

**IDC**

**Moderator: CLARK GAFKE**  
**February 28, 2007**  
**2:00 PM ET**

Operator: Good day ladies and gentlemen and welcome to the IDC audio conference. At this time, all participants are in a listen only mode. Later we will conduct a question and answer session and instructions will follow at that time. If anyone should require assistance during the conference, please press star then zero on your touch-tone telephone. As a reminder, this conference call is being recorded.

I would now like to introduce your host for today's conference, Mr. Clark Gafke, Vice President of Client Services, sir you may begin.

Clark Gafke: Thank you Patty. Good morning and afternoon everybody. We have got representatives of all times zones represented here today. I'd like to introduce myself and the panel. With us on the panel today, we have Mitchell Harris, Director of Annual Giving from Arizona State University. Mitchell if you can say hello so they can all hear you.

Mitchell Harris: Good morning everyone.

Clark Gafke: And Alan Ryea, Director of the UVM Fund at the University of Vermont.

Alan Ryea: Good afternoon.

Clark Gafke: For those of you that are not aware and why this has become a big issue for IDC—IDC is a firm that has been designing solicitation programs for prospects that, an organization doesn't have the resources to see face-to-face. We've been doing that for 30 years and we typically work with non-profit organizations in three ways. Through a consulting relationship, through the use of resident directors and through our phone center.

Bucking the Trend, as this audio conference is titled; dealing with alumni participation rates is a particular soapbox issue for us. And I'd like to, as we continue this conversation today, share with you some examples of two schools that have been able to successfully compete in this environment.

We have got, and I think this came about when I first heard over this past year at general sessions, at conferences, the idea that it is now expected that alumni will give to their alma mater in fewer numbers that, have a lot of people wondering why.

The statisticians for our business, CAE, the Council for Aid Education, Giving USA and even some of our own data, when we surveyed 200 colleges and universities, pointed to the same trend. Alumni are giving in fewer number to their universities.

It is hard for us though, to come up with any justification to that. Globally there's no evidence that says a college grad is less philanthropic than anyone else in America. Everyone knows about the Giving USA numbers, where 80% of the money is given away by individuals. Individuals that have college degrees, on a median income, are earning 10 to \$30,000 more per year. If your income is under \$40,000, your household has a 50% chance that you're giving away monies to some charities. If your income's between the 40 and 100, there's a 75% chance that you're giving away money. And if you're over \$100,000, 90% chance that you're giving away money to some charities. And the size of those gifts is also in line. Where, \$1,100 is given away for the households under \$40,000 and \$3,600 a year is given away for those over \$100,000. So it's hard to point to any trends outside of what the education schools are reporting. But they're just losing more alumni giving.

One of the things that is interesting is that, in this midst of alumni giving in fewer numbers, the dollars are on the rise. And there's a great emphasis for that, education is the #2 Team in America, only behind religion, as far as the amount of money that they can raise for themselves. Part of this might be in yesterday's USA Today actually, where you may have seen the headline "Philanthropy Hits a Record Number" and there are now 21 donations of \$100 million or more given last year, compared to 11 in 2005. So, we have placed a great emphasis on how much money you give. And it may be a cliché that is no longer true, many of us use in our phone programs that, it's not what you give, it's *that* you give. Well so many of our schools are saying that's not true, it's what you give and it's—the larger you give the more important you are.

So, I think this comes down to an internal issue. And an internal one that says if you have best practices operating you can then, have more alumni giving to your organization. So with that type of an introduction, I'd like Mitchell to walk through what's happening at Arizona State internally that, has them gaining success.

Mitchell Harris: Thank you Clark. I guess the best place to start is just some of the vital statistics here. Arizona State University has an alumni base of approximately 280,000 individuals, with about 240,000 of those being mailable[sic]. Coupled with the numbers of fall enrollment of just over six [audio interference] students, 51,000 at our Tempe Campus [audio interference] for a single campus, we've got a lot of folks that are—kind of our target audience here.

Make it even more interesting, of those numbers, 121,000 of those folks are future givers. We're optimistic, they're not never-givers they're future givers. So, what we're faced with is a real need to invest in acquisition. And that was a conversation that we had to have, many times with individuals at the—the top of our leadership. And, make the point that, it was important to reach out to these folks in a meaningful way and get them on board, while at the same time keeping contact with our folks that have a [audio interference] history.

