Deep Pockets

Where the Alumni Money Is

By Peter B. Wylie

I spend from 10% to 20% of my work-week exhorting (sometimes haranguing) university advancement folks to look in their databases for information that will help them raise more money. I'm sure I sound much like a Sunday morning TV evangelist.

For you, I may be preaching to the choir. If so, you're either a student I teach to mine your own database, or you're champing at the bit to be taught (or to teach yourself). But most likely you're among the unconverted. And it's for you (especially if you work in the major giving arena) that I gathered the evidence you'll see rolled out in the next several pages. I hope you'll find it thought-provoking, maybe even compelling.

Where This Idea Came From

Tracing the provenance of an idea is a bit like doing epidemiology; it's tricky and often you don't ever figure it out. But as best as I can put it together, this one came from two primary sources:

- Seeing consistent patterns across more than 35 databases
- Seeing that major giving folks are unaware of these patterns and don't take advantage of them

Consistent patterns

Teaching data mining is a second career for me and I haven't been at it all that long – a little over five years as of this writing. In that half a decade or so I've had a chance to pore at representative samples of close to 40 college and university databases. Looking at these collections of information has been fascinating. Each has had its distinctive personality in terms of overall giving levels, overall participation rates, geographical location of most of the alums, and on and on. But for all these databases, at least two patterns seem invariant:

- The older alums give disproportionately more than younger alums.
- There are large differences in the giving rates among the various codes in the marital field.
- When you combine these two pieces of information (how long people have been out of school and what their marital status is), it's easy to see where there are *huge* pockets of giving for any representative sample of alumni.

Unawareness of these patterns

I have a lot of respect and fondness for the "troops" in university advancement: The annual funders and prospect researchers who do the foundation building that eventually leads to major giving. But I must admit to getting a bit frustrated at how unaware they are of some basic patterns in their databases that I know could help them.

Truth be told, I spend more time trying to help prospect researchers than I do annual funders. And with them I get particularly frustrated over their tendency to go to the "outside" (via the internet and vendors) to find out where the big money is when I think the answer (at least a lot of it) resides in their own database where it's easily (and cheaply) accessible.

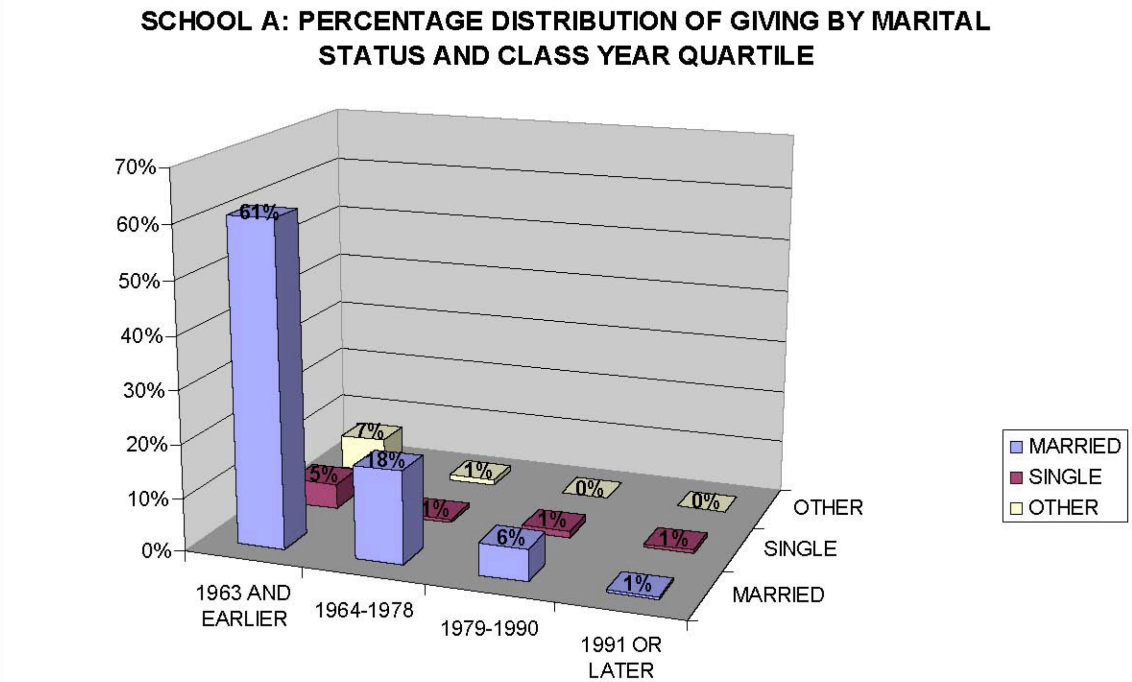
Proving My Point

Okay, so I was frustrated. I wanted to show you there are big pockets of money (both actual and potential) in your database. What should I do?

