

Top Challenges Facing Advancement Leaders

NOVEMBER 2021

Dear Colleagues,



We have seen our clients exhibit tremendous resilience and innovative thinking throughout the pandemic. Those efforts have generated many success stories both among individual institutions and the philanthropic industry as a whole. That helps explain how and why overall giving in the United States set a new record last year as it grew 5.1%—the largest one-year growth rate in five years—to reach \$471.44 billion in 2020, according to The Giving Institute’s “[Giving USA 2021: The Annual Report on Philanthropy for the Year 2020](#).”

As we’ve navigated these challenging times alongside our clients, we have been struck by the wide array of innovations that we’ve heard from our clients. We’re committed to sharing that fresh thinking in our thought leadership articles and webinars, as well as to offering our informed perspective on what lies ahead.

Because every nonprofit sector is unique, we’ve sought to focus on the specific challenges facing higher education research institutions in the following pages. To do so, we’ve used our firm’s SurveyLab technology to collect responses from leaders of those institutions so as to highlight the issues they identify as most pressing, which include the difficulties that many institutions face attracting and retaining talent, and their struggles to build relationships with new donors.

We would love the opportunity to share additional perspective and context from what we are observing in the industry. If you are interested in a conversation, please reach out to me at plasher@grenzglier.com.

Pete Lasher | Senior Vice President, Higher Education Practice Area Leader | 

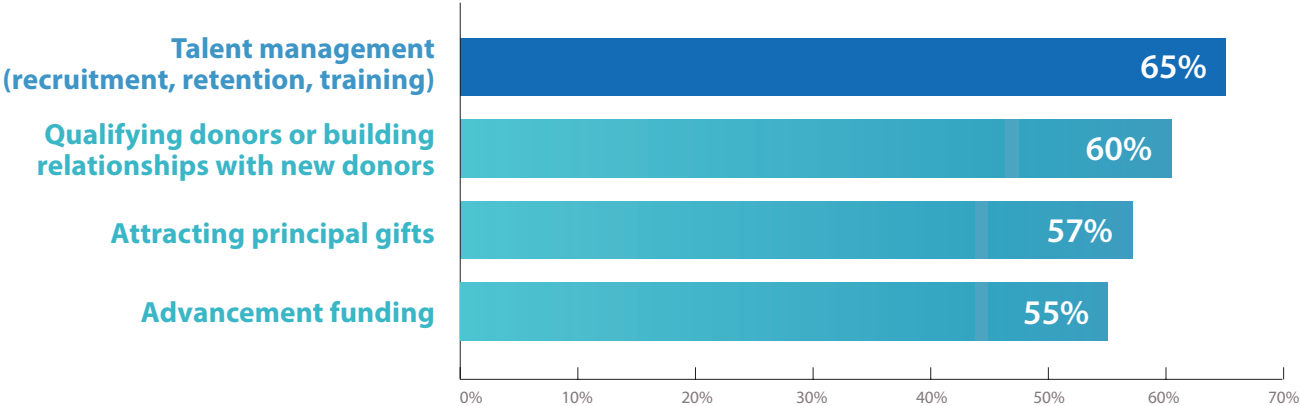
The 4 biggest challenges facing high research activity universities

While there is no shortage of challenges facing high research activity universities, the four most-cited responses were: talent management, qualifying donors/building relationships with new donors, attracting principal gifts, and advancement funding. The COVID-19 pandemic—and its subsequent ripple effects—undoubtedly had considerable influence over those responses. For example, numerous institutions were forced to furlough and lay off staff last year and now they face the challenge of growing and developing the staff that remained, as well as onboarding and culture-building with new hires. All the while, they need to focus on advancing their institution’s mission by generating private support.

According to our research, fundraisers report that qualifying prospective donors is the most difficult and least satisfying part of their jobs. We need to rethink our approach to qualification, beginning with the effort required to understand the affinity and motivations of high-value, unengaged prospects. [Read more](#)

Our research also shows that 60-65% of campaign totals come from principal-level gifts that require more attention to building programs that will both scale engagement with prospective principal gift donors and develop compelling gift propositions that will attract gifts at those levels.

To what degree are the following significant challenges to your program?



“High employee turnover is a serious problem that has serious consequences. And those consequences are often magnified because the highest turnover in the nonprofit sector occurs within fundraising departments. [Read more](#)”

65%

Challenge #1: Talent Management

What are the some of the most successful strategies for retaining advancement staff members?

