

Increasing Alumni Engagement and Donations at Every Stage of Life

Align the Needs of Your Alumni to the Needs of Your Institution



achieve more®

What do a 52-year-old lawyer, a 28-year-old financial advisor, and a 74-year-old retired teacher have in common?

If they're all alumni of your college or university, plenty. Research shows that the majority of alumni of any given institution want something from their alma mater after they graduate. Exactly what they need – and what they expect – can vary greatly by an individual's interests, life stage, and affinity to the school.

What does this mean for fundraisers? Every opportunity to provide something your alumni need is also an opportunity to engage, to build affinity, and to increase the likelihood of donation. The challenge for advancement leaders is being confident in knowing how to connect those alumni needs to what the institution can provide. Advanced techniques to build this understanding are being used by leading institutions to improve the way the communicate and execute annual fund appeals, major giving efforts, and alumni relations programs.

What Has Changed and What Does It Mean?

Studies have shown that alumni participation is either flat or in decline for most institutions, as reported in the CAE VSE Survey, 2013. Midrange gifts have been on the decline for the past 15 years. Major gifts have been significantly impacted by the flailing economy.

Alumni Participation, 1973–2013



Source: Council for Aid to Education, 2014

But despite resources that are more limited than ever before, institutions are devoting a great deal of their fundraising focus on a group that simply isn't paying off. Colleges and universities invest millions and millions of dollars to raise funds from young alumni/ae – to often disappointing results. Historically, the participation rate among new graduates over the past four decades remains low, and hasn't significantly changed.

So how can universities improve the fundraising participation rate among its youngest alumni? The short – and often jarring – answer is: they may not be able to. Young people – particularly men in their 20s – simply aren't equipped with the level of empathy or emotional connection necessary to feel compelled to financially give back to their alma mater.

But there's good news: Among those recent grads are some who will become your institution's best donors – just not right away. What many universities aren't considering is that alumni interests and emotional readiness to give back evolve as people travel through different stages of life.

Should universities then ignore young alumni and focus resources on the older, more empathetic (and often wealthier) constituents? Not by a long shot. Our research shows that it's critical to invest in relationships with younger alumni, but that you shouldn't devote significant effort or budget into asking them for donations – and don't expect remarkable fundraising results at first.

Getting to know alumni of all ages – and understanding their needs – is the key to improving engagement on a number of fronts. While higher education hasn't traditionally relied on consumer-marketing tactics, universities are benefitting from the application of those principles to advancement. Institutions can learn a considerable amount from the Madison Avenue marketing model: Know your customer, understand his or her needs, and realize that those needs change over a lifetime.

Setting the Stage for “Life Stage”

Direct marketers have known that as consumers go through life stages, their purchase patterns change. Psychologists have studied how our personal needs change over life as well. These needs go beyond preferences for brands, and toward an understanding of needs for security, relevance, affirmation and community. In 1978, Daniel Levinson completed a 10 year study on the emotional needs that men go through from early adulthood through old age. His study and related work on women's life stages resulted in five general periods that describe the

psychological needs that adults experience. Marketers later combined these principals with consumer marketing data to develop profiles based on marketing needs that consumers might experience related to their wealth, location, family status and life stage. Cluster systems became popular in the 1980s, 1990s, and 2000s as direct marketing became an important part of the marketing mix.

In the early 2000s, fundraisers and alumni relations discovered segmentation systems and began to experiment with more advanced targeting for their fundraising. While there were some high profile experiments, many found that broad consumer-based systems didn't segment their populations that well. Most alumni populations are not that heterogeneous. There were relatively few segments that ended up driving the results; many segments were simply irrelevant to higher education advancement.

As Reeher worked with customers to improve engagement, we decided to take this system a major step forward. We took the principals behind this projectable segmentation, combined it with survey data, and information in the Reeher Platform to build a system designed specifically for university advancement organizations. This system is called Affinity Clusters[®].

The research we've undertaken as part of our Reeher Affinity Clusters is helping institutions adjust their thinking when it comes to how to engage with alumni at different emotional stages of life. By conducting primary research with alumni, and then using that data to forecast perceptions and interests, universities including Carnegie Mellon University and the University of Wisconsin Alumni Association are increasing participation across alumni. The data and analytics we help universities gather can paint an increasingly clear picture of exactly who their constituents are – and their stage of life. We typically identify several dozen clusters. In some cases they have names like Urban Arts, Distant Admirer, Young Guns and Rural Wealth. Clusters for each institution are unique to them, but the key is to think of the cluster as an archetypal alum to focus programming and messaging for more relevance and better results.

This approach moves beyond consumer marketing segmentations to build targeted clusters based on perceptions of the institution and interests that their alma mater can leverage to improve engagement.

