Maximising Fundraising
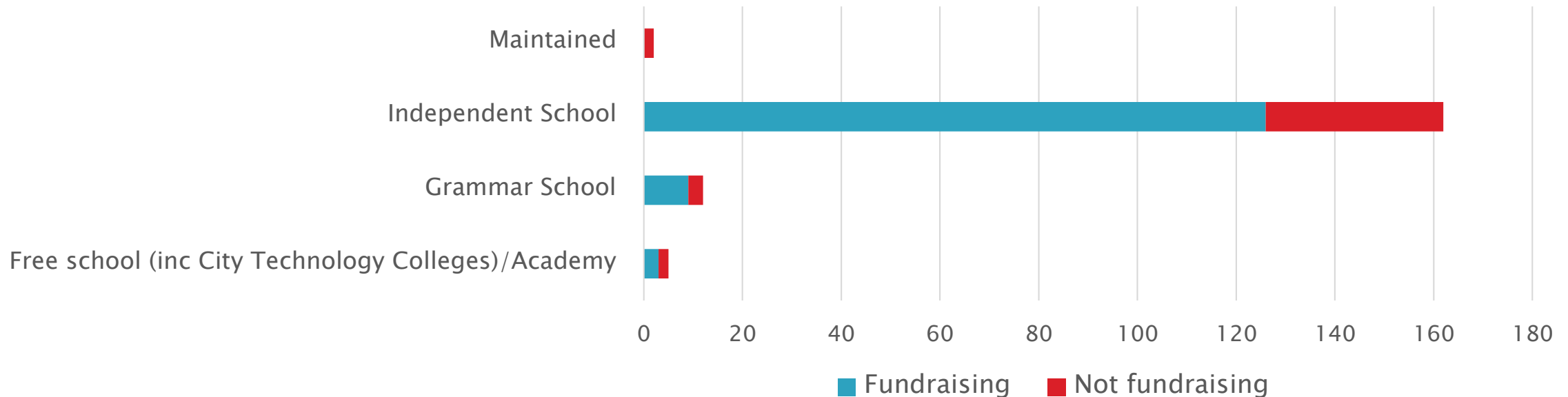## What can senior leaders of schools learn from the IDPE benchmarking survey?

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Monday 12th June 2017

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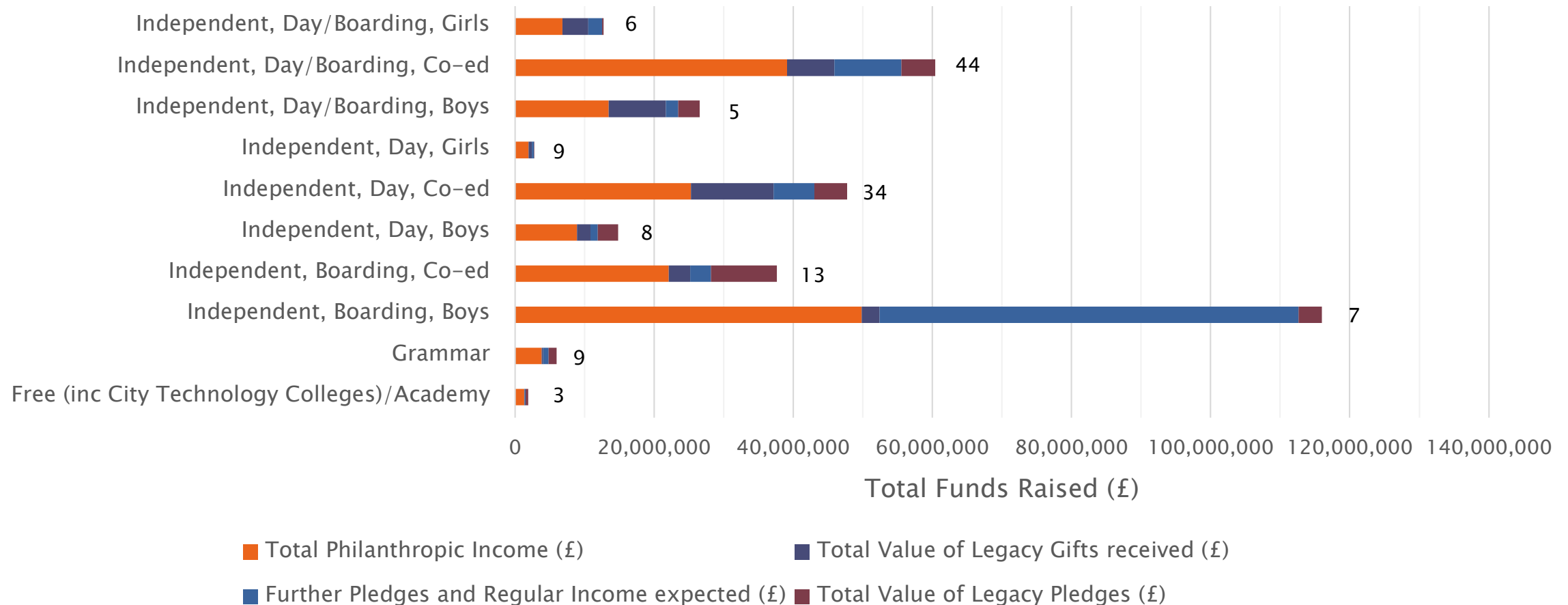institute of development
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Highlights