Here are the specifics of the idea I came up with:

1. I picked eight schools that differ greatly in terms of size, public versus private, and student population served.
2. For each school I had a random sample of at least 5,000 records from the entire alumni database. (No other constituencies like parents, friends, faculty, etc. were included.) And for each institution I had information for every record on (a) total giving, (b) preferred year of graduation, and (c) whatever was in the marital status field.

From these data I constructed the eight charts you'll see below. Let me walk you through the chart for School A.

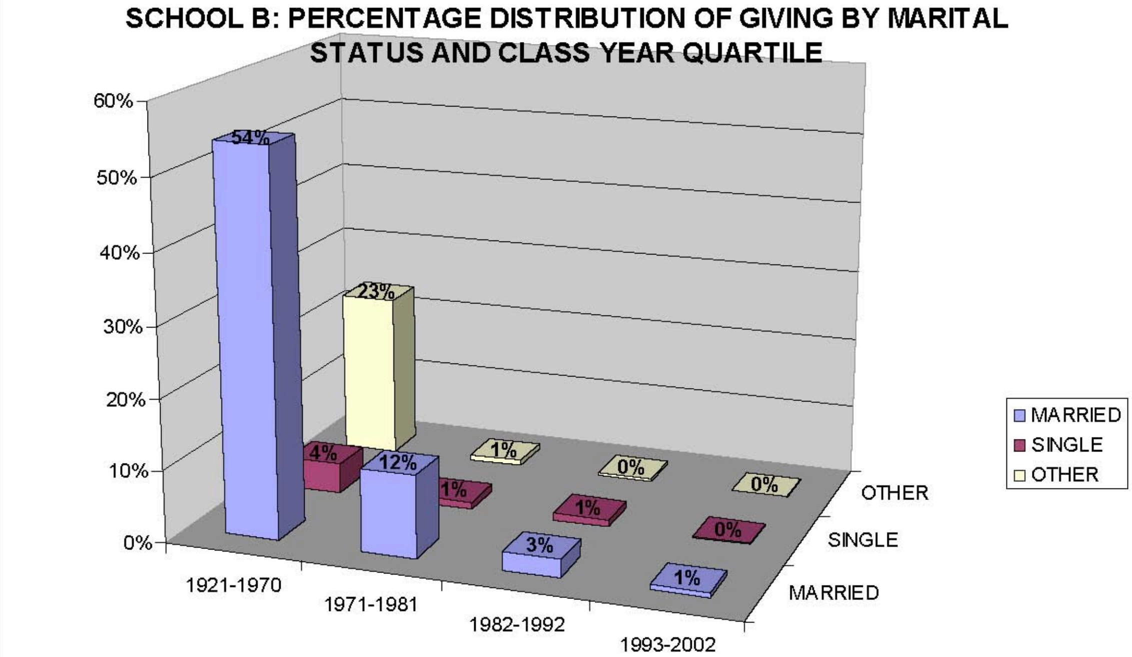


	1963 AND EARLIER	1964-1978	1979-1990	1991 OR LATER
MARRIED	61%	18%	6%	1%
SINGLE	5%	1%	1%	1%
OTHER	7%	1%	0%	0%

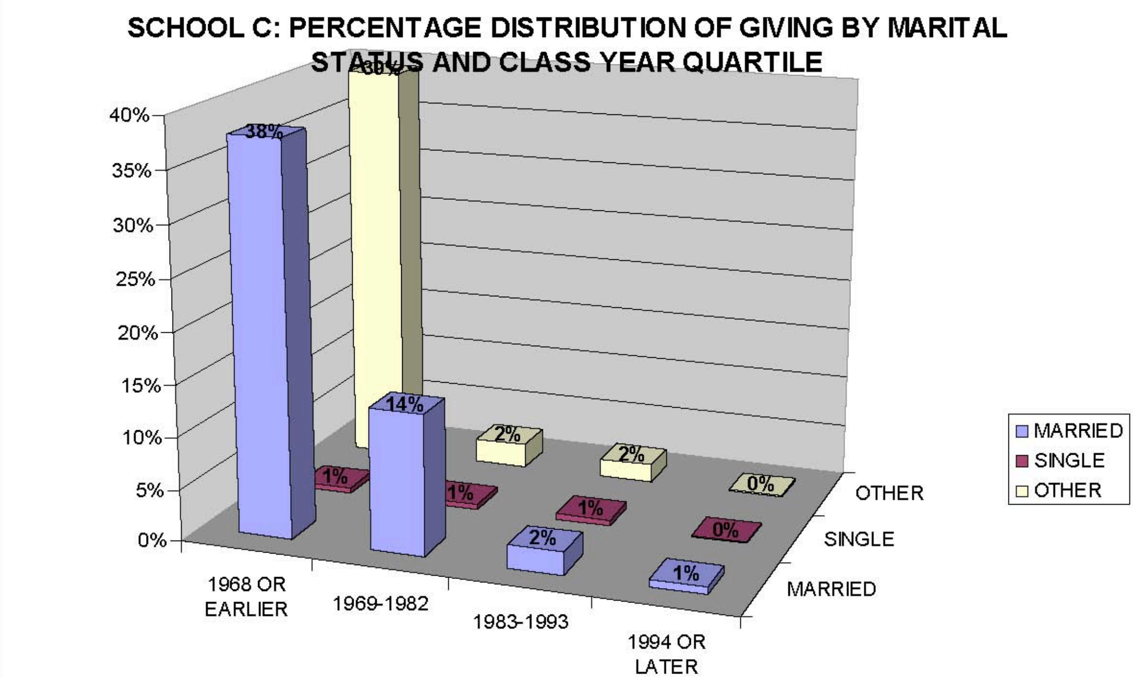
If you look at both the graphic and the table below the graphic, several facts will jump out at you:

- The oldest 25% of alums (those who graduated in 1963 or before) account for almost three quarters (73%) of the total alumni dollars given.
- Alums who are listed in the database as being married account for a huge amount (86%) of the total alumni dollars given.
- The youngest 50% of alums (those who graduated in 1979 or later) account for only 9% of the total alumni dollars given. (All percentages have been rounded to the nearest hundredth; “0%” means that the actual percentage for that group is less than _ percent.)

Now here’s what I’d recommend. Browse through the charts and tables I’ve constructed for the remaining seven schools (B-H). After you do that, I’ll catch up with you at the end of the charts for a little discussion.

