

Don't Fear the Reaper: How Advancement Can Save Your School

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It's 8:30 am, and I'm kicking back in my chair sifting through the engagement numbers on last night's Facebook post. I look at the comments and the people who liked the post, hoping to stumble upon a name synonymous with giving capacity. I'm not a monster—I don't do it just for the money—but I know social media's role in advancement is to help achieve fundraising goals, so money matters.

I then turn my attention to various higher-ed online publications, and I find more bad news for small liberal arts colleges. I begin to think that higher-ed advancement might be staring down a new “duty as assigned.”

I'VE GOT A FEVER... AND IT'S SPREADING

A couple months back, I penned [a piece about the closing of Sweet Briar College](#), a small women's college in Virginia that announced it would be closing down after more than 110 years. At the time, it felt like an outlier—a combination of low enrollment and mishandled finances that created a dire situation. A passionate Sweet Briar alumnae base rallied valiantly, trying to raise money to keep the doors open, but just 60 days later, we now know they're not alone.

More schools have trickled into the media because they're either shutting down or on the brink of shutting down. After 70 years, Tennessee Temple University [announced its closure](#) following years of declining enrollment. The president of Oakland, CA-based Mills College [announced she's not extending her contract](#), which looks more like a captain NOT going down with the ship as each day reveals more issues with the school's finances. South Carolina legislators are [pushing to close South Carolina State University](#), the state's only public black college, due to the school's increasing financial issues.

The collapse of higher-ed institutions is no longer a doomsday hypothetical. It's a reality, and we need to take action.

DON'T BLOW THIS FOR US, GENE: WHY SCHOOLS CLOSE

Before debating solutions, we need to understand the problem(s). The main factors that seem to be crushing all of these schools are decreasing enrollment and increasing tuition discount rates. This leaves schools tapping into their endowments with unsustainable frequency.

Higher-ed writer Jeff Selingo summed it up like this in [his piece in the Washington Post](#): "The college (Sweet Briar) was offering too many discounts on tuition (57 percent, on average), enrolling fewer students each year, and spending too much of its cash reserves. The [average discount for first-year students at private colleges is 46 percent](#). That's already high, but while anything higher than 50 percent might be a good deal for students, it's not financially sustainable for a school."

Two organizations that grade the financial "health" of colleges and universities are [Moody's Investors Service](#) and [Standard and Poor's](#). It's safe to say that Standard and Poor's took Sweet Briar's high tuition discount rate into account when handing the school a "negative outlook" in its Fall 2014 report. Higher tuition discount rates are creating a financial epidemic across the nation. According to Moody's, net tuition revenue is either flat or falling at 73% of American colleges. [A 2012 report by Bain and Company](#) found that one-third of all colleges and universities in America are currently on an unsustainable fiscal path.

Moody's has a credit grading system that it delivers to schools in an annual report. SmartAsset.com compiled [a list of Moody's 10 most un-creditworthy universities](#). Some of the schools on the list might surprise you—Louisiana State University, Georgetown, Boise State, Colorado State. While appearing on this list isn't a death sentence, don't be

surprised if you see some of these names in a “school closure” headline in the next few years.

In fact, author and speaker Thomas Frey [predicts that 50% of colleges will collapse by the year 2030](#). Overhead costs and increasingly visible rating systems are a few culprits that Frey identifies.

The year 2030 sounds far away, but it’s only 15 years out. Sadly, it seems that Sweet Briar College is part of a growing minority of schools that excel at teaching books, but struggle to balance them.

YOUR SHIRT RISES TOO HIGH: ADMITTING YOU HAVE A PROBLEM

Although it might be too late for many smaller colleges, that doesn’t mean we shouldn’t try. To devise an appropriate plan of action, I sought the counsel of trusted colleagues from around higher ed who have unique insights into the worlds of both enrollment and advancement.

First, let’s all admit that higher ed isn’t untouchable. We can’t continue business as usual and expect that everything will “work out in the end.”

Chris D’Orso, Assistant Director of Enrollment Communications at Stony Brook University by day, Jeopardy contestant by night, believes that maintaining the status quo is no longer an option in today’s evolving higher-ed climate:

“We like to think of higher ed as being in this semi-immortal bubble, because at least in theory, there will always be more college students coming through the pipeline. But the education world is changing: online education, financial pressures, and international options. If we’re going to compete, we need to be ready to change, and like in any industry, those that don’t do that won’t make it.”

Jennifer Montfort, Associate Director of Alumni Communications at the MIT Sloan School of Management and a Sweet Briar alumna, mirrored D’Orso’s concerns in the context of her alma mater’s closure:

“There was, it seems, a complete lack of willingness [at Sweet Briar] to try anything

new. The fundraising was antiquated, the systems insufficient (admissions was still on a paper system!), the alumnae were not engaged in any meaningful way, and the marketing was non-existent, including VERY little in the form of social media.

All higher-ed institutions face the same challenges... these problems are not new. The difference is how you respond to them. Do you keep doing what is familiar? Or do you go out, see what best practices are, and change the way you are doing things?"

