrieved from

<http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ864294&site=ehost-live;> <http://dx.doi.org.goucher.idm.oclc.org/10.1057/ijea.2009.29>

Wastyn, M. L. (2009). Why alumni don't give: A qualitative study of what motivates non-donors to higher education. *International Journal of Educational Advancement*, 9(2), 96-108. Retrieved from

<http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ864295&site=ehost-live;> <http://dx.doi.org.goucher.idm.oclc.org/10.1057/ijea.2009.31>

Waters, R. D. (2009). Measuring stewardship in public relations: A test exploring impact on the fundraising relationship. *Public Relations Review*, 35(2), 113-119.

doi:<http://dx.doi.org.goucher.idm.oclc.org/10.1016/j.pubrev.2009.01.012>

Waters, R. D., & Feneley, K. L. (2013). Virtual stewardship in the age of new media: Have nonprofit organizations' moved beyond web 1.0 strategies? *International Journal of Nonprofit & Voluntary Sector Marketing*, 18(3), 216-230. doi:10.1002/nvsm.1469

Williams, S. R. (2007). Donor preferences and charitable giving. *International Journal of Educational Advancement*, 7(3), 176-189. Retrieved from

<http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ900289&site=ehost-live;>

<http://dx.doi.org.goucher.idm.oclc.org/10.1057/palgrave.ijea.2150060>

Wu, K., & Brown, M. S. (2010). An examination of persistence in charitable giving to education through the 2002 economic downturn. *International Journal of Educational Advancement*, 9(4), 196-219. Retrieved from

<http://search.ebscohost.com.goucher.idm.oclc.org/login.aspx?direct=true&db=eric&AN=EJ890505&site=ehost-live;> <http://dx.doi.org.goucher.idm.oclc.org/10.1057/ijea.2009.41>

Appendix A

Fundraising Survey

1. In what year did you receive your undergraduate degree?
2. Did you receive any scholarship or grant money from your college/university?
3. When you completed your undergraduate education, did you graduate with any debt directly related to your college education?
4. Overall, how satisfied are you with the education you received at your undergraduate institution?
 - a. Very dissatisfied
 - b. Dissatisfied
 - c. Neither satisfied nor dissatisfied
 - d. Satisfied
 - e. Very satisfied
5. When was your last visit to your undergraduate institution campus?
 - a. Within the past year
 - b. 1 to 5 years ago
 - c. 5 to 10 years ago
 - d. 10 to 15 years ago
 - e. More than 15 years ago
6. What is your level of connection with each of the following?

	Very Weak or None	Weak	Moderate	Strong	Very Strong	Not Applicable
Your undergraduate institution as a whole						
Your graduating class						
Your department/program						
Friends that you made at your undergraduate institution						
Faculty member(s)						
College administrators/leaders						
Club/organization(s) you participated in						
An athletic team or coach						
Study abroad program						

7. How likely are you to give to your undergraduate institution within the next year?
 - a. Definitely won't
 - b. Probably won't
 - c. 50/50 chance
 - d. Probably will
 - e. Definitely will

8. To which types of institutions did you make a donation last year? Select as many as apply to you.
 - a. Other educational institutions
 - b. Health care/Health-related research
 - c. Religious organizations
 - d. Political issues or candidates
 - e. Disaster relief
 - f. Animal welfare/protection
 - g. Social services agencies
 - h. Environmental causes
 - i. Cultural/arts organizations
 - j. None
 - k. Other, please specify: _____

9. What are you motivated by when making a financial contribution to an organization? Please select up to three responses.
 - a. A belief in the organization's mission
 - b. A feeling of connection to the organization
 - c. A sense of duty or obligation
 - d. Someone I know asking for my support
 - e. An urgent need
 - f. The impact my contribution will have
 - g. A sense of responsibility
 - h. A desire to help
 - i. A gift that is an expression of what I value

10. What are the top two reasons you would financially support your undergraduate institution? Please read the entire list before making your selections.
 - a. In appreciation for the financial assistance I received
 - b. Increase size of the college/university's endowment
 - c. To provide more financial assistance to today's students
 - d. Support faculty and student research
 - e. Help college/university attract and retain the highest caliber student body
 - f. Help college/university attract and retain the highest caliber faculty
 - g. Improve academic facilities
 - h. Fond memories of my educational experience at your college/university
 - i. Support specific groups/programs (e.g. athletics, dance, library)
 - j. Other, please specify: _____