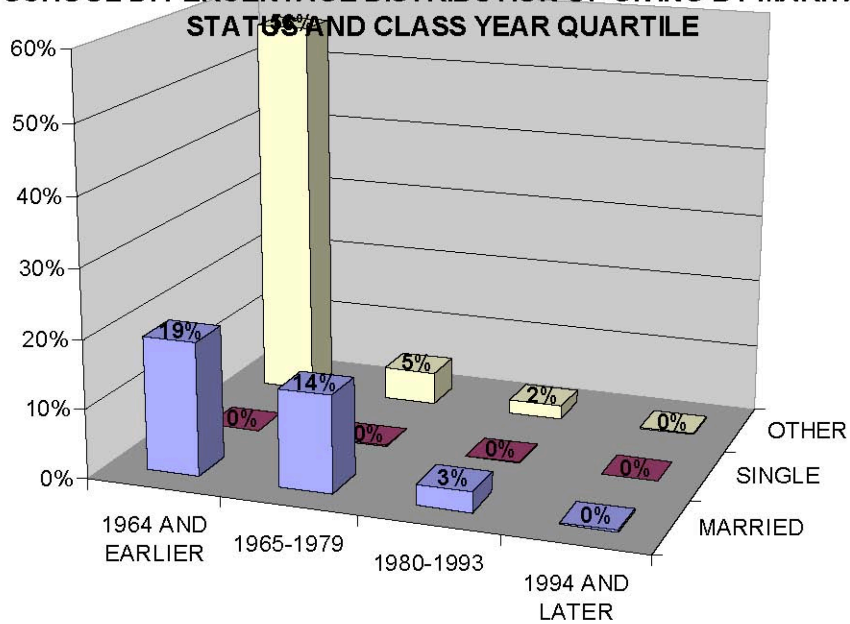


	1921-1970	1971-1981	1982-1992	1993-2002
MARRIED	54%	12%	3%	1%
SINGLE	4%	1%	1%	0%
OTHER	23%	1%	0%	0%



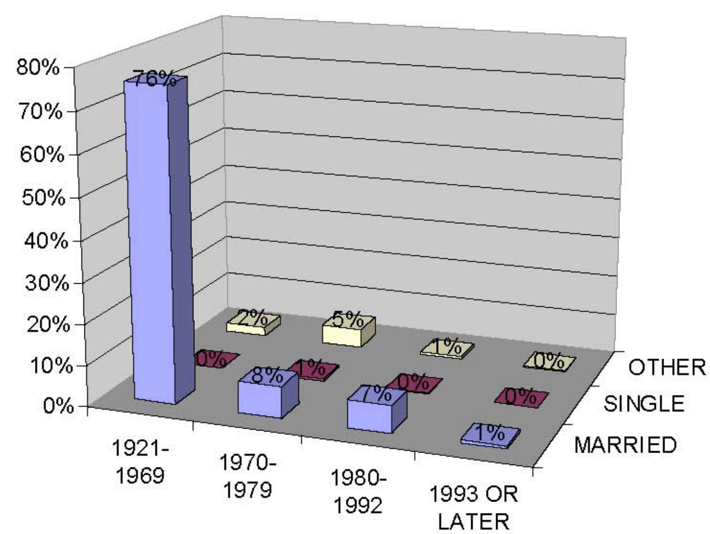
	1968 OR EARLIER	1969-1982	1983-1993	1994 OR LATER
MARRIED	38%	14%	2%	1%
SINGLE	1%	1%	1%	0%
OTHER	39%	2%	2%	0%

SCHOOL D: PERCENTAGE DISTRIBUTION OF GIVING BY MARITAL STATUS AND CLASS YEAR QUARTILE