Staff members want to feel valued, which requires leaders to provide feedback clearly and often. For certain high performers at a particular level, it also helps when leaders find ways to demonstrate that they want to hear their staff's perspectives. For example, a leader may ask a staff member to present before university leadership or to serve on task forces.

At the same time, staff members want to understand the next steps in their career path. Advancement leaders can help them by asking them where they see themselves in five years and assisting them with a GAP analysis that can highlight the gaps in their experience, then outlining opportunities to develop those skills.



Value their work, understand their challenges, and strive to make them successful. Create a professional growth path consistent with the individual's interests and skills.

— Eric Snoek, Senior Vice President



Be preemptive with praise and raises, provide exposure to university leadership, and offer opportunities of representation on task forces or other high-profile assignments to show them you value their opinion.

— Rod Kirsch, Senior Vice President



60%

Challenge #2: Qualifying Donors or Building Relationships with New Donors

What is the most effective way to qualify prospective donors?

Qualification works best when a fundraiser uses all of the resources and knowledge at his or her disposal. That includes conversations with the donors, as well as leveraging prospect research and wealth screening tools to assess the donors' relationship with the university, their history of giving and/or engagement, and their wealth and inclination to give. From there, we would recommend surveying the high value unengaged population to better understand their perceptions, attitudes and motivation to support the institution that will inform one-on-one qualification work.

That background information enables the fundraiser to engage the prospective donors in a candid conversation about the institution and how philanthropy can help it achieve its objectives. The discussion should help the fundraiser verify what he or she knows about the prospective donors' inclination and capacity to give, as well as their motivation, attachment to the institution, and desired impact.



It's essential to understand prospective donors' philanthropic inclinations toward your institution, their passion for your priorities, and the logistics involved in their philanthropic decisions. Not only do these steps improve qualification, they accelerate the gift cycle and increase the success of solicitations. Additionally, frankness and consistent inquiry is important when qualifying prospective donors. If we do not introduce philanthropy in these early conversations, we are missing out on an opportunity to learn about a prospect's interests and passions.

— Christen Wilson, Vice President



57%

Challenge #3: Attracting Principal Gifts

What are the key characteristics of high-performing principal gifts programs?

Successful institutions are cross-disciplinary. They bring different perspectives to bear on challenges that require multiple skill sets. They then foster a culture of collaboration and partnership by engaging donors in the problems they are trying to solve. They recognize that their donors are smart, curious people who want to understand those problems, why the institution is in a position where they can solve them, and how the solutions will come to life. Donors don't want to be handed a proposal; they want to engage with the institution in a meaningful way. Principal gift programs understand how to engage principal gift prospects and institutional leadership to develop compelling gift opportunities that would attract gifts of this magnitude.

“

Given that 60-65% of campaign totals will likely come from gifts of \$1 million or more, programs need appropriate resourcing—including the commitment of academic and administrative leadership—to attract gifts at these levels and to fulfill the intentions of principal gift donors.

— Pete Lasher, Senior Vice President

”

“

High-performing principal gifts programs understand the importance of good data. They foster effective, creative, and dynamic partnerships with academic and institutional leaders. And they have a strong strategic case or vision that clearly communicates the benefits of philanthropy.

— Andrew Allred, Senior Vice President

”

55%

Challenge #4: Advancement Funding

How do you make the most compelling arguments for increased investment in advancement programs?

There's no substitute for good data and there are multiple metrics that can build a compelling case for increased investment. A few of those measures are: gift officer performance data; numbers of unmanaged qualified prospects; growth scenarios; and dollars raised per frontline fundraiser.

Those measures can demonstrate how additional investments, such as hiring additional gift officers who can be assigned to highly rated prospects who are not currently assigned, could produce early wins. Those inputs can bolster the case for investment to academic, administrative and volunteer leadership and can illustrate that your benchmarks are aspirational and forward-looking, not just based on what your institution has done historically.



Data enables you to show institutional leaders that you have the prospects, that your plans reflect the numbers and capacity of those prospects, and that you are making the most of your current resources. Those metrics build a compelling argument that increased investments are necessary.

