

Cost-effective student programmes: Two case studies

Received (in revised form): 4th January, 2018



Kasey Uran-Linde

KASEY URAN-LINDE

is the Director of Annual Giving at Minnesota State University, Mankato. Prior to her work at Minnesota State, Kasey held roles within the advancement division at Gustavus Adolphus College and at Scholarship America, the nation's largest non-profit scholarship organisation. Kasey collects and presents data from a variety of annual giving and engagement programmes and is completing her doctorate in higher education administration.



Nicholas Linde

NICHOLAS LINDE

is the Senior Director of Administration at Minnesota State University, Mankato where he oversees strategic initiatives, advancement services, stewardship, budget and is the university's liaison to the foundation finance committee. Nicholas received the 2015 National Reeher Discovery Award for his work in major gift development, a 2017 Council for the Advancement and Support of Education (CASE) V Circle of Excellence award for developing an innovative new endowment and was a 2016 faculty inductee into Beta Gamma Sigma, a business honours society for his teaching in the College of Business at Minnesota State.

Abstract

Recruiting current students to assist in the engagement and solicitation of alumni is one way colleges and universities can expand their efforts. Two case studies, one of a private liberal arts college and the other a comprehensive regional public university, describe the implementation and outcomes of student programmes directed to increase alumni engagement. These programmes display the versatility and benefits of using students rather than full-time employees to increase the effectiveness of advancement divisions. A step-by-step description of the programmes highlights areas of strength and potential adaptations for future implementation. As institutions face the challenge of engaging and soliciting a greater number of alumni, these case studies provide creative ways to incorporate students into the work of an advancement division.

Keywords

engagement, discovery, students, annual giving

STUDENT PROGRAMMES

The need for private support in higher education continues to grow in response to the rising costs of instruction. Advancement divisions work to fill the growing gaps in the budget while meticulously rationing and stretching every dollar of their own. Additionally, the high turnover rates of fundraising professionals and opportunity costs associated with those vacancies can quickly thwart effective fundraising strategies. In spite of the

growing challenges, advancement professions need cost-effective solutions that produce measureable gains.

Many institutions incorporate the use of students in their fundraising and engagement strategies. Students are commonly used to solicit gifts from alumni and friends over the phone but as institutions, such as Stanford, announce the end of their student-phoning programme, it is reasonable to evaluate, even question, the use of students within the profession. Call

Kasey Uran-Linde,
Minnesota State University,
Mankato,
126 Alumni Foundation Center,
Mankato,
MN 56001,
USA

E-mail: kasey.linde@mnsu.edu

Nicholas Linde,
Minnesota State University,
Mankato,
126 Alumni Foundation Center,
Mankato,
MN 56001,
USA

E-mail: nicholas.linde@mnsu.edu

centres, perhaps rightly so, must fight off the perception of being out-of-date with today's technology and communication preferences. Landline phones continue to disappear, pick-up rates decrease each year, and the resources required to recruit, train and equip students are becoming more burdensome for institutions. Rather than eliminating student programmes, it may just be time to re-think how students play a role in the engagement and solicitation strategies.

GUSTAVUS ADOLPHUS COLLEGE

Gustavus Adolphus College is a private liberal arts college located in the Midwest. Gustavus has a strong history of engagement and philanthropy among their 27,000+ alumni. Unfortunately, even a rich culture of philanthropy did not shelter Gustavus from experiencing the trend of declining participation, as have many institutions. Although total dollars to the college continue to increase, the shrinking donor base is a cause for concern. A large annual donor base is vital to the future success of campaigns and gaining financial sustainability.

As a part of their annual giving strategies, Gustavus implemented traditional solicitation methods of direct mail, e-mail, social media, peer-to-peer through alumni volunteers and use of a student-phoning programme. Of these four models, the student-phoning programme was the lowest performing method and provided the greatest flexibility and potential for growth. In effort to mimic the work of a gift officer and incorporate the full donor cycle (identification, cultivation, solicitation, stewardship), a pilot programme was developed called the Gustavus Outreach Program (GOP).