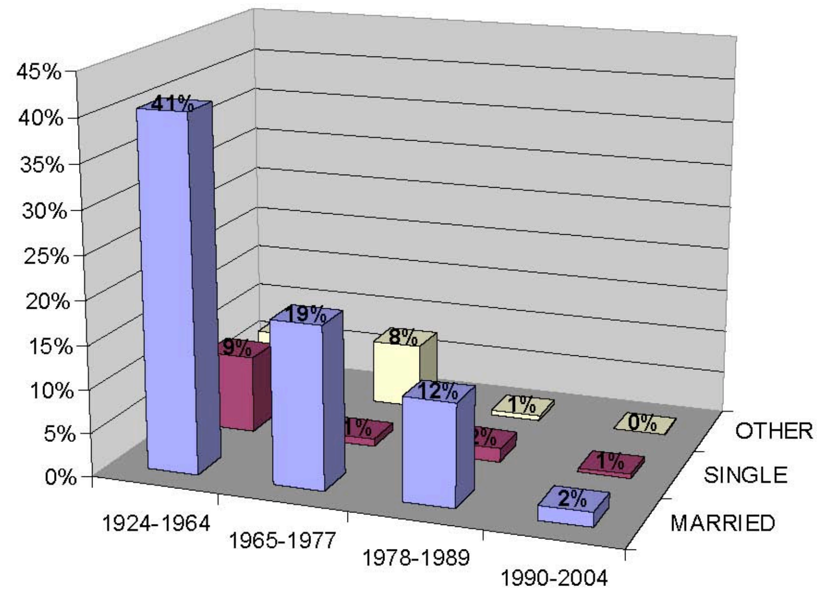
	1964 AND EARLIER	1965-1979	1980-1993	1994 AND LATER
MARRIED	19%	14%	3%	0%
SINGLE	0%	0%	0%	0%
OTHER	56%	5%	2%	0%

SCHOOL E: PERCENTAGE DISTRIBUTION OF GIVING BY MARITAL STATUS AND CLASS YEAR QUARTILE



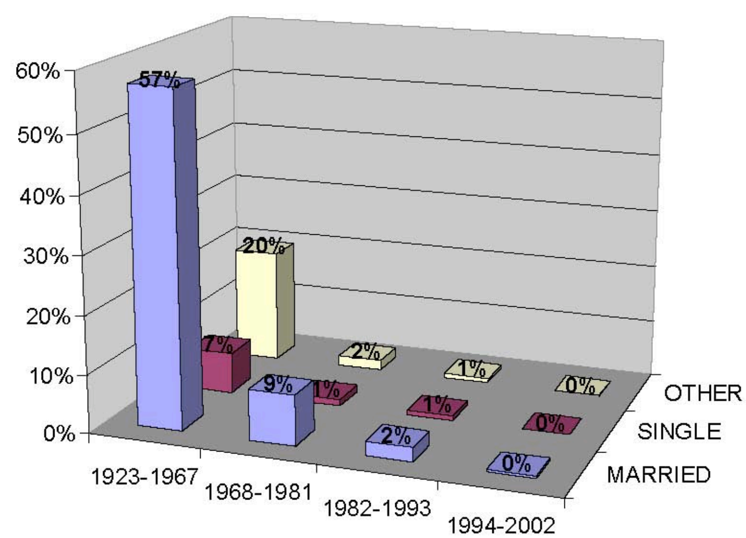
	1921-1969	1970-1979	1980-1992	1993 OR LATER
MARRIED	76%	8%	7%	1%
SINGLE	0%	1%	0%	0%
OTHER	2%	5%	1%	0%