— Suzanne Hilser-Wiles, President



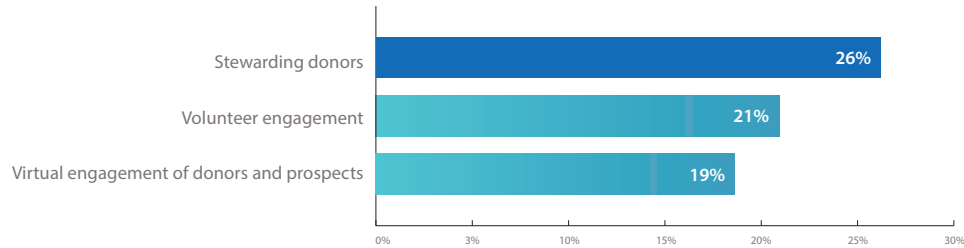
Comparative growth scenarios can be one of the most powerful approaches – quantifying the relative levels of investment that would likely be needed to achieve different outcomes and supporting those scenarios with evidence from historical peer, aspirant peer, or sector data.

— Kyle Gordon, Vice President

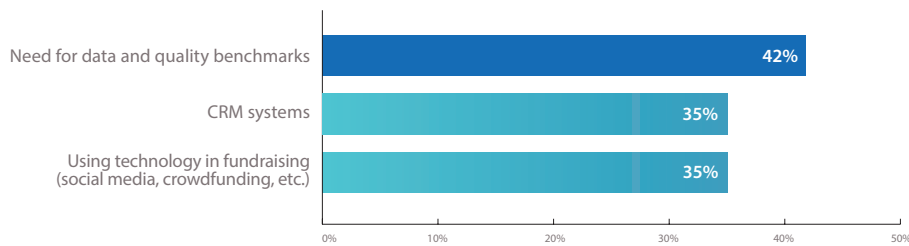


Other Challenges

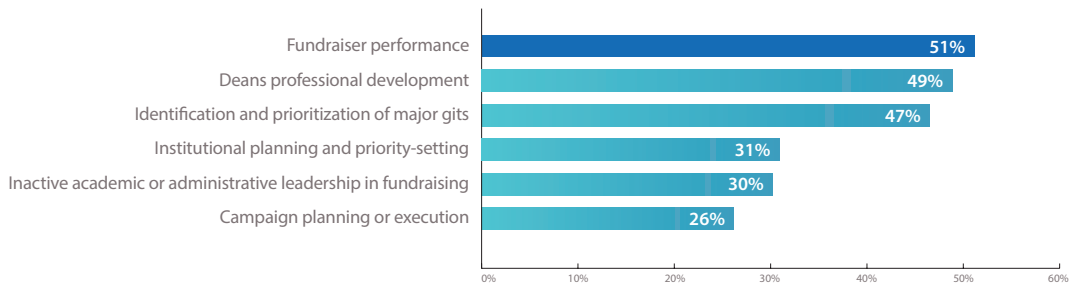
Engagement



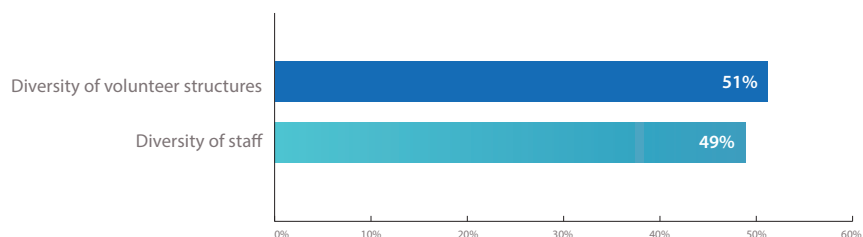
Data, Technology, and Infrastructure



Leadership, Performance, and Planning