Segmentation in Action

As an early adopter of audience segmentation, Carnegie Mellon University is reaping the benefits across a number of advancement and development

fronts. Marilyn Rossa Kail, Associate Vice President of Marketing at Carnegie Mellon University, was instrumental in leading the initiative to better understand and connect with their alumni. “We wanted to know how to be more relevant to our own 84,000 alumni, to engage them, open a dialogue and create a deeper connection,” Rossa Kail says. “Working with the Reeher team, we collected and analyzed qualitative data, which helped us to understand what our alumni segments care about and where they were in terms of their relationship with the university. Ultimately, our goal in conducting this research applying the segment data is to lead with the right message to generate the most positive results in all of our alumni outreach.”

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- Associate Vice President of Marketing, Carnegie Mellon University

Rossa Kail’s team has applied the affinity clusters approach to a wide range of alumni outreach, including newsletters, events, and most recently, the university’s annual giving campaign. They segmented the creative, changing the concept, messages, images and presentation depending on the audience. “In our preliminary findings, the samples of clusters we’ve tested have performed exceptionally well overall,” Rossa Kail says. “We definitely saw a lift in these cluster groups, including increased giving, renewing lapsed donors, and changing restricted to unrestricted giving. We’re pleased with the preliminary results we’re seeing in applying the segmented approach to generate a positive response.”

Mapping the Needs of Alumni and the Institution

The key to engaging with alumni on a number of levels is to determine what your alumni need, what your institution needs, and where those two overlap.

As the Carnegie Mellon University team learned, by segmenting your audience into detailed affinity clusters, you can better understand each group’s attributes and needs, and create a framework for targeted messaging. Segmenting prospects increases the likelihood of generating a better outcome from each tactic or channel, improves the effectiveness of your campaign, and extends your budget. Digging deeply into exactly who your customer is and what he or she wants respects their perspective

(rather than solely the perspective of the university), and increases the potential to make a connection.

Your research can gauge the specific personal needs of your alumni, including: intellectual, social, emotional (both intrinsic and extrinsic), financial, interpersonal and career; and the needs of your institution, including financial support, participation, engagement, volunteering, endorsement and influence.

By combining the alumni needs that emerged out of research with a “lifestage” framework like Erickson’s, you can see how needs can be mapped over a life span. If we then look at institutional “needs” from the alum, you can see that it isn’t all about big donations. A good relationship will include financial support, but as important are endorsement, volunteering, or participation. The table below shows how common needs shift for alumni and for institutions based on an individual’s life stage:

Personal Needs: What Do Alumni Need from the Institution?							
		Types of Needs					
		Intellectual	Social (for extroverts)	Emotional (intrinsic & extrinsic)	Financial	Interpersonal / Marriage	Career Priority
Life Stage	Young Adulthood		X		X	X	X
	Catch 30			X (extrinsic)	X		X
	Midlife Crisis	X	X	X (extrinsic)			X
	Second Adulthood	X	X	X (extrinsic, intrinsic)			
	Finally		X	X (intrinsic)			
Institutional Needs: What Does the Institution Need from Alumni?							
		Types of Needs					
		Financial Support	Participation	Engagement	Volunteering	Endorsement	Influence (Selective)
Life Stage	Young Adulthood		X	X		X	
	Catch 30		X	X		X	
	Midlife Crisis	X		X	X (network)	X	X (network)
	Second Adulthood	X		X	X (significance)	X	X (significance)
	Finally	X				X	X (significance)

Survey data can help you pinpoint how your unique alumni population is positioned on this type of needs assessment. But after you gather the data, then what? Analyzing the information you’ve collected can open up a whole new world of strategies and tactics – and can be as straightforward as targeting specific segments similar to Carnegie Mellon University’s

approach – to better engage with your alumni, particularly as they move through the different phases of life.

Realize that Needs Change – Be Ready to Adapt

What have we found about your “customer,” and how can your institution put that intelligence to use? Simply, as alumni enter new phases of life, their needs change, sometimes drastically. Each institution’s alumni group has unique traits, but these are some of the broad trends we’ve gleaned from our research:

- **20s:** Young alumni may not be ready to engage with your university on a financial level, but they do crave engagement. They want social connections, help getting started in their career, and to find a life partner. They’re seeking career and family foundation, and they’re doing a lot of it online. This group is in a frenzy of tweeting, friending and linking-in, and tends to respond well to making connections via social media.
- **30s and 40s:** This age group is primarily focused on career enhancement and personal striving. The older portion may also be moving into a career transition, along with alumni in their 50s.
- **40s, 50s and 60s:** Starting in their 40s, many alumni are seeking intellectual personal enrichment, a focus that extends into their 70s and beyond. We also see many people incorporating social personal enrichment into their lives starting in their 50s.

This data can help you chart a path toward matching the personal and institutional needs as your audience evolves, resulting in more targeted tactics, more engaged constituents, improved ROI and stronger results.

Conclusion

At institutions across the country (and beyond), the idea of “doing more with less” is widespread. But leading colleges and universities are learning that the key may actually be to **do less and get more** by applying consumer marketing targeting tactics to reduce costs and improve results. To minimize wasted time, money, and opportunities, advancement departments are applying segmentation techniques to align appeals to constituents’ affinities, life stages, and changing needs.

Is it time to get a deeper understanding of your constituents to start aligning your institutions’ needs with your alumni?



This report has been prepared solely for informative purposes.

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