Clearly, what worked in 1955 isn't going to work in 2015—but neither is what worked in 2000. Colleges and universities got fat over the past 20 years as enrollment soared almost as high as tuition, creating a “go-to” way of generating revenue that is quickly becoming unsustainable. Ashley Budd, Assistant Director of Social Media at Cornell Alumni Affairs & Development and formerly Assistant Director of Admissions at RIT, said we need to stop tapping a dry well:

“The large majority of institutions operate on a tuition-driven business model. More enrollees each year along with annual increases in tuition keeps operations moving. But that business model is reaching its tipping point; we've passed it in most small liberal arts colleges. We have to look at a different revenue model.”

There you have it: The backbone of this whole issue is revenue. Assuming a school is actually delivering value to students, devising a new approach to revenue is the key to survival.

Look no further than your fundraising friends on campus for help.

I'M TELLIN' YA, YOU'RE GONNA WANT THAT ADVANCEMENT

A popular word used to describe higher-ed offices is “siloeed.” Teams of people all work on their own “thing” and neglect to collaborate with other teams in the same office. We don't realize that, really, we're all players on the same team.

To that end, it's time for admissions and enrollment to say to advancement: “Ask not what your enrollment office can do for you, ask what YOU can do for your enrollment office.”

For the most part, advancement is focused on alumni engagement and fundraising. But while

that's certainly a big piece of puzzle, we cannot turn a blind eye to how advancement can assist admissions. Clearly, we see the importance of maintaining and increasing enrollment numbers.

SO HOW CAN ADVANCEMENT MOVE THAT NEEDLE? HERE ARE FOUR IDEAS TO START.

1. DON'T IGNORE EAGER ALUMNI

It's easy to be focused on the almighty dollar, but we must remember just how much a truly engaged and excited alumni base can impact enrollment. Montfort pointed out that alumni pride creates a desire to be part of the crowd:

"When you have a strong advancement office that is not only trumpeting the need for donations, but also for engagement at every level, you're helping to present a strong picture of what kind of people graduate from your institution, and frankly, it makes people want to then go to that institution. If you're engaging your alumni, you're curating the best salespeople you have."

D'Orso echoed these words, explaining that the real magic happens when engaged alumni interact with prospective students:

"The connection between alumni and prospective students can be really important if it's cultivated correctly. I look at our marching band as a prime example of that. Our band is only 10 years old, so our alumni are all young. But they're also VERY engaged and connected, both with us as a school and with the program. They come to band camp, they come to the banquet, they donate money for a scholarship for a band student."

If you're 17 years old and you're looking for a place where you're going to 'fit,' as we say, then that's gold. 'You play the trombone and want to play in our band? Let me get you in touch with our Director and one of the drum majors. You're going to love it, because they've developed a fantastic community.'"

Budd, however, has seen the mindset of prospective students change over the years. Instead of caring most about what they'll be doing during college, prospective students are now focusing more on life after college. She believes that advancement can play a key role

in highlighting the successes of alumni:

“Prospective students are more outcome focused than they used to be. Alumni affairs can connect admissions offices with alumni success stories. Prospective students want to see people like them who have taken the same path and proven there will be a return on their investment.”

Outcomes are about connections. D’Orso has seen the benefits of mobilizing alumni at college fairs:

“We love having alumni who are willing to stand next to us at a big college fair. If we’re helping connect incoming students with alumni, then that opens up internship and summer job doors, and those are the kinds of connections that students are going to want to have.”

Oh, and if you thought hiding harsh realities from alumni is a good way to mobilize them, Montfort can set you straight on that:

“Involve your alumni in a meaningful way. Don’t pay lip service to them. They will respond. Sweet Briar has said that they didn’t want to panic anyone, so they didn’t tell the alumnae that this [closing] was a possibility. There are no words to describe what a critical mistake that was.”

2. MAKE UNRESTRICTED GIVING DESIRABLE

If you were kind enough to humor me and read my recent whitepaper, [“Dollars Over Donors,”](#) you know that higher ed is enduring a 20-year downward spiral with regards to unrestricted giving. The ol’ “just give us money and trust us to use it well” is a tough sell these days.

Nevertheless, we know those dollars are crucial to financial aid. According to Montfort, we need to keep beating the drum:

“The big thing is how crucial unrestricted giving and scholarship support has become. Education is expensive, and discounting it is not the solution. Focus on that, and you’re enabling more students to come to the institution, and if they’re aware of the efforts made to provide that support for them early on in the process, they’ll be more likely to want to give back when they can.”

To that point, an advancement office could place a fundraising priority on scholarships and financial aid support, but make it feel more “restricted.” Instead of creating a black hole for these dollars, find compelling ways to show impact.

At Cornell, we launched a crowdfunding project to create more internship positions at the Cornell Plantations. The crowdfunding platform brought donors face to face with students who benefitted from the internship and who not only professed their love for the Plantations, but also stressed the importance of the opportunity for life after college.