- 181 schools took part
- Biggest educational fundraising survey in the UK
- Responses covered activity and results from September 2014 to August 2016
- 76% of schools reported philanthropic income, worth £172.5m

Fundraising by Type of School
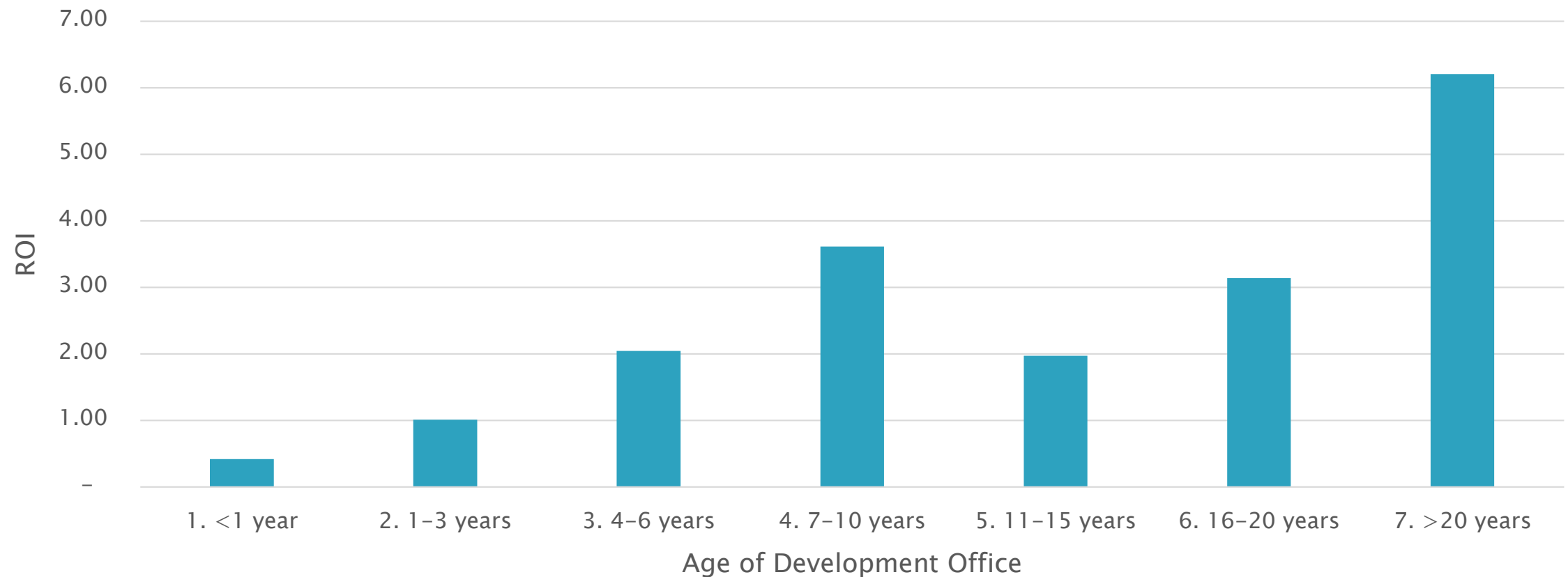
Total Funds Raised by School Type

Total Funds Raised (£)

Legend:
- Total Philanthropic Income (£)
- Total Value of Legacy Gifts received (£)
- Further Pledges and Regular Income expected (£)
- Total Value of Legacy Pledges (£)

Data labels by school type:
- Independent, Day/Boarding, Girls: 6
- Independent, Day/Boarding, Co-ed: 44
- Independent, Day/Boarding, Boys: 5
- Independent, Day, Girls: 9
- Independent, Day, Co-ed: 34
- Independent, Day, Boys: 8
- Independent, Boarding, Co-ed: 13
- Independent, Boarding, Boys: 7
- Grammar: 9
- Free (inc City Technology Colleges)/Academy: 3

X-axis: 0, 20,000,000, 40,000,000, 60,000,000, 80,000,000, 100,000,000, 120,000,000, 140,000,000

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Further insight

▸ Type of school clearly has an impact on fundraising success in absolute terms.