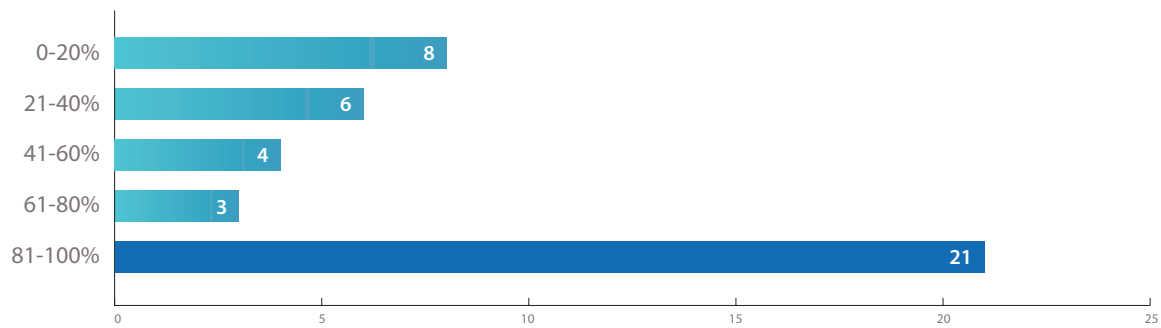
Diversity



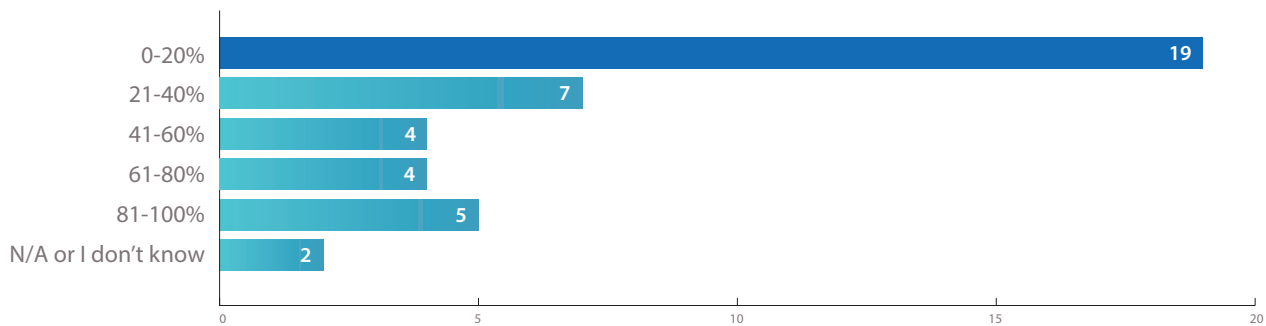
Budget Allocations

Half the respondents reported that nearly all of their Advancement budget comes directly from the institution.

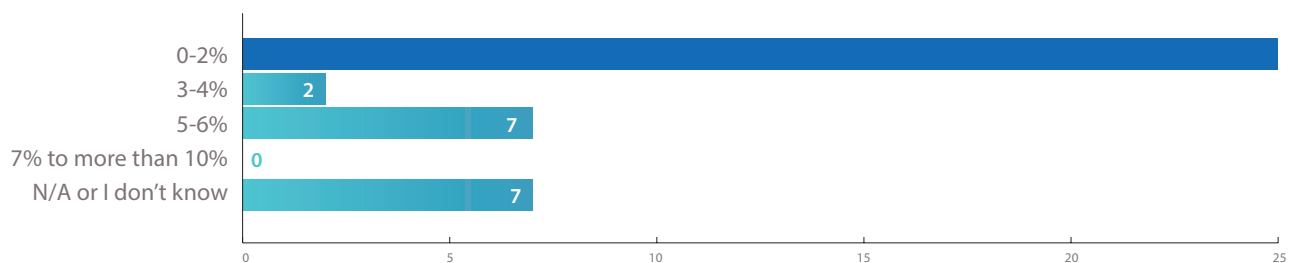
What percentage of your Advancement budget comes from the institution (central as well as unit funding)?



What percentage of your Advancement budget comes from the fees placed on the endowment to support Advancement?



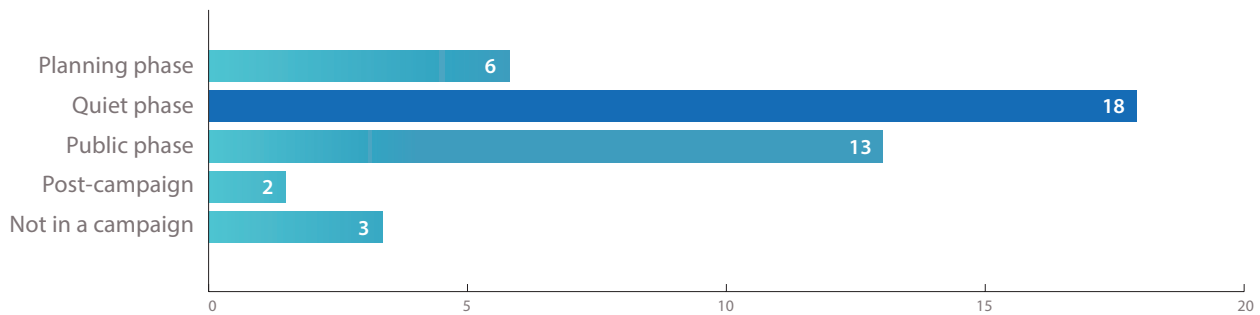
What percentage fee to support Advancement is placed on annual cash receipts?