SCHOOL F: PERCENTAGE DISTRIBUTION OF GIVING BY MARITAL STATUS AND CLASS YEAR QUARTILE



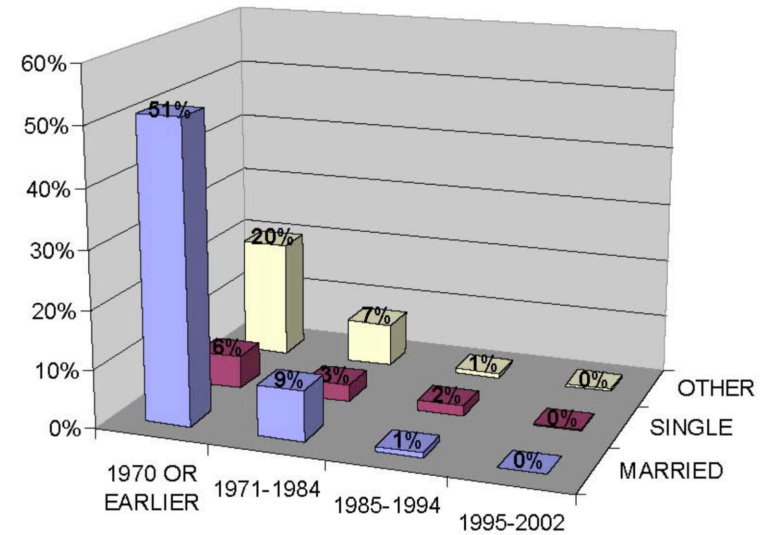
	1924-1964	1965-1977	1978-1989	1990-2004
MARRIED	41%	19%	12%	2%
SINGLE	9%	1%	2%	1%
OTHER	7%	8%	1%	0%

SCHOOL G: PERCENTAGE DISTRIBUTION OF GIVING BY MARITAL STATUS AND CLASS YEAR QUARTILE



	1923-1967	1968-1981	1982-1993	1994-2002
MARRIED	57%	9%	2%	0%
SINGLE	7%	1%	1%	0%
OTHER	20%	2%	1%	0%

SCHOOL H: PERCENTAGE DISTRIBUTION OF GIVING BY MARITAL STATUS AND CLASS YEAR QUARTILE



	1970 OR EARLIER	1971-1984	1985-1994	1995-2002
MARRIED	51%	9%	1%	0%
SINGLE	6%	3%	2%	0%
OTHER	20%	7%	1%	0%

Some Discussion

Let's assume these eight schools are reasonably representative of four-year institutions across the country. (I can't, of course, tell you the names of these schools nor can I even offer descriptions of them. But if I could, I think you'd agree — they are a good "swatch.")

Here are some facts:

- At least 90% of the money from any alumni population tends to come from people who've been out of school at least 30 years.
- Regardless of their *actual* marital status, alums listed as married in the database tend to give much more money than alums with any other marital code, especially if that code is "single."
- Alums who have been out at least 30 years *and* are listed as married often give a huge amount of money compared to any other group classified by marital status and class year. (Schools C and D are an exception to this pattern, but even with these institution the older "married's" are kicking in a lot of money.)

Well, this is all very interesting, right? But what implications do these data have for what prospect researchers and gift officers/fundraisers do? I'm not completely sure; I'm still relatively new to academic advancement *and* I'm a specialist. And (paraphrasing

Abraham Maslow) specialists tend to be like the guy whose only tool is a hammer; he tends to see every problem as a nail.

Nonetheless, here's what I would suggest:

- If you're looking for big money from your alums, *go after people who've been out for at least 30 years*. Going after younger folks for the big bucks seems to make much less sense. Now, I do not mean you should not *nurture* younger alums who may well give you a lot of money once they pass 50, better yet once they pass 55. For example, alums still in their 20's and have given a small amount and have attended a reunion should *definitely* be nurtured. (But that's a whole other topic.)
- When it comes to prospect research (both vendor screenings and the individual kind involving the internet and libraries), I would focus on the older folks. They're much more likely to have the *capacity* to make a big gift than the younger crowd. (If that's what you're already doing, great. But the vast majority of prospect researchers I talk to simply can't make that claim.)
- If you want a simply minded strategy for bringing in *new* major givers among your alums, here's what I'd do. I'd identify people who are over 55, listed as married, have a high capacity rating, and have already given, but not a lot. I think a lot of them are simply waiting for the big ask, even if they're not aware of it.

Peter B. Wylie is an industrial psychologist and data analytics consultant to P!N Electronic Screening™, a service of Kintera, Inc. He can be reached at PbradWylie@aol.com.