THE GUSTAVUS OUTREACH PROGRAM

The GOP was developed to allow student callers to create meaningful and genuine relationships with alumni, rather than a traditional and transactional, solicitation. The goal of the pilot programme was to measure if greater cultivation and engagement resulted in higher giving participation and larger donations. The GOP was developed so that the student callers would be able to complete the programme tasks while completing their scheduled solicitation calls to other alumni and friends.

Each of the 16 student callers were assigned to 50 alumni, 800 in total, for the entire academic year. The students were meant to serve as the main source of information and engagement for the alumni. Student callers attended one training session to learn about the GOP and received instructions on how to personalise their correspondence with each alumnus.

To begin the programme, an annual fund staff member sent an e-mail to the 800 alumni introducing them to their student and explaining that they would hear from a student periodically throughout the year. No actions were required from alumni, although a mailing address was provided in the event the alumnus felt compelled to respond. When the students sent e-mail messages to their alumni, a generic e-mail address was used to keep the students' contact information confidential. Any e-mail responses from alumni were individually forwarded to their respective student. All of the communication took place within the call centre during the students' typical calling shift hours.

Alumni sample

The sample of 800 alumni, all with valid contact information, was strategically

selected based on their giving history, year of graduation and location. Three segments were separated by giving history data and included donors from the prior fiscal year, donors that had lapsed by two to four years and donors that had not made a gift in five or more years. The rationale behind separating alumni by giving history was to identify if deeper engagement was more effective in encouraging philanthropy in regular donors compared to infrequent donors.

Alumni selected for the sample ranged in graduation years from the 1940s to the 2000s with the largest numbers coming from the 1970s and 1980s. A small number of young alumni, graduates of the last ten years, were included in the sample; however, it was decided older alumni were given priority as they typically have a greater affinity and propensity to donate. Finally, where the alumni resided was taken into consideration. Just over half of the alumni selected for the sample lived within Minnesota, where Gustavus Adolphus College is also located. Five per cent live in the same city as Gustavus' campus and the remaining alumni lived outside of Minnesota, but within the USA.

The introduction e-mail included a clause that allowed alumni to opt out of the programme at any time. For a variety of reasons, 76 alumni chose not to participate in the programme leaving 724 active participants. The student callers proceeded with a portfolio ranging from 42–50 alumni each.

Communication timeline

The student callers received a communication timeline and a few basic talking points to include in their correspondence. Talking points encouraged the student caller to share what is happening within their classrooms, in their

extracurricular activities and at events occurring across campus. The student callers were encouraged to incorporate their own voice and experiences rather than following a generic script. A variety of communication methods were incorporated into the timeline. Student callers began with a handwritten greeting card followed by a mix of e-mails and phone calls throughout the year.

In total, the student callers had six touch points with each alumnus starting with their first card in September and ending with a phone call in May to conclude the programme and academic year. The greeting cards took each student approximately five hours to complete while the e-mail messages required only one hour. Because these touch points occurred one to two months apart and did not consume a large amount of time, the student callers operated as a traditional call centre the remainder of the time.

Participating alumni did not receive any other annual fund solicitations throughout the year in an attempt to measure the effect of the student callers' communication. Instead, alumni received one hand-written appeal from the student caller in December. General marketing materials or event invitations were permissible to send to the sample group since the purpose of the programme emphasised engagement and not solicitation.

Results

At the close of the fiscal year, 28.2 per cent of the 724 alumni had made a gift through the efforts of the Gustavus Outreach Program. The GOP participation was approximately 10 per cent greater than the giving participation of all Gustavus alumni for that fiscal year. The increase in participation complemented a retention rate of 59 per cent, which

stands just a few percentage points above the general donor base as well. Of the alumni who had made a gift the prior fiscal year, 47 per cent of those donors made a larger gift during the GOP.

Two valuable findings emerged when analysing the three characteristics used to segment the sample: giving history, year of graduation and location. The evaluation began with alumni that had not made a gift in five or more years, but did give through the GOP. Of those alumni, 67 per cent lived outside of Minnesota. This was significantly higher than the donors that had lapsed one or two to four years as out-of-state donors only comprised 43 and 35 per cent, respectively, of the total GOP donors in the segment (Table 1).