11. What are the top two reasons you would NOT financially support your undergraduate institution? Please read the entire list before making your selections.
- Do not see that my college/university has a need for my donation
 - Not happy with the rising costs of education
 - Still have too much student debt to support
 - Can't give enough to make a difference
 - Financial obligations to family are too high (e.g. putting children/grandchildren through college)
 - Negative experience as a student at my college/university
 - Never been asked by anyone I know
 - Preference for other worthy causes
 - Lack of contact with your college/university
 - Other, please specify: _____
12. Which of the following best describes the recent history of your financial contributions to your college/university?
- Consistently
 - Some years by not every year
 - Once or twice
 - Not at all
13. How appealing is it for you to give an unrestricted gift to support the highest priorities as determined by the college/university?
- Very appealing
 - Appealing
 - Unappealing
 - Very appealing
14. If you choose to support your college philanthropically what area on campus would you support? (for example, unrestricted gifts, athletics, English dept., etc.)
15. When solicited for a gift from your college/university is it important from whom the solicitation comes from?
- Very important
 - Somewhat important
 - Not important
16. If the source of the solicitation is important to you, from which of the following people would you most like to hear? (please check no more than three)
- President
 - Chair or member of the Board of Trustees
 - Deans
 - Faculty members
 - Coaches

- f. Classmates/other alums
Current students
- g. Staff

17. Please consider the following list of solicitation activities and indicate to what extent you believe they are effective as fundraising tools:

	Not Effective	Somewhat Effective	Very Effective
A letter signed by a classmate			
Student Caller			
Fundraising Brochure/mailings			
Online Giving Pages			
Email solicitations			
A fundraising letter from a faculty member, coach or advisor			
Personal Visit by a college representative			
Challenge gifts (e.g. an individual agrees to match all other gifts received by the college up to a specific amount)			

18. Please consider the following list of donor appreciation activities and indicate to what extent you believe they are effective as fundraising tools:

	Not Effective	Somewhat Effective	Very Effective
Donor appreciation events (receptions, luncheons, galas)			
General thank you letter from the college			
Follow-up letter from academic department, chair, coach, advisor, etc.			
Donor appreciation gifts (calendar, bookmarks, window clings)			
Communication from the college showing the impact of your gift (newsletters, e-news)			
Public Recognition (printed honor roll of donors, donor walls, plaques, bricks)			
Interaction with students and faculty who benefited from your gift			

19. Do you have any other comments to add regarding your preferences related to fundraising solicitations or donor acknowledgement?

Appendix B

Sample Responses

In what year did you receive your undergraduate degree?

- 2009
- 2006
- 2007
- 1977
- 2010
- 1982

Did you receive any scholarship or grant money from your college/university?

Yes 4 50%

No 4 50%

When you completed your undergraduate education, did you graduate with any debt directly related to your college education?

Yes 3 37.5%

No 5 62.5%

Overall, how satisfied are you with the education you received at your undergraduate institution?

Very satisfied 6 75%

Satisfied 2 25%

Neither satisfied nor dissatisfied 0 0%

Dissatisfied 0 0%

Very dissatisfied 0 0%

When was your last visit to your undergraduate institution campus?

Within the past year 8 100%

1 to 5 years ago 0 0%

5 to 10 years ago 0 0%

10 to 15 years ago 0 0%

More than 15 years ago 0 0%

What is your level of connection with each of the following?

	Very Weak or None	Weak	Moderate	Strong	Very Strong	Not Applicable
Your undergraduate institution as a whole				4 (50%)	4 (50%)	
Your graduating class			5 (62.5%)	2 (25%)	1 (12.5%)	
Your department/program	3 (37.5%)	2 (25%)	2 (25%)		1 (12.5%)	
Friends that you made at your undergraduate institution			2 (25%)	2 (25%)	4 (50%)	
Faculty member(s)	3 (37.5%)	1 (12.5%)	2 (25%)	2 (25%)		
College administrators/leaders	1 (12.5%)		3 (37.5%)	2 (25%)	2 (25%)	
Club/organization(s) you participated in	3 (37.5%)	3 (37.5%)	1 (12.5%)			1 (12.5%)
An athletic team or coach	2 (25%)					6 (75%)
Study abroad program	2 (25%)	1 (12.5%)	1 (12.5%)		1 (12.5%)	3 (37.5%)

How likely are you to give to your undergraduate institution within the next year?

Definitely will	4	50%
Probably will	3	37.5%
50/50 chance	1	12.5%
Probably won't	0	0%
Definitely won't	0	0%

To which types of institutions did you make a donation last year? Select as many as apply to you.

Other educational institutions	4	50%
Health care/Health-related research	3	37.5%
Religious organizations	3	37.5%
Political issues or candidates	1	12.5%
Disaster relief	0	0%
Animal welfare/protection	4	50%
Social services agencies	3	37.5%
Environmental causes	2	25%

Cultural/arts organizations	5	62.5%
None	1	12.5%
Other	0	0%

What are you motivated by when making a financial contribution to an organization? Please select up to three responses.

A belief in the organization's mission	4	50%
A feeling of connection to the organization	5	62.5%
A sense of duty or obligation	0	0%
Someone I know asking for my support	3	37.5%
An urgent need	1	12.5%
The impact my contribution will have	1	12.5%
A sense of responsibility	1	12.5%
A desire to help	4	50%
A gift that is an expression of what I value	5	62.5%

What are the top two reasons you would financially support your undergraduate institution? Please read the entire list before making your selections.