▸ BUT breaking the results down by income, age, and expenditure shows that these have an effect, too.

▸ Most types have one or more school performing significantly beyond the average for that band, demonstrating that school type is not necessarily a barrier to success.
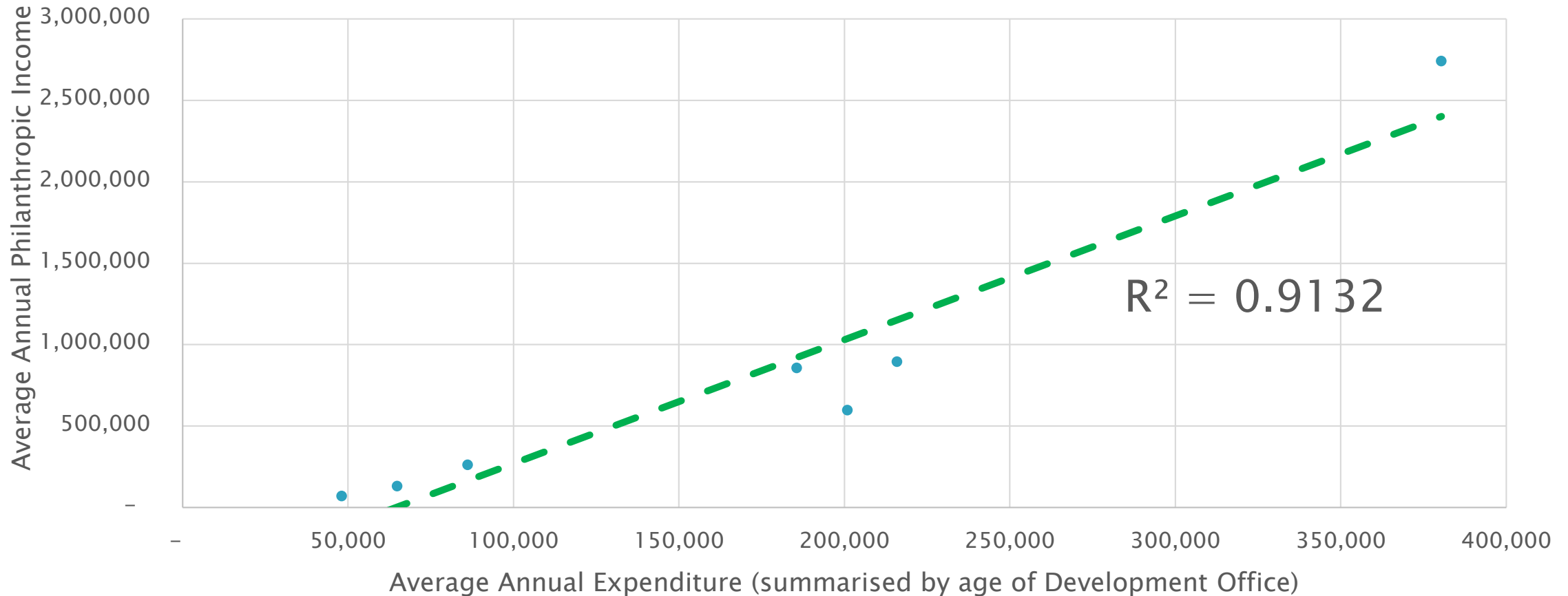
Investment produces return over time