So we had to gain an understanding from the top. And that was really, the first step in discovering some of the resources that, we needed to then, begin to reach out to everyone. And what we wanted to do was something that was pretty simple. We wanted to ask people to give, not just our folks who give every year, not just our folks who lapse from time-to-time. But we wanted to reach out to everyone in a meaningful manner.

So what we did is we invested in our cost center operations. We added some stations; we are now operating a 35-station call center. We invested in keeping it full, making sure that every seat was

full every night and worked with our student callers, with our policies, to ensure that, they understood the importance of arriving on time and diligently making calls, and having a high quality of call. And we added additional full time staff also.

But we knew that just calling wasn't enough. We knew that, we had to have a balance between our phone program, our mail programs—and we had to work on our e-communication efforts. We've done those things and we've had some success. Just looking at the call center, comparing some of our numbers at the end of this January, compared to the end of last January, last year, we had 35,000 decisions, this year we have 51,000 decisions. Again, just making that commitment to reaching out to as many people as possible. So last year, 9,600 pledges, this year 11,800 pledges. So, we've had some success in that area.

One of the investments that we looked at was putting out some mail out to our folks who had never given before. And there's probably some folks that kind of cringe at that, because we think we all know that, the return on that is very low. But we wanted to do that, because we wanted to begin gathering information also. So we got some information back that we had bad addresses and we also invested in doing some research and getting good information on these folks that we'll be able to reach out to later this year and next year.

Another thing that we have done increasingly over the past couple of years is better segmentation. We evolved from a time when we used to basically, just segment by the academic unit that individual graduated from to, we are now looking at giving history, an important segmentation of our [audio interference]. And we also have a gold or [audio interference] the last decade [audio interference] segment that we have trimmed out and are doing some additional marketing things with those folks. So, that's contributed a great deal to our success, also.

There's some issues with working with our academic unit. That issue we have about 21 academic units that we work with and, Alan's going to talk a bit more about that because he's had a lot more success. So, we just recognized that, that was something that we really had to improve upon if we were going to be successful.

Another thing that's been key for us this year has been our partnership with IDC. We have worked with IDC for the past couple of years, initially with the training of our callers. And it's evolved into a consulting relationship that has been very beneficial for us. Some of the things that we've worked on include our "ask strategies" and looking at our individual segments and determining what sort of "ask strategy" would be more successful. And making some changes mid-stream to address issues that come up.

Again, our training of our callers and then of our—supervisors that help the full-time staff out on the calling floor. Recruitment of our student callers, we've made a real commitment to—again, like I said earlier, making sure that each station is full every night.

One of the things that we looked at doing that's been very successful is, we have gone to—with our "asks", kind of bringing our alumni back to their graduation year. So we've been asking them to honor their graduation year with a gift that corresponds somehow to their graduation year. And we've had a good amount of success with that. And, initially we did have some concerns about what our average [audio interference] would look like and I'm very happy to say that, so far this year we've only seen a very small decrease in the average gift. But coupled with the increase in the number of gifts, it puts us pretty far, ahead of where we were in previous years.

Along with that, we recognize that, if we simply brought people on at a lower gift and did nothing that, we would pay for it down the line. So, we knew that we would have to put some things in place to ensure that the gift experience was a good memory and next year we would be able to

retain these folks at a higher rate. So we implemented some "first gift" efforts. First gift packet that goes out to—anyone that makes their first gift, we are planning some pure "thank you" calling. Where it's just our students calling and saying "thank you" if we get a voicemail we're leaving a message that just says 'thank you for your gift'. And in looking at doing some impact—putting out some impact information for people that are making these gifts at our annual giving levels. And, we're also, investing quite a bit in our student giving effort, the education side of it as well as the solicitation side of it.

And the other thing, again, Alan will touch on this because again, he's had a bit more success than we have those instant gifts over the phone, the credit card. We, over the past couple of years, have really made an effort to—[audio interference] alum in their comfort level with giving us their credit cards to make their gifts when we talk to them over the phone. We're at about 27% of our pledges being made by credit card this year, down a bit but we've got some time to pick that back up.

