



CHARITABLE GIVING REPORT SPOTLIGHT

# How Fundraising Performed in the Higher Education Sector in 2018



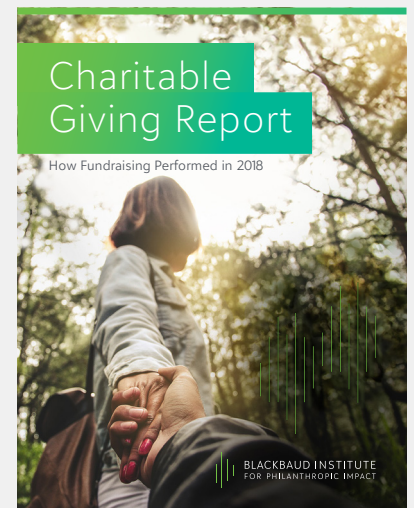
# INTRODUCTION

The 2018 *Charitable Giving Report* is here! We're delighted to share our special higher education spotlight with you. Our hope is that this data-driven look at higher education philanthropy in 2018 will help you design strategies for success in 2019. As president and general manager of Blackbaud Higher Education Solutions™, I am honored to provide you with information to help you with your missions.

This spotlight showcases the changes and trends we've seen in the 2018 philanthropic landscape overall, while highlighting higher education topics. You will hear from Sue Cunningham, president and CEO of Council for Advancement and Support of Education (CASE) and get her perspective on where we can accelerate our fundraising opportunities in 2019. I am excited to share this with you and for what you'll accomplish in 2019!

## **Tim Hill**

*President and General Manager*  
Blackbaud Higher Education Solutions





The 2018 *Charitable Giving Report* leverages the Blackbaud Index to provide the first look at how fundraising performed in the previous year based on the largest analysis of overall and online giving data anywhere in the sector. See the highlights around Higher Education institutions in the following pages and download the full report at [www.blackbaudinstitute.com/charitablegiving](http://www.blackbaudinstitute.com/charitablegiving).

# THE FINDINGS

## Overall Giving

In 2018, overall charitable giving in the United States increased 1.5% on a year-over-year basis. The Higher Education sector experienced good growth with a 2.0% increase in giving.



### 2018 OVERALL GIVING TRENDS BY SECTOR

Sector	YOY % Change
Higher Education	 2.0 %
All Sectors	 1.5 %

## Online Giving

Online giving grew 1.2% in 2018 compared to 2017. In the Higher Education sector, online giving grew 1.1% year-over-year. In 2018, the sector saw a leveling out of online giving after experiencing significant growth rates in 2016 and 2017, indicating that spikes in giving due to economic, political, and international events have returned to normal levels.

### 2018 ONLINE GIVING TRENDS BY SECTOR

Sector	YOY % Change
Higher Education	 1.1 %
All Sectors	 1.2 %

## Trends by Percentage of Total Fundraising from Online Giving

2018 represented the largest share of fundraising from online giving ever measured by the *Charitable Giving Report*. 8.5% of total fundraising came from online giving in 2018, which was an increase from 7.6% in 2017. Higher Education institutions experienced modest growth, with 5.4% of total fundraising coming from online giving. Organizations must continue to push for growth in this area to keep up with the pace of consumer trends for online activity.

### PERCENTAGE OF TOTAL FUNDRAISING FROM ONLINE GIVING

Sector	%
Higher Education	 5.4 %
All Sectors	 8.5 %

## Giving Trends by Month

Across all of 2018, December remains the largest giving month of the year for Higher Education institutions for overall and online giving. The high percentage of online giving that happens in December is likely to continue as #GivingTuesday online donations continue to grow.

### 2018 OVERALL AND ONLINE GIVING PERCENTAGE BY MONTH

TYPE OF GIFT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Overall	6.9%	5.8%	6.9%	6.3%	8.4%	11.5%	7.1%	7.2%	6.6%	8.6%	7.7%	16.8%
Online	6.6%	5.8%	7.7%	8.3%	7.2%	8%	4.1%	5.6%	7.1%	7.7%	9.9%	22.1%

## #GivingTuesday Trends

Higher Education institutions received 32% of revenue on #GivingTuesday 2018—the highest among all sectors. 29% of digital donations were made on mobile devices on #GivingTuesday 2018; Higher Education institutions can continue to see strong results on this day with continued investment in online engagement strategies.