Return on Investment

Increased Expenditure over time

$R^2 = 0.9132$

Chart: Average Annual Philanthropic Income (y-axis, 0 to 3,000,000) vs Average Annual Expenditure (summarised by age of Development Office) (x-axis, 0 to 400,000)
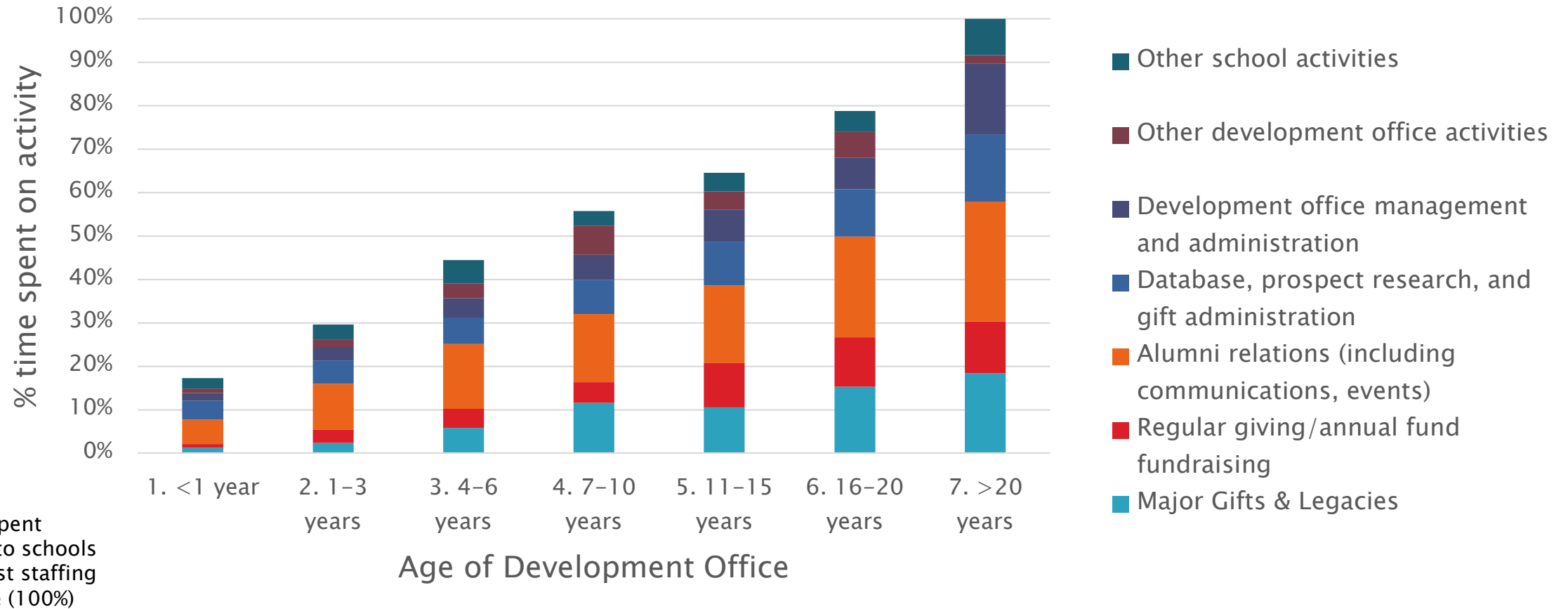
Development Office age and expenditure have an effect on income across all school types

▸ There is a correlation between increased fundraising and expenditure over time.

▸ The biggest expenditure item is staff cost (65%).

▸ Number of staff increases linearly from 0.8 to 4.6 with age.

▸ What do the staff do?

  ◦ Is knowledge of Development Office age and expenditure enough to know when to invest in fundraising?

What do Development teams do all day?

Distribution of Development Office activities by its age and size

% time spent on activity (y-axis)

Age of Development Office (x-axis)

Legend:
- Other school activities
- Other development office activities
- Development office management and administration
- Database, prospect research, and gift administration
- Alumni relations (including communications, events)
- Regular giving/annual fund fundraising
- Major Gifts & Legacies

% time spent relative to schools with most staffing resource (100%)

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Key Development Activities

▸ Development Office teams increase in number with age.

▸ Time spent on fundraising (major gifts and regular giving) increases as Development Offices get older.

▸ Alumni relations activities continue to take up a lot of time and continue to be vital as a vehicle to engage with alumni.

▸ Investment in alumni data and prospect research also increase in importance.