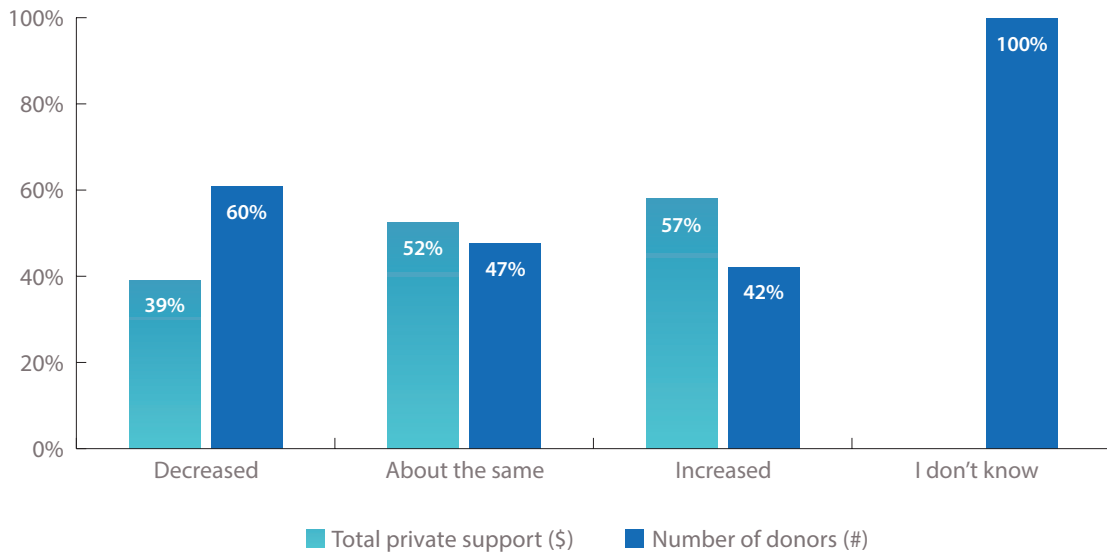
Environment

The COVID-19 pandemic had a profound impact on many R2 institutions, as 39% of respondents reported that their FY20 end-of-year fundraising totals were less than FY20. Moreover, 61% said that their number of donors fell. Advancement leaders should use evidence-based techniques to demonstrate that they are one of the few areas that can boost revenue amid this challenging environment. These same tools will also benefit the advancement program by helping make the case for additional investments once the COVID-19 crisis passes." [Read more](#)

What phase of a campaign are you in?



Looking back at the impact of the 2020 pandemic, which of the following apply to your end-of-year numbers (FY20) compared to the previous year (FY19)?*



* Due to rounding, some values do not add up to 100%

Survey Description

As part of GG+A's ongoing effort to bring the most relevant and useful information to our clients and the research university development community as a whole, in mid-July 2021, GG+A invited 1,355 individuals to participate in a brief survey on current in higher education fundraising.

The brief survey consisted of six scaled and three open-ended questions aimed at gathering insights and information about how the pandemic impacted each institution's fundraising operations, current challenges faced in 2021, and how each organization has responded.

At the time of reporting, 63 individuals had submitted a response (a 5% response rate). Titles of respondents consisted mainly of President, Vice Chancellor, Senior Vice President of Advancement/Development, Vice President of Advancement/Development, and Associate Vice President of Advancement/Development.

All reported values were rounded to the nearest whole percentage point.

GG+A is a philanthropy management consulting firm that partners with nonprofit institutions that transform lives and strengthen civil society. It develops innovative, bespoke solutions that respond to its partners distinct needs to ensure they are well-positioned to thrive amid this challenging moment, and well into the future.

GG+A's thought leadership series features articles and webinars that address the critical issues facing nonprofit institutions. You can access the entire series [here](#).

Our mission is advancing yours.