Here, we have a situation where something previously tossed into the unrestricted pool was removed from the hole and spot-lit via crowdfunding... and people responded. It was also a great PR mechanism for potential students wondering where they should enroll. Go to the school where budget dollars are always a concern, or go to the school that will use innovative fundraising practices and empower me to raise my own money? No brainer. Can crowdfunding save your school that is on the brink of closing? Probably not, but then again, it did [raise almost \\$60,000 just for potato salad...](#)

Giving days have also helped make giving more desirable by gamifying giving and fueling competition amongst the different areas of a school. Again, this is not a magic bullet, but it should be part of your fundraising arsenal, which can target gifts for scholarships that help attract more students.

3. ASK FOR HELP AND BE TRANSPARENT

Higher ed is good at a lot of things, but being transparent isn’t one of them. Budd emphasized that, when attempting to overcome dire circumstances, “budget transparency with alumni is a good starting point.” We’re really good at marketing our needs when we solicit alumni, but schools seem to lack the courage to ask for money when the need becomes staying alive.

In the case of Sweet Briar, Montfort believes that alumnae would have stepped up—but the college didn't even consider asking for help:

“The President and Board of Directors stated the infeasibility of a major capital campaign [to save the school] due to the changing demographics of the alumni base (i.e. not enough rich southern families). They say that they just couldn't see a way out. Since the closure, the alumnae-organized effort Saving Sweet Briar has secured over \$16 million in donations and pledges, and alumnae are engaging in strategic planning and problem solving to turn the school around. Clearly, their donor base was begging to be asked. Donors will rally around demonstrated need.”

When a school is facing closure, that might be the easiest ask a development officer will ever make. No one wants to admit that finances are a mess and that the school is failing, but you have to understand what shutting down means for your alumni and then realize that most of them will do whatever it takes to keep you afloat.

D'Orso said it well via this automotive metaphor:

“A key way that we're VERY different from other types of businesses is that we're forming lifetime connections with our students. I drive a Toyota now, but if Honda has a better deal when I'm looking for a new car, then I'm getting a Honda. Higher ed is different in that way; I'm a Geneseo alumnus for life, and the connections I have with Geneseo and all that it stands for don't change the same way. If Toyota folds tomorrow, I don't really care... but if Geneseo folds? I'm angry, because that's a part of me that's taken away. That identity is important.”

Is it a tad embarrassing to ask your alumni for money because the college is going out of business? Yes, but you owe it to them to make that ask. No one wants his or her LinkedIn profile to feature a college that no longer exists. Don't underestimate the emotional investment a person has to your campus. For most people, those four years were the most transformative of their life.

4. CHANGE... AND CHANGE SOME MORE

Whether you're a small liberal arts college struggling to stay in the black or a large university with a billion dollar endowment, failing to evolve will catch up to you. Advancement has cruised on the wings of the same mantra for too long now, and it's time to chart a new course. If you wait until there's a major problem, it's probably too late.

Not only do we have to push ourselves to find new ways of bringing in money, but we also need to explore new opportunities of engaging alumni and putting them on display for all potential students to see. A successful and outgoing alum is worth far more than a pretty pamphlet... I think. I don't have the numbers for "pamphlet ROI," but I would wager a guess that meeting a successful human who gushes over her time at her alma mater would carry more weight.

Social and digital media present endless opportunities to do so in a way that's timelier and more cost efficient than ever before. You don't need to get an alum to a college fair; you just need them join a Google Hangout at home. And you don't have to convince an alum to visit a nearby high school when they can create a subgroup or a Q&A thread on LinkedIn.

It has never been easier to connect and communicate with people. We're out of excuses. Montfort believes that if you do this well, it can be a win-win:

"I think that the message is that advancement needs to see the whole picture. People won't go to colleges they perceive as not having strong alumni bases; if you show that, (through engagement AND the willingness to show financial need) then you'll have people who understand the whole picture before they even set foot on campus, making your advancement job much easier in the long term."

LAY DOWN THAT COWBELL RIGHT NOW, WITH US, TOGETHER

Half of America's colleges closed over the next 15 years? That's what we're looking at if you believe the words of self-proclaimed "futurist" Thomas Frey. If your school is in the same town as another college, one of you is out. Will it be you?

You may think Frey is a mad scientist, but he makes a terrifying amount of sense:

“Higher ed has become a lumbering giant, slow to adapt and increasingly out of sync with the needs of business and society. The same top-down institutional systems that have preserved colleges for centuries are now becoming their greatest enemy. Much as failed golf courses, big box retailers, and shopping centers end up in the laps of local communities, failed colleges will also become local problems for city governments to deal with.”

To right this ship, we have to get all hands on deck and take a hard look at the realities of our industry, while having the courage to admit failure. Advancement needs to become more creative with annual fund/unrestricted solicitations in order to fill the scholarship and financial aid coffers and keep the school from raising tuition discount rates.

Fixing these problems will also require advancement and admissions to strategize together to figure out how to use alumni engagement to attract the students of tomorrow.

We can spend hours in the boardroom debating how best to do it, but what’s no longer up for debate is whether or not we should do it. We’re officially on the clock.