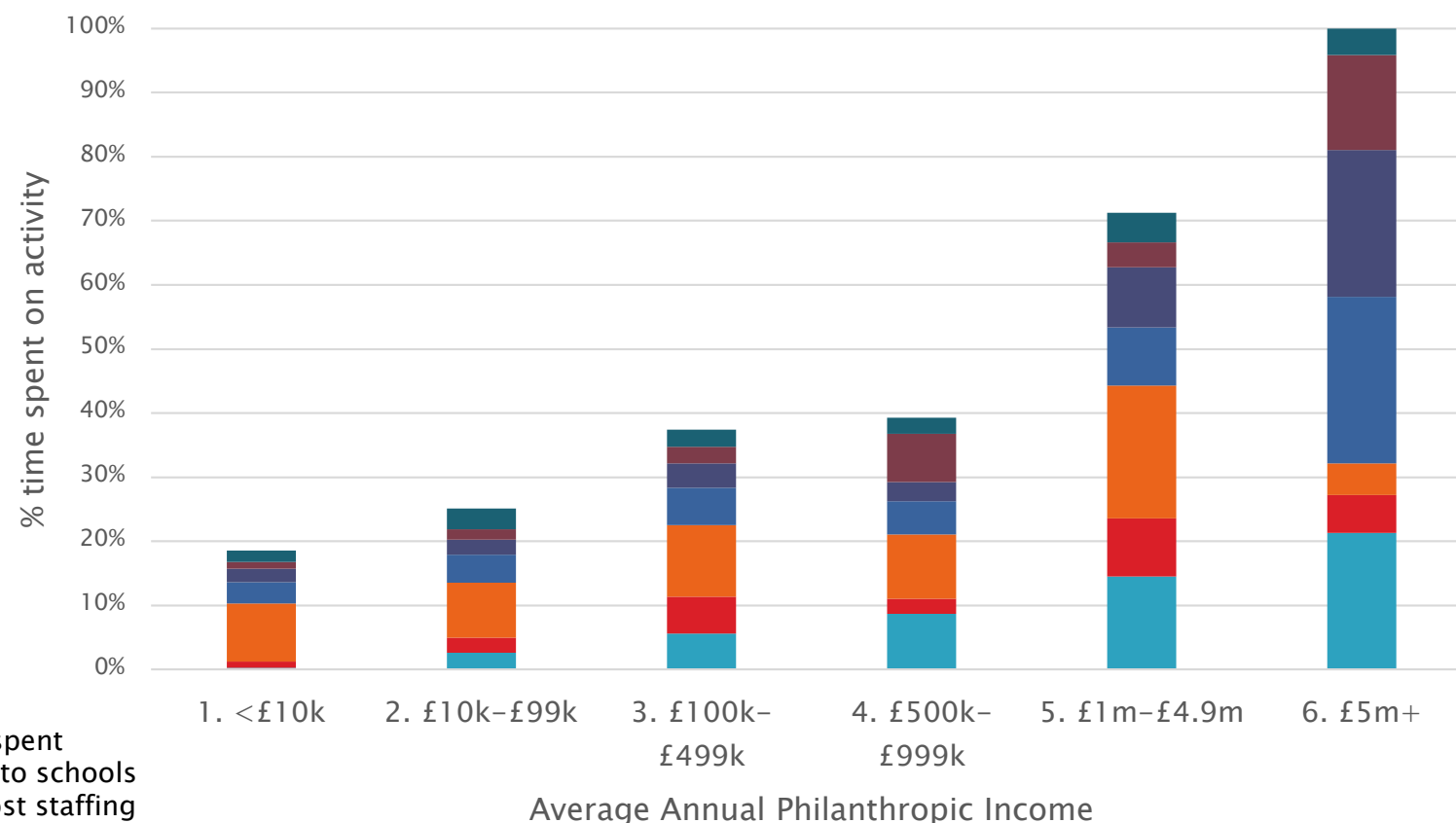▸ Other Development & School activities still make up 25% of activity in the oldest Development Offices.

What do Development teams that raise the most do all day?

Development Office characteristics

Average Annual Philanthropic Income	Number in group	Average age of Development Office	Average annual expenditure (£)	Average number of FTEs
1. <£10k	10	1-3	42,921	1.2
2. £10k-£99k	32	4-6	70,378	1.6
3. £100k-£499k	60	7-10	125,314	2.4
4. £500k-£999k	11	7-10	150,934	2.5
5. £1m-£4.9m	22	11-15	255,285	4.6
6. £5m+	3	11-15	619,827	6.4

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Distribution of Development Office activities by average annual philanthropic income

% time spent relative to schools with most staffing resource (100%)