And really, we credit this success to a couple of things that we do. Number one, we have a student supervisor of staff confirm all of our pledges. We've done that for a couple of years and I guess we're just used to it by now because I know that a lot of people don't go in that direction. And the supervisor or that second person confirming asks for the credit card. So it's more of an assumptive act, it's not 'would you like to put this on your credit card today', it's 'which credit card would you like to use to make that gift today.'

So the bottom line, where we are in terms of alumni giving, we're about 1,400 gifts ahead of where we were last year and every month we're climbing a bit so we're hoping that that trend continues. And that's not including our parents, [audio interference] that we're having with our parents and that's well ahead of last years' numbers also.

Speaker: Mitchell can I ask a follow-up question?

Mitchell Harris: Sure.

Speaker: That student giving program that you outlined, is that targeted to more than just the callers?

Mitchell Harris: Yes, it definitely is. This year, we actually started our student callers because part of our awareness campaign, what we're calling is "Why I Give" campaign; we needed to have some students who had made gifts that would be featured in that awareness campaign. So we start with our student callers, but it extends to our entire student body. And, in terms of the awareness and 'here's your opportunity to give' our solicitation is limited to our graduating students. But, what we're trying to do is to make sure that, any student that's on campus for four or five years that, the first time that they hear about class gift isn't right [audio interference] graduation or in that last year. We want them to have heard about it for four or five years.

Speaker: That's good. I think that's a big issue for a lot of us as we look at changing the mindset of our alums. So many of us have a group of alumni that feel that, 'I paid my tuition—I paid for what I got and therefore, I don't owe anything in return and don't have to be thankful for anything either'. Then that education value is so—especially at your place with 60,000 plus students, there's a lot of educating that can go on within that student body.

It doesn't—no one program can be successful Alan, so I imagine there's a lot behind the scenes that has to happen to set just a phone program up to be successful. But then to bring in the numbers overall—you've got to have a lot going in your favor.

Alan Ryea: We do indeed, and good afternoon everyone and thank you for giving me this opportunity to talk with you. I apologize in advance, I'm in the talons of a terrible cold here but I'm going to do my best to get through the call.

I do want to highlight there's a number of similarities with what Mitchell's talking about at Arizona State and parallels with the University of Vermont. One of which is not our climate by the way—as I look out the window, I see 23 inches of snow. But, I am going to talk a little bit about some of the things that go on behind the scenes that impact the ability for the phone program to be successful.

And to start out, I'm going to give you kind of the scope of the program here at the University, as Mitchell did with ASU. We have 88,000 alumni, so a smaller program, 10,000 parents that we actively solicit through our program. I oversee our Annual Fund, which is a \$6.6 million Annual Fund and we're part of a larger development—an alumni relations program that brings in about \$30 million annually to the University.

We're also ending our six-year capital campaign, so we have a \$250 million campaign that we've successfully passed the milestone on. And that's one of the things that I probably take the most pride in as I report these numbers. Is that, we've been able to grow our Annual Fund while in the midst of a major campaign for the University, which tends not to happen in a lot of the cases.

I have a relatively large program here; I have a staff of 18, many of whom are out on the road managing volunteers in some of our leadership giving programs. And we have a very successful phone program that brings in about \$1.6 million in commitments to the Annual Fund on an annual basis. So it's terrific for us.

I wish I could report that we did receive one of those \$100 million gifts that Clark was talking about but we did not. The results that we've seen since 2002, we've seen a 43% increase in the number of donors to the University. And this year we're hoping to top the 23,000 mark. So for us it's been a tremendous ride here, with the numbers going in the right direction. I wish I could take all the credit for that, but there are a lot of folks as I said at the beginning that, do hold responsibility for our ability to achieve that.

So as we started out this process here at UVM five years ago I guess now, we sat down and took a hard look and asked ourselves some questions about what we needed to do to meet our donor acquisition goals. And I'm going to talk about a lot of things not directly related to the phone program, but in the absence of those there's no way we could have been seeing the success that we're seeing right now, with our callers on the phones. So, I want to be clear that, the success and the donor growth that we've seen is really, a result of the phone program, but the phone program is just the end result and a lot of other factors went into that.

The first question we asked ourselves was do we have the environment here to be successful? I think one of the most dangerous things that people fall into is the trap of just throwing money at a solution to conduct solicitations, whether it be just to get another piece of direct mail out or to increase your number of seats in your call center. And I know, for us we struggled with the decision a while back, do we automate or do we not automate our phone center? We do have a relatively large alumni base, but we were getting through the majority of them. So was it in fact in our best interest to automate to get through those calls quicker?

