

Development Planning Update

Prepared for Big 5 Retreat

April 12, 2010

This report addresses one of the four Strategic Objectives approved by The Board of Trustees in October 2009: *“To secure and enhance the availability of the human, financial, and physical resources needed to achieve our vision.”* While successful fund raising and a high level of engagement by the various constituencies of the College will impact other stated objectives, this paper will focus primarily on strategic initiatives related to fundraising and alumni engagement.

Process Used to Identify Initiatives and Tactics

Alumni and Development staff began working on this, under the direction of Jim Clarke, Chair of the Development Committee of the Board, in 2007-08. Four advisory sub-committees of the Development Committee were constituted:

- 1) Alumni Relations and The Wooster Fund
- 2) Major gifts
- 3) Parents
- 4) Planned Giving

Trustees worked with staff members in each of the areas above. The committees were charged with informing themselves and the larger Committee about best practices in higher education, to collect available benchmarking information and consider the implications for Wooster. The findings and recommendations of these sub-committees were incorporated into our Department’s plans and objectives for fiscal years 2008-09 and 2009-10.

Ellen Falduto provided invaluable support and assistance in putting together the historical and benchmarking information that has informed our discussions over the past two years. Alumni and Development staff did a “SWOT” analysis focusing on fundraising and alumni relations. This analysis guided our goal-setting and activities.

Responsibilities of Development

The expectations for our work are simply stated. Each year, we must:

- 1) Support the **operating budget** by increasing both unrestricted (The Wooster Fund) and restricted operating gifts. In the 2008-09 fiscal year, we raised \$6.6 million in cash for current operations.
- 2) Secure funding for major **capital projects** as directed by The Board of Trustees. This year, the priority has been the new Student Recreation Center, for which we have raised more than \$17 million in new gifts and pledges to date.
- 3) Grow Wooster’s **endowment** by developing a robust pipeline of substantial gifts. Last year, we added \$2.8 million in cash gifts to the endowment. In addition, we have approximately \$35 million (irrevocable life-income and bequest commitments; we know we will get them, we just don’t know when) in the “pipeline” that could go to endowment if so designated by the Trustees.
- 4) Enhance **alumni engagement** (and that of Trustees, parents, and friends) in the ongoing life of the College.

Top Three Strategic Initiatives

1) Annual Giving: Increase the numbers of alumni, parents and friends who make annual gifts and increase total dollars given for current operations by increasing personal contacts and opportunities for active involvement.

Rationale:

We have been told that Wooster has a “structural deficit”, in that our current programs and facilities are inadequately supported by the operating budget. Increasing numbers of annual donors and dollars is one way to address that problem.

The three-year average of “annual gifts per student” is below the median for Ohio 5 and GLCA peers; alumni participation rate also lags peers.

Lagging percentage of participation is especially acute among graduates of the last 15 years. The upside is that we have a large pool of future donors.

Without an increasing flow of operating gifts, none of our loftier goals can be realized and sustained.

Tactics:

- Increase Wooster Fund staff travel to allow more “face to face” discussions of operating needs.
- Focus direct mail and phonathon messages on the human aspect of annual giving—students and faculty members.
- Analyze 2009-10 mailings to determine which were most successful, and incorporate those themes in other mailings and contacts.
- Use Alumni Survey (completed this year) to examine why alumni say they don’t give—and why they do.
- Expand Reunion giving program to include 5, 10, 15, and 20 year special efforts, in addition to those ongoing with 25th reunions forward.
- Increase use of Target Analytics data by assigning a “top 25” list of non-donors with high potential ratings to each staff member who travels.
- Implement new, “Alumni Advocates for Giving” program that will provide opportunities for key alumni to talk with other alumni and students about the importance of giving to the College.

Is it Working???

Our indicators are straightforward. Are the numbers going up? Is the number of “first-ever” gifts increasing? Are Class percentage of participation rates improving? Is feedback from alumni positive regarding their contacts with development staff?

2) Design a comprehensive plan for presenting gifts to the endowment as an attractive, rewarding option for donors.

Rationale:

A strong endowment is essential to academic quality—and to the public perception of that quality. Presently, we look a lot richer than we are. Our endowment per student exceeds all of our peer medians except the Ohio 5, BUT in the Ohio 5 are schools (think Denison) with whom we compete fiercely for both students and faculty members, and whose endowments are two or three times larger than ours.