Alumni that made a gift during the GOP were then grouped based on the decade in which they graduated. Following prior trends, alumni from the 1940s and 1950s were the most likely to give on an annual basis. Exactly half of all alumni from the 1940s and just over 40 per cent of graduates from the 1950s made a gift through the GOP. The third highest participating decade was, surprisingly, the graduates of the 2000s. Nearly 35 per cent of alumni in that decade participated. The largest graduation decades in the sample, the 1970s and 1980s, resulted in two of the three lowest participation rates of the sample (Table 2).

Engagement proved to be slightly more difficult to measure throughout the year, but nearly two-thirds of the participating alumni responded in a follow-up survey that they feel more connected to the college than they did the prior year. Although it was not required, just over 10 per cent of alumni voluntarily sent a letter or e-mail in response to the messages they received from their student. Throughout the year, students were able to speak at least once to their assigned

TABLE 1 GOP donors: Giving history compared to location

	<i>In-State</i>	<i>Out-of-State</i>
1 year lapsed	57%	43%
2–4 years lapsed	65%	35%
5+ years lapsed	33%	67%

TABLE 2 GOP donors: Graduation year compared to participation

<i>Graduation decade</i>	<i>Participation in GOP</i>
1940s	50%
1950s	40.5%
1960s	29.3%
1970s	22.7%
1980s	17.4%
1990s	18%
2000s	34.9%

alumni over the phone. Other forms of engagement that resulted from the GOP included alumni offering students a job when they graduate, a place to stay when they were travelling (mostly from alumni outside of Minnesota) and two students received gifts from their prospects for the holiday season.

Future considerations

Several variables were removed from the original pilot programme in attempt to gather baseline data. Programme adjustments that may be beneficial for future implementation include matching students and alumni by major, increasing the number of young alumni in the sample, focusing on acquiring out-state donors, and personalising the communication using photos and videos.

Students reported that many of their alumni asked about specific programmes and professors on campus. There could be value in matching students with alumni that share a similar academic background. After finding that over one-third of graduates from the 2000s made a gift, it

would be wise to include a larger number of younger alumni to see if that trend continues. Young alumni can be a difficult audience to communicate with and the millennial graduates have brought about challenges of their own. Perhaps this genuine and personalised communication style aligns with how young alumni wish to be engaged and solicited.

Acquisition is another hurdle many annual giving professionals face in their work. Based on the results from the pilot programme it would be advantageous to increase the number of out-state alumni that have not given in five or more years. Similar to the young alumni, this unique relationship with out-of-state alumni may have reinvigorated their affinity and philanthropic attitude towards the college. Finally, incorporating a wider variety of technology would be a beneficial addition to the GOP. This pilot was designed with minimal resources to promote a greater return on investment, but it would be relatively simple to incorporate short video clips or photos of the students while keeping the costs manageable. The effectiveness of an added touch of personalisation would be worth measuring in future programmes.

Conclusion

The Gustavus Outreach Program had success increasing the giving participation rates of alumni and exposed two potential populations of donors that should be targeted in future appeals. Financially, the investment to establish and operate the Gustavus Outreach Program was less than US\$1,000, which was comprised mostly of printing and mailing costs. The administrative time required from full-time staff was limited to the set up and initial e-mail to alumni. The simplicity of the programme, combined with the

desirable philanthropic outcomes, made the Gustavus Outreach Program a success.

Although more difficult to measure, the student callers received significant benefits from participating in the GOP. Through their creativity and personalised communication, students gained skills and experiences that will carry over into their professional careers. Overall, the Gustavus Outreach Program provided a creative solution to several issues and, even more, opened the door to future opportunities to better engage, educate and solicit the alumni and friends of the college.

THE BIG DISCOVERY PROJECT

In the fiscal year of 2016, Minnesota State University, Mankato (MSU) had seven full-time development officers dedicated to meeting with alumni and friends with the intent of soliciting major gifts. Each development officer had a portfolio of assigned prospects ranging from 70 to 150 alumni. While discovery visits (visiting alumni who have never been contacted) were a point of emphasis, only 83 total discoveries were completed within the fiscal year. In an effort to prepare the institution for an upcoming campaign and maximise development efforts, the university advancement division set an audacious goal of completing 1,000 discovery visits. This would be a concerted effort between development officers, alumni relations, annual giving and students.