School's raising more than £500k spend more time on Major Gifts & Legacies

3. £100k–£499k   4. £500k–£999k

Average Annual Philanthropic Income

1. <£10k   2. £10k–£99k   3. £100k–£499k   4. £500k–£999k   5. £1m–£4.9m   6. £5m+
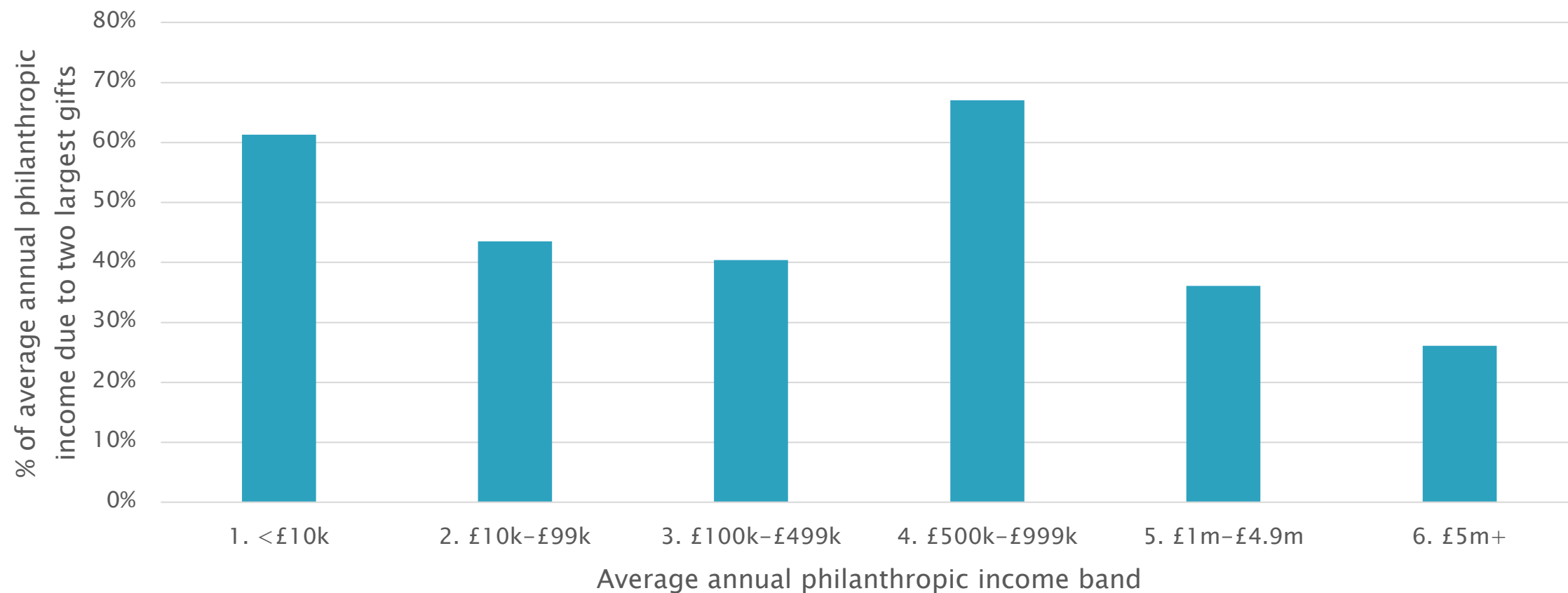
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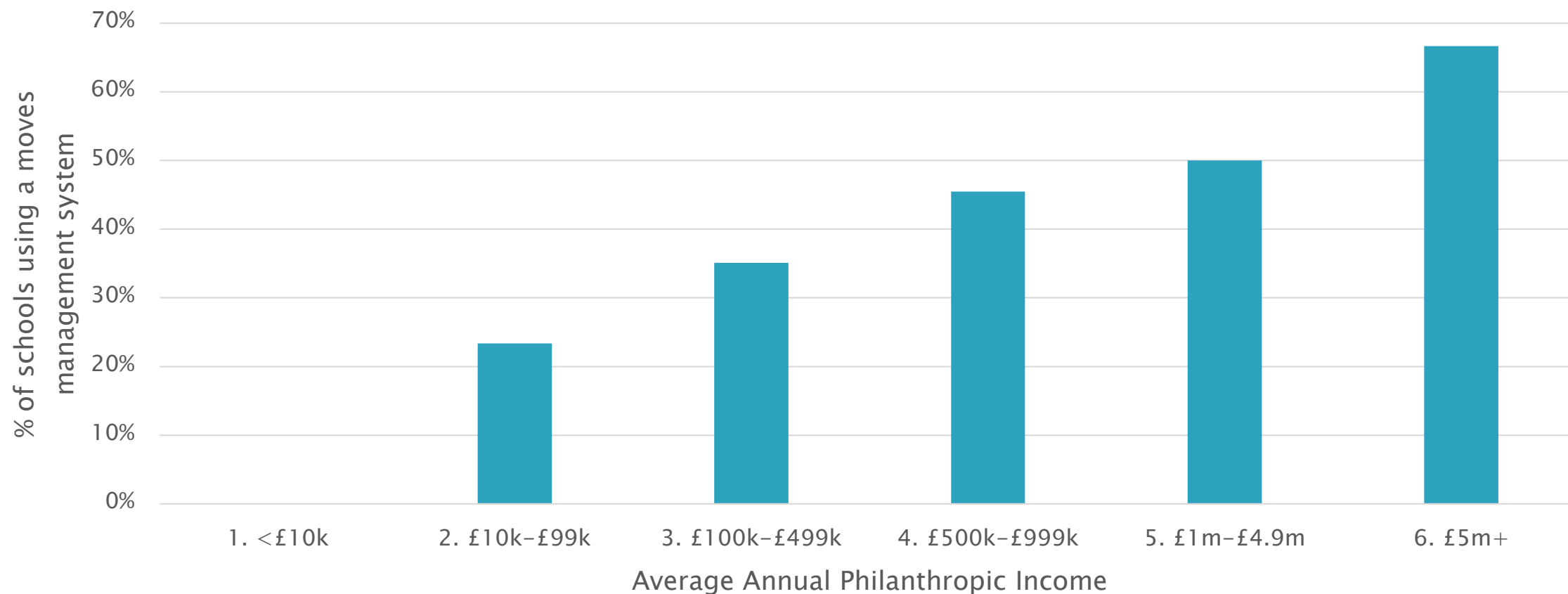- Major Gifts & Legacies