### DISTRIBUTION OF #GIVINGTUESDAY REVENUE BY SECTOR

SECTOR	2018	2017	2016	2015	2014	2013	2012
Animal Welfare/Environment	6%	12%	19%	10%	4%	3%	4%
Arts and Culture	2%	2%	5%	3%	1%	1%	2%
Faith Communities	6%	6%	6%	16%	21%	40%	2%
Healthcare	6%	12%	18%	7%	13%	8%	9%
Higher Education	32%	20%	17%	13%	17%	8%	9%
Human Services	18%	19%	21%	15%	10%	13%	23%
International Affairs	1%	4%	10%	8%	9%	8%	13%
K-12 Education	17%	9%	8%	8%	10%	6%	3%
Medical Research	3%	6%	12%	13%	13%	11%	33%
Public and Society Benefit	6%	5%	8%	6%	3%	2%	2%



# SECTOR PERSPECTIVE

## Interview with Sue Cunningham, President and CEO, Council for Advancement and Support of Education (CASE)

### How can Higher Education institutions use reports like this one to benchmark themselves and set strategies for the future?

At CASE, we believe in the power of data and information to inform strategic decisions. This Spotlight contributes important month-by-month and overall giving data to the conversation. What strikes me is the distribution of giving across months, and the interesting peaks in online giving in May and June, in addition to the results in November and December. Trends like these make me curious and want to know more, which is precisely the importance of reports like this.

We think benchmarking matters a great deal to colleges and universities and we have invested in a comprehensive effort, AMAtlas, to help advancement leaders understand their work in a greater context via a global resource for educational advancement-related metrics, benchmarks, and analytics. As part of this effort, among other things, we have launched an alumni engagement metrics initiative in order to help institutions think strategically about their alumni relations programs.

Reports like this, and our own recently released Voluntary Support of Education (VSE) survey, help institution leaders understand their efforts in the context of peer and aspirational peer institutions and within the trends across the charitable sector. They are just that—markers that help identify potential trends and also anomalies. They provide important checks on strategy and help to inform investments. I use reports and other ways to monitor key performance indicators to understand CASE's health, just as I used related reports and other key performance indicators when I led advancement at a number of educational institutions around the world throughout my career.

I like to remind people to use these kinds of reports as important framing references and also to continue to hone in on their own strategic plans and goals. You can't always know the intricacies of what is happening at other institutions—the stories behind the numbers, and where they are in their pursuits of funding—so comparative metrics help, but also shouldn't divert you from your own goals. Comparisons matter, but in context.

### Higher Education institutions received 5.4% of their total fundraising from online giving in 2018. How have mobile and other digital channels changed the ways colleges and universities have engaged with their donors?

The simplest answer is that advancement professionals have changed their thinking and approaches across all lines of their activities. Donors and others are engaging with their beloved institutions through an ever-changing social media environment with new ways of giving online continually arising. Institutions have been forced to think differently about their strategies and approaches, knowing that, at the core, they must meet donors where they are and make interactions seamless wherever they are.

Online and other digital channels also underscore the importance of integrated advancement – meaning the disciplines of advancement working together in alignment toward common purpose of sharing the good work of the institution across all constituencies. Often, it is marketing and communications colleagues who are most engaged with communities online. They are living and contributing to these conversations and communities all the time—they have insights to share with their peers in development and can provide advice on the kinds of stories that resonate in their social communities and how to build donor goodwill based on that.

CASE's robust awards program has a number of categories that celebrate achievements on flash campaigns and targeted campaigns. We see institutions embracing giving days year-round in addition to #GivingTuesday. Many lessons are being learned across higher education that help inform activities and strategy. We encourage people to learn from each other.

### Higher Education institutions experienced growth in 2018, increasing overall giving by 2.0% and online giving by 1.1%. How can institutions continue to harness digital and online strategies to engage supporters?

While your report shows the growth over last year wasn't as robust as the year-over-year growth previously, I think the story here is that digital and online is a core part of the advancement toolkit and should be treated as such across all parts of the advancement function. It is no longer a new function; it should be fully integrated as a mechanism for engagement. Digital and online strategies aren't solely for annual fund or giving days. They represent important avenues for communication and engagement across all levels of interaction with communities and have been used for all levels of gifts.

Another important alumni engagement metric we encourage is communication engagement. In addition to philanthropic, volunteer, and experiential engagement, communication engagement, particularly digitally, is a way to enhance communities and reach new supporters. Tracking social media engagement, and aligning that to online giving, can help an institution understand what is working and how to harness the right efforts to engage more supporters and engage more of them philanthropically as well.

### In 2018, it remained to be seen whether there would be lasting effects from the many shakeups over the last few years. As identified in the report, giving trends remain positive, but seem to have returned to normal patterns. How are you seeing this 'return to normalcy' play out in the Higher Education space?

It is really too early to tell in my view. There are many factors always at play. CASE's Voluntary Support of Education (VSE) survey for 2018 showed robust giving, yet for many individuals, the full understanding of the 2017 Tax Cuts and Jobs Act's impacts won't be seen until after 2019.

While the immediate effect of this tax legislation resulted in an expected short-term boost to giving in December 2018, the full impact of the law on giving, with far fewer people able to itemize and therefore deduct charitable gifts, will only be fully known once reports like this and our VSE have a few years of data to analyze.