While discovery initiatives are not new to the world of higher education fundraising, they continue to be a growing topic of conversation at conferences and within peer groups. The concept was simple: hire students to complete in-person visits with alumni, complete a contact report and suggest a follow up strategy. Students were instructed not to solicit the alumni

for anything other than their story and the university advancement division would decide the next steps.

The Big Discovery Project launched in the spring of 2017 and included 14 current undergraduate students at the university who would be assigned to meet with alumni within 16 km of the students' summer residence. Students were selected through an interview process that identified strong communication skills and a self-starter attitude. The interview also took into account their geographic location, since visiting alumni in their hometown was the programme's strategy. Over 60 per cent of MSU's alumni live in the greater Twin-Cities region of Minnesota, while other high population cities include locations such as Rochester, St. Cloud, Duluth and Mankato.

Getting started

Students were selected through classroom presentations, recommendations from faculty and staff, or by responded to a LinkedIn job post. Over 50 students applied and 14 were chosen to be student interviewers. Training took place the week before classes ended in May and included a two-hour session on how to arrange a visit, how to conduct an interview and write a contact report. The basis for the interview questions was simple.

1. Tell me about your experience at Minnesota State University, Mankato.
2. What has the journey been like since graduation?
3. How would you like to be engaged with Minnesota State University, Mankato moving forward?

The last question accompanied a one-sheet guide called '8.5 Ways to Engage', which explained nine ways alumni can

get involved with the university. The guide includes mentoring students, utilising career services, giving a gift, serving on a board, creating an internship or hiring a graduate. The goal was to show alumni that there are many ways to get involved and are not limited to making a gift.

Students were compensated US\$30 for each contact report submitted on a prospect that was assigned to them. The students were considered independent contractors and the only interaction leadership had with them throughout the summer was a weekly e-mail giving updates on the initiative's progress.

Getting it right

Alumni were selected for the project using the following criteria:

1. Must live within 16 km of a students' summer residence.
2. Must not be assigned to a major gift development officer.
3. Preference given to alumni that had a high Reeher MGEVI (Major Gift Expected Value Index) score.
4. Preference given to alumni that had a high net worth (US\$500,000+).

The main consideration for selecting alumni geographically was to connect students with alumni of their alma mater who live in their own community. The assumption was that alumni would be more interested in meeting a student from their own community and students would feel more comfortable having coffee in a public place with alumni who they already had geography in common. Keeping visits closer to home also cut down on expenses that students could incur by reducing the amount of mileage between their home and the visit.

Making it work

In the week following the conclusion of spring semester, a letter from the student was mailed to their assigned alumni letting them know that they had been selected for participation in The Big Discovery Project and invited them to share their story over a cup of coffee. Students were instructed to send an e-mail to their assigned prospects following the letter if they had not received contact within a week. If the student received no response from the e-mail, two phone calls, with a voicemail on the second, was recommended. If no response came from those efforts, the students were given additional names and the contact process was repeated. Additional names did not have as high of net worth or expected value index.

Contact reports were collected, screened and filed by the university advancement staff and categorised based on the academic college the prospect graduated from and noted any potential next steps for future engagement. For example, a College of Business graduate who expressed interest in hiring an intern was filed away for the Career Services Center to follow up. Students were paid bi-weekly, multiplying the number of contact reports submitted by the contracted rate of US\$30.

The results

The project ran in June and July of 2017 and after the eight weeks data were collected and compiled to be shared with development officers, alumni relations, annual fund and leadership teams. One hundred and eleven alumni participated in the project with 62 moving forward for cultivation by our annual fund or major gift officers as they indicated interest in making a financial gift. The profile of the alumni who responded the most included a MGEVI of 90–99 and a net worth of US\$500,000–\$999,999 (Table 3) and the age range with the most engagement was 50–59 (Figure 1). Sixteen of the alumni who participated (14.4 per cent) gave a financial gift to the annual fund within 90 days of being visited, five of which made their largest gift to date.