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Percentage of schools undertaking fundraising activities

Average Annual Philanthropic Income per School	1. <£10k	2. £10k-£99k	3. £100k-£499k	4. £500k-£999k	5. £1m-£4.9m	6. £5m+
Personal Asks	20%	72%	82%	91%	100%	100%
Direct Mail - post	30%	75%	80%	73%	86%	100%
Events	40%	59%	73%	82%	73%	100%
Direct mail - email	40%	63%	68%	55%	77%	100%
Auctions/raffles	30%	59%	50%	55%	59%	67%
Fundraising events (e.g. sponsored walks)	20%	53%	55%	18%	59%	100%
Telephone appeal	20%	47%	47%	45%	64%	67%
Social media	20%	44%	47%	27%	36%	67%
Crowd-funding	20%	34%	22%	18%	27%	67%

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Impact of major gifts

% of average annual philanthropic income due to two largest gifts

Average annual philanthropic income band

1. <£10k — 2. £10k–£99k — 3. £100k–£499k — 4. £500k–£999k — 5. £1m–£4.9m — 6. £5m+

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Recording moves management

Development activities with impact

▸ Focusing on major gifts can be high risk – devoting more time and staff to it reduces risk.

▸ Moves management provides leadership and the team with reports beyond just income raised.

▸ Measuring prospect interactions, movement, and income forecasts are key to ensuring development is on the right track.

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Building your capacity to ask