Both restricted and unrestricted endowments help to address the financial aid needs of our students, and every dollar coming from endowment income for this purpose reduces the pressure on the operating budget, and frees up dollars for more strategic use.

We have a good story to tell about the management and stewardship of the endowment; we just need to present it in a more compelling way.

Tactics:

- Once College-wide strategic priorities are established, link them to amount of endowment needed to establish and support them.
- Design some form of “tangible recognition” for donors of significant gifts to the endowment that would make their contributions more visible on campus.

- Spotlight the excellence of Wooster's faculty to illustrate importance of endowed chairs.
- Use Target Analytics data to get profiles on all members of each Class prior to the 45th Reunion, in preparation for 50th Reunion fund raising.
- Increase communications about putting Wooster in the Will earlier in the cultivation cycle, and make reminder about wills a part of all Tomorrow with Wooster communications.
- Assign donors with highest likelihood (according to Target Analytics data) of making a life-income or deferred gift to each staff person who travels.
- Put the "Case for Endowment" in an easily accessible place on the Website.
- Get list of all annual fund donors age 55 and above (our best prospects for making deferred gifts such as annuities) and design a plan for a personal contact from a development staff member.

Is it working?

Again, the bottom line will tell the story. Are memberships in the Legacy Society (those who have told us that Wooster is in the will) increasing? Is the "pipeline" of irrevocable commitments growing substantially each year? Are we receiving larger numbers of Charitable Gift Annuities and Remainder Trusts?

3. Build an informed, engaged, supportive, and ever-increasing body of alumni and friends who include Wooster in their top volunteer and philanthropic priorities.

Rationale: We know that direct, personal involvement increases the likelihood that alumni will support the College financially. Feeling detached discourages giving.

Wooster has been enormously fortunate in the level of support received from its "loyal core". Regrettably, that group is aging. We must cultivate the next level of leadership in philanthropy--cultivation that comes in a form to which they will readily respond.

We have seen the difference that targeted, strategic programming makes in the GOLD alumni group and Parents of current students—both of which have seen improvement this year.

There have never been more "options" for the distribution of anyone's philanthropic dollar. We want our alumni to feel so engaged with Wooster that the College will make the top (or near the top) of their giving list.

Tactics:

- Reorganize Alumni Relations programming with a stronger focus on alumni. volunteerism and engagement (and less on passive "offering" of programs.)
- Build a career development program with alumni as mentors.
- Build career networking program for alumni and students.
- Secure summer internships for current students from alumni.
- Increase web development and Facebook activity, and dedicate a staff person to manage Alumni Portal on a daily basis.
- Build weekly email program with news articles and features on alumni, faculty and student activities, along with up to date information about the College.
- Refresh and renew geographic area leadership groups with emphasis on advocacy and volunteering as these activities relate to College-wide strategic initiatives.

Is it working?

We will look at the numbers of attendees at events of all kinds; numbers of alumni on volunteer committees, and numbers of alumni who are participating in some kind of sponsored activity "for the first time".

A word on “competitive advantage”:

I cannot promise that any of the strategies above will put us at a “competitive advantage vis a vis our competitors”. Someone out there will always raise more money, have a bigger percentage of participation, or claim more intense alumni engagement than we have. In Development and Alumni Relations, the competitive aspects are not absolute—even though we measure most things “by the numbers”. I am much more concerned that we are meeting Wooster’s potential for philanthropy and alumni engagement. Once we can show that those with the capacity to be involved, ARE involved appropriately, I don’t think we need to worry if someone is ahead of or behind us.

Other Strategic Initiatives—Important, just not in top 3!

- Complete funding for Development’s share (\$20 million) of new money for Student Recreation Center. To do this, we will continue to seek gifts below \$100,000, and will design and implement a “brick campaign” for gifts under \$50,000.
- Expand funding from foundations and corporations by linking foundation interests to our college-wide strategic initiatives, once they are determined.
- Improve communication between staff members who travel and Development Research functions.
- Improve efficiency of staff use of Datatel’s capacity.
- Work with Chair of Development Committee to encourage increased engagement of Trustees in fundraising activities.
- Make “short list” of key alumni whom President has not yet met; facilitate appropriate meetings.

The items in this report are the result of contributions from all members of the staff, as well as Trustee Jim Clarke, and Ellen Falduto. Thanks to all.

Sally