The total cost of the project, which included training hours, website design, postage for letters and the contracted rate for each visit, came to US\$4,082 or US\$36.77 per visit. With minimal training and a limited budget, the university was able to engage 111 alumni over eight weeks while providing networking and interviewing experience to over a dozen students. Development officers and alumni relations now had warmed up prospects to connect with

TABLE 3 Number of records by net worth and Major Giving Expected Value Index

Major Giving Expected Value Index	Null	US\$25,000–49,000	US\$50,000–99,999	US\$100,000–249,999	US\$250,000–499,999	US\$500,000–999,999	US\$1,000,000–1,999,999	US\$2,000,000–2,999,999	Greater than US\$2,999,999	Total
90–99		1	3	2	10	23	10	8	4	61
80–89				1		3	4	1	6	15
70–79							3	5	4	12
60–69	1					4	1		1	7
14–59	1					7	6		2	16
Total	2	1	3	3	10	37	24	14	17	111

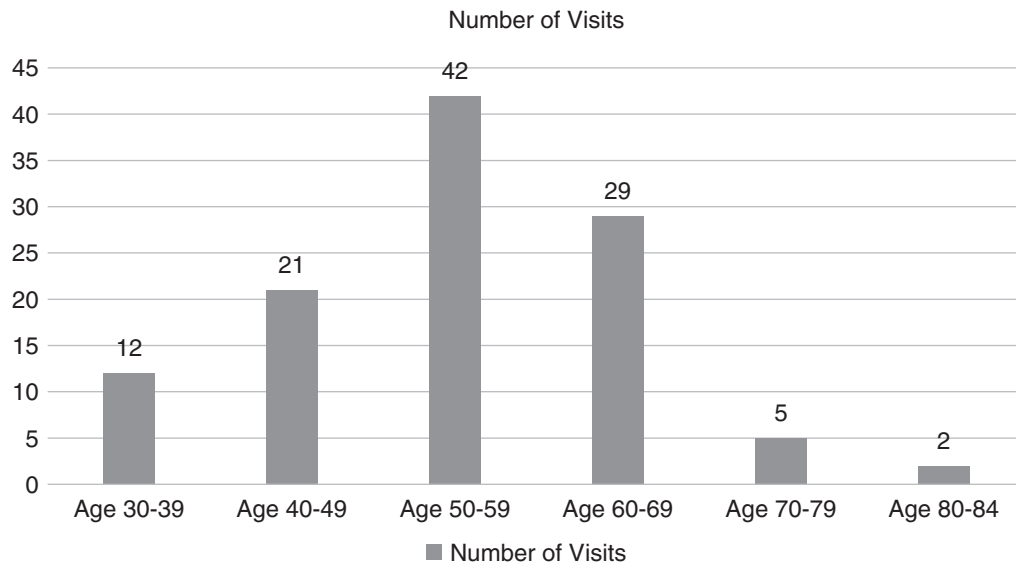


FIGURE 1 Number of records by age

and the campus was able to satisfy the needs of those who expressed interest in joining boards, utilising our services or giving back financially. Completing 111 discovery visits within eight weeks was a drastic improvement to the 83 discovery visits completed in the entire prior year. The institution was able to bring more alumni into the conversation, engage alumni in ways that were meaningful to them and introduce alumni to a student without the alumni ever having to step foot on campus.

Future implementation

Incorporating students into giving or engagement strategies is viable for institutions of all sizes and abilities. To implement a semester-long version of the outreach programme with minimal resources, seek out partnerships with faculty members so students could partake in the outreach programme as a part of their course. For example, our annual giving office has collaborated with our

persuasive sales course and provided students experience in the call center while they solicited donations for the university. To expand upon the outreach programme, it would be advantageous to hire students specifically for this initiative, rather than splitting their time with their normal phoning duties, and increase their portfolio and the number of meaningful touches with each donor.

The Big Discovery Project can be scaled for implementation in two ways. The first is by adjusting the number of students hired for the programme and the second is to increase or decrease the range of locations covered. Valuable data can be collected from donors living near the institution as well as those cross-country or living internationally. Access to resources and quality students will determine how large the programme can grow.

SUMMARY

As institutions rely more heavily on private support, creative and cost-effective

fundraising and engagement opportunities will be in greater demand. Using current students as a part of engagement and solicitation strategies ties up fewer resources, provides valuable learning experiences for the students and can be more effective in cultivating relationships with alumni. In both cases, institutions

benefited from the work of the students, alumni engaged in richer relationships with the campus-constituents, and students received professional skills and experiences. Fundraising initiatives will continue to evolve and students can and should play a role in those engagement and solicitation strategies.