We have already seen major changes in our own research including the significant growth in donor-advised funds (DAFs) giving. The growth in that category of giving is being seen across all sectors and at all types of institutions; we know people are still giving to their beloved institutions, but they may be using DAFs and other mechanisms where, before, they may have given directly.

We also don't know how new regulatory or legislative actions will play out in the challenging political environment. And finally, we hear murmurings of softening of the stock market and questions about the economy. We know, through our own research, that the last recession had an impact on giving that was felt for many years after 2009. VSE historical data also shows that giving ebbs and flows with stock market behavior, so this is potentially concerning.

Despite these uncertainties, what is most important to note is that giving is very personal. Donors want to have a lasting impact on their institution either through a program, by supporting a student, or enhancing a faculty member's ability to pursue their research. Donors support institutions they are connected to and believe in. They support partnerships that enable them to fulfill their desires to advance transformational work. Donors give to education institutions because they believe in the mission of teaching, research, and service, and want to ensure that future generations have access to the kinds of experiences that colleges and universities are so universally good at: inspiring and contributing to new knowledge—and providing opportunities for students to learn and grow inside and outside the classroom, and carry forth that learning throughout their lives.

### Higher Education institutions captured 32% of all online donations made on #GivingTuesday 2018. What strategies have Higher Education institutions used to grow participation on giving days like #GivingTuesday?

Colleges and universities continue to learn what works best for them on these kinds of giving days. Some institutions select days that are resonant with their traditions: charter days, anniversary days, homecoming, and other related celebrations. We have seen our Circle of Excellence Award Winners set goals for giving on their selected giving day and use those kinds of challenges to successfully engage new and returning supporters. Some focus on particular classes; others use different, specific hooks to engage communities. Some use competitions across the institution to motivate.

Our best advice, though, is to really understand your goals and ensure that you have the capacity to deliver on the campaign—whether that capacity is technical, from a marketing and social media perspective, or related to other key components of the campaign. They require preparation and thought. We see institutions with great year-over-year success, so starting something with modest expectations and exceeding those is a good effort in the right direction, provided there is the infrastructure ready to handle whatever the scope of the campaign will be. It is also important to ensure ease of ability to give and to direct the gift to the desired initiative. Making this easy supports donors in directing their desires toward the impact they want to make.

## About Sue Cunningham

Sue Cunningham is president and CEO of the Council for Advancement and Support of Education (CASE). She also serves on the steering committee of the Washington Higher Education Secretariat, on the board of the Council of Higher Education Management Associations, and on the fundraising committee for the Aurora Foundation.

Prior to her appointment to CASE, Ms. Cunningham served as vice principal for advancement at the University of Melbourne and the director of development for the University of Oxford. She served as director of development at Christ Church and as director of external relations at St. Andrews University.

Ms. Cunningham holds a master's degree from Oxford University and a bachelor's degree in performing arts from Middlesex University.





## About the Blackbaud Index

Economic conditions, natural disasters, and market fluctuations have made it extremely difficult for nonprofits to make fundraising decisions informed by the latest donor behavior. That is why we created the Blackbaud Index of Charitable Giving in 2010—to provide insight into what happened in the prior few weeks and valuable analysis by leaders in the sector into what fundraisers can learn from it.

The Blackbaud Index brings you the most up-to-date information on charitable giving today. Tracking approximately \$31.9 billion in U.S.-based charitable giving, the index is updated on the first of each month and is based on year-over-year percent changes. Featuring overall and online giving, the index can be viewed by nonprofit size or industry sub-sector.

Visit [www.blackbaud.com/blackbaudindex](http://www.blackbaud.com/blackbaudindex) to experience enhanced, interactive index charts you can easily compare by size or sector.

## About the Blackbaud Institute

The Blackbaud Institute for Philanthropic Impact drives research and insight to accelerate the impact of the social good community. It convenes expert partners from across the philanthropic sector to foster diverse perspectives, collective thinking, and collaborative solutions to the world's greatest challenges. Using the most comprehensive dataset in the social good community, the Blackbaud Institute and its partners conduct research, uncover strategic insight, and share results broadly, all in order to drive effective philanthropy at every stage, from fundraising to outcomes. Knowledge is powering the future of social good, and the Blackbaud Institute is an engine of that progress. Learn more, sign up for our newsletter, and check out our latest resources at [www.blackbaudinstitute.com](http://www.blackbaudinstitute.com).

## About Blackbaud

Blackbaud (NASDAQ: BLKB) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, companies, education institutions, healthcare organizations, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through cloud software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and CRM, marketing, advocacy, peer-to-peer fundraising, corporate social responsibility, school management, ticketing, grantmaking, financial management, payment processing, and analytics. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina, and has operations in the United States, Australia, Canada, and the United Kingdom. For more information, visit [www.blackbaud.com](http://www.blackbaud.com), or follow us on [Twitter](#), [LinkedIn](#), and [Facebook](#).

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