In appreciation for the financial assistance I received	2	25%
Increase size of the college/university's endowment	2	25%
To provide more financial assistance to today's students	4	50%
Support faculty and student research	0	0%
Help college/university attract and retain the highest caliber student body	1	12.5%
Help college/university attract and retain the highest caliber faculty	0	0%
Improve academic facilities	1	12.5%
Fond memories of my educational experience at your college/university	5	62.5%
Support specific groups/programs (e.g. athletics, dance, library)	0	0%
Other	1	12.5%

What are the top two reasons you would NOT financially support your undergraduate institution? Please read the entire list before making your selections.

Do not see that my college/university has a need for my donation	0	0%
Not happy with the rising costs of education	0	0%
Still have too much student debt to support	3	37.5%

Can't give enough to make a difference	1	12.5%
Financial obligations to family are too high (e.g. putting children/grandchildren through college)	3	37.5%
Negative experience as a student at my college/university	0	0%
Never been asked by anyone I know	1	12.5%
Preference for other worthy causes	3	37.5%
Lack of contact with college/university	3	37.5%
Do not feel a responsibility to support someone else's education	1	12.5%
Other	1	12.5%

Which of the following best describes the recent history of your financial contributions to your college/university?

Consistently	4	50%
Some years by not every year	4	50%
Once or twice	0	0%
Not at all	0	0%

How appealing is it for you to give an unrestricted gift to support the highest priorities as determined by the college/university?

Very appealing	4	50%
Appealing	4	50%
Unappealing	0	0%
Very unappealing	0	0%

If you choose to support your college philanthropically what area on campus would you support? (for example, unrestricted gifts, athletics, English dept., etc.)

- Unrestricted gift
- Unrestricted gift
- Unrestricted
- Unrestricted
- Unrestricted, financial aid to students
- Study Abroad

When solicited for a gift from your college/university is it important from whom the solicitation comes from?

Very important **0** 0%
 Somewhat important **6** 75%
 Not important **2** 25%

If the source of the solicitation is important to you, from which of the following people would you most like to hear? (please check no more than three)

President **1** 14.3%
 Chair or member of the Board of Trustees **1** 14.3%
 Deans **0** 0%
 Faculty members **5** 71.4%
 Coaches **0** 0%
 Classmates/other alums **5** 71.4%
 Current students **3** 42.9%
 Staff **4** 57.1%

Please consider the following list of solicitation activities and indicate to what extent you believe they are effective as fundraising tools:

	Not Effective	Somewhat Effective	Very Effective
A letter signed by a classmate	4 (50%)	3 (37.5%)	1 (12.5%)
Student Caller	2 (25%)	4 (50%)	2 (25%)
Fundraising Brochure/mailings	5 (62.5%)	3 (37.5%)	
Online Giving Pages	1 (12.5%)	6 (75%)	1 (12.5%)
Email solicitations	2 (25%)	5 (62.5%)	1 (12.5%)
A fundraising letter from a faculty member, coach or advisor	2 (25%)	1 (12.5%)	5 (62.5%)
Personal Visit by a college representative	1 (12.5%)	1 (12.5%)	6 (75%)
Challenge gifts (e.g. an individual agrees to match all other gifts received by the college up to a specific amount)	2 (25%)	4 (50%)	2 (25%)

Please consider the following list of donor appreciation activities and indicate to what extent you believe they are effective as fundraising tools:

	Not Effective	Somewhat Effective	Very Effective
Donor appreciation events (receptions, luncheons, galas)	2 (25%)	3 (37.5%)	3 (37.5%)
General thank you letter from the college	4 (50%)	4 (50%)	
Follow-up letter from academic department, chair, coach, advisor, etc.	2 (25%)	2 (25%)	4 (50%)
Donor appreciation gifts (calendar, bookmarks, window clings)	3 (37.5%)	5 (62.5%)	
Communication from the college showing the impact of your gift (newsletters, e-news)	2 (25%)	5 (62.5%)	1 (12.5%)
Public Recognition (printed honor roll of donors, donor walls, plaques, bricks)	2 (25%)	5 (62.5%)	1 (12.5%)
Interaction with students and faculty who benefited from your gift	1 (12.5%)	1 (12.5%)	6 (75%)

Do you have any other comments to add regarding your preferences related to fundraising solicitations or donor acknowledgement?

Genuine, personal solicitations from people I actually know (much more than the President or Board of Trustees) are more effective. I prefer the ease of online giving but it's still nice to receive reminders to do so in the mail.

Appendix C

Dear [First Name]

As you may know, I am currently enrolled in the Masters of Education program here at Goucher. I am currently in the process of completing action research. My study will examine donor preferences among regarding types of solicitations and donor acknowledgement.

I'm conducting a field test and I wonder if you might be willing to take my survey? It should take 5-10 minutes to complete, and the survey is anonymous.

<http://goo.gl/forms/VKldTdlicA>

I would greatly appreciate any feedback you may have after completing the survey!

Thank you!
Amy L. Bloomberg