Leadership involvement

71%/70%

Very involved/ involved

Spend less than 10% of time on development

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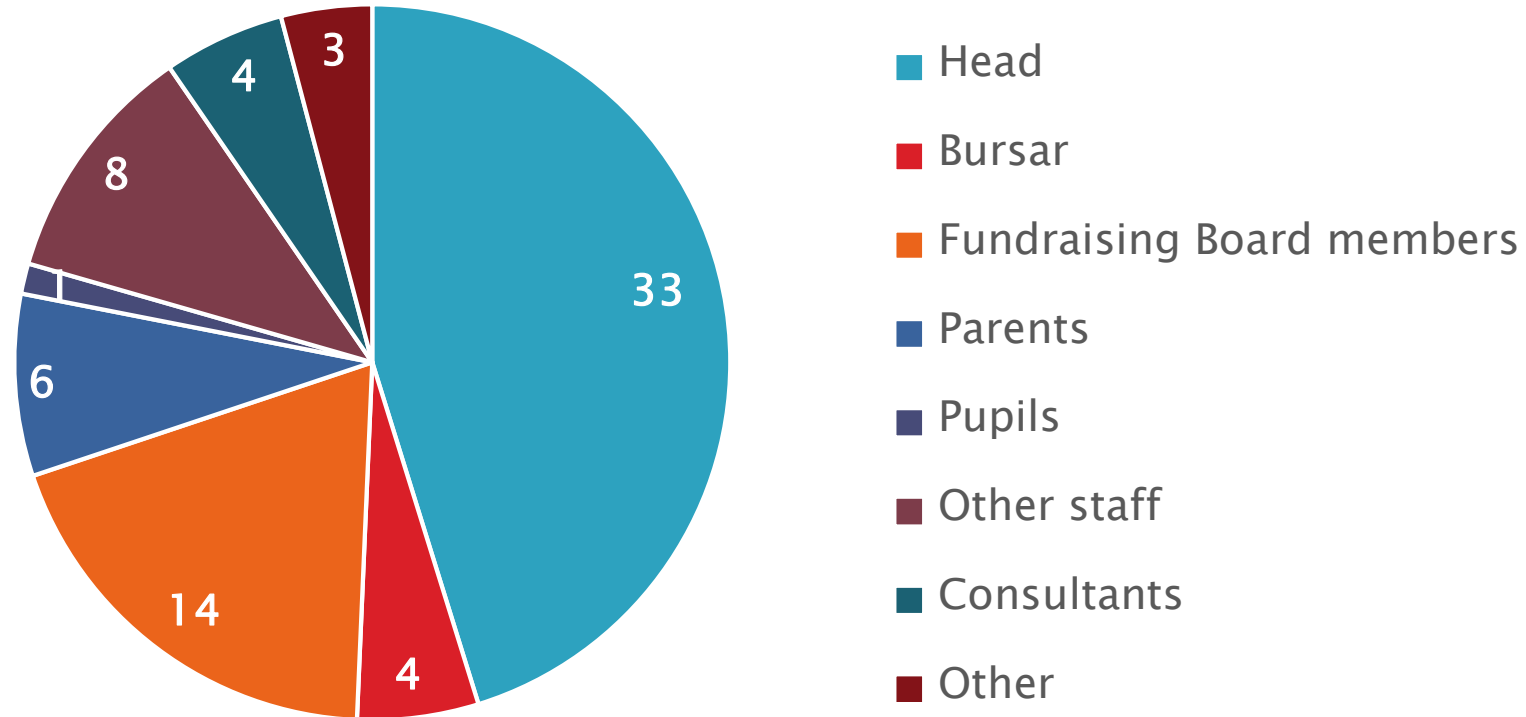
Top 5 ways Heads can support Development

Responses from all schools

- Writing thank-you letters to donors

- Calling donors to thank them

- Writing ask letters to prospects

- Writing congratulatory letters to alumni

- Hosting/attending small prospect dinners

Responses from schools raising £0.5m+

- Promoting the school's vision and strategy

- Writing thank-you letters to donors

- Attending alumni reunion events

- Prioritising projects for support

- One-to-one meetings with prospects

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Expanding the asking team

Pie chart values:
- Head: 33
- Bursar: 4
- Fundraising Board members: 14
- Parents: 6
- Pupils: (small segment)
- Other staff: 8
- Consultants: 4
- Other: 3

Legend:
- Head
- Bursar
- Fundraising Board members
- Parents
- Pupils
- Other staff
- Consultants
- Other

Prioritise your time and get support

▸ Concentrate your fundraising activities on meeting the most important prospects (wealth, warmth, inclination).

▸ Share your vision and inspire your supporters.

▸ It's great when you ask, but find others in the community that you trust (and are donors) who can also ask on your behalf.

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Projects and prospects

Your projects

Average Philanthropic Income Received	Bursaries/ Scholarships	Capital projects	Academic (non-capital)	Sports (non-capital)	Arts (non-capital)	Unspecified
1. <£10k	69%	7%	0%	1%	0%	22%
2. £10k–£99k	37%	23%	1%	6%	7%	25%
3. £100k–£499k	44%	28%	5%	1%	3%	20%
4. £500k–£999k	32%	63%	0%	0%	0%	4%
5. £1m–£4.9m	45%	45%	0%	0%	0%	9%
6. Top 3 (£5m+)	42%	44%	2%	2%	2%	8%

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Parents and school fees

Average Annual School Fees	% average annual philanthropic income per school from parents
1. <£10,000	10%
2. £10,000–£14,999	13%
3. £15,000–£19,999	26%
4. £20,000–£24,999	9%
5. £25,000–£29,999	10%
6. £30,000–£36,000	29%

Consider your available prospects

- ▸ Understand the makeup of your various communities to ascertain how much could be raised.
- ▸ Use fundraising activities and research to identify wealth within your community.
- ▸ Strategically engage your groups.
- ▸ Alumni and parents will likely be your main focus, but school leaders (governors, trustees, and board members) should ideally lead fundraising on a personal basis.

What next?

▸ Continue to increase investment in fundraising.

▸ Understand your prospect pool to understand its potential.

▸ Ensure your team is focused on major gift fundraising.

▸ Set KPIs for your development team around prospect activity and value of their pipeline.

▸ Support your team by building a senior team to engage prospects with.

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Your Questions?

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