So our answer was no that you need to kind of step back and look at the quality of those calls. We have about 60,000 non-givers here compared to double that number that Mitchell was talking about. So our potential pool was not quite as large and we wanted to make sure that we were going after folks with the most direct approach.

Many of the things impact our ability to raise money at colleges and universities, and I think we all agree that, the actual act of giving is just simply a sign from our constituents that they believe in what we're doing and they believe in our mission. In the absence of that, we could have the most sophisticated technology and the largest budget and we wouldn't be successful. So, when I talk about the environment, I'm referencing what do our prospects think about us and do they care enough to invest in us?

So, in looking at that we looked at a couple of different things. Number one, I think is the most important is the only time you reach out to those folks to ask them for money. We took an inventory of how and when we were asking for our constituents, even the soft asks. And this can be scary for large organizations because you can sometimes run into turf battles with Deans and Directors, over their prospects and when they're solicited and when they're not. Here at UVM we had each Dean of the school and college sending out appeals twice a year, putting reply envelopes in newsletters, student groups doing solicitations to their alumni, faculty members fundraising for specific projects.

And in their own little bubble that was great, they were not over-soliciting folks. But when we pulled all that together and looked at the inventory, the amount of times that we were asking folks, it was pretty overwhelming. So we actually took that story after inventory, and went to all those key stakeholders and kind of illustrated our point. And everyone, once they saw the numbers in black and white realized, gosh, we are over soliciting these folks. So we've been able to get them on board and we've received support and endorsements from all of our Deans.

And oftentimes, you see the over solicitation tends to happen through direct mail because not a lot of places within an organization have the ability to run a phone center operation. So they're sending out all those direct mail pieces. What we've been able to do is bring all those folks on board and kind of take them under our wing a little bit and say 'let us do the solicitations for you. We're going to raise more money.' Unbeknownst to them, in that process we're also monitoring to make sure that; individual prospects are not being over solicited. But the end result is they're looking in their Departmental account and seeing more money coming in from private gifts. So it's really been a win-win for us at the University.

The other thing is if you do have capacity in the call center, and Mitchell eluded to this, do some thank you calling. The calls are fun, they're easy and they're really impactful. And it's hard sometimes not to get a gift when you call to make that thank you. In fact, we just went through a fundraising campaign; we were looking at the numbers today. And we had two folks insisted on giving us an additional gift when we called them just to say thanks. So it really does a lot to kind of plant that seed that, yes the University or the Institution cares about you and we're not always going to ask you for money.

Another major question about your environment is how do people hear about your case for support and why should they support you? They shouldn't only be hearing this in the context of the solicitation. This is why getting each of the schools and colleges to use their newsletters as a vehicle to get the word out. What are the great things that are happening in College of Medicine? What are the great things that are happening in the School of Engineering? Using their newsletters to communicate that message rather than trying to use it as an appeal for funds. Because we all know that, the BRE's and the newsletters are not terribly effective vehicles for raising money.

Other things that we've done here at EVM that, I think have been really important to us, we have an electronic communication that goes out University-wide once a month. We call it Dateline UVM. Very concise, to the point, usually a one-pager, so you don't even have to scroll. In your mailbox, you see what are the four or five highlights that we as an institution, want you, our

family, to know about us? It could be a student who was recognized for an award and maybe an amazing win for one of our athletic programs. Could be a faculty member, it could be announcement of a major gift. Regardless, they have the ability drill down and click on that link to find out more information. But it's the bite sized pieces that, if they do nothing more than quickly browse through that email they get a sense for some really good things happening here at the University.

Another thing we've used is our alumni magazine. We actually have what we call *Inside Vermont*, which is a four-page insider's newsletter that we package with the alumni magazine. And we're testing different groups of folks to get that *Inside Vermont*, to make them feel like 'gosh, my gift makes a big difference. I'm now an insider at the University.' So—we do that with all of our leadership donors, but we also take some pockets of first time -first tier donors, some prospects that have not given that we want to give—so we're testing the impact of that publication going out.

Another thing that we've really invested in is, what's the message you see when you come to our website? I have the pleasure of overseeing our alumni relations unit here at the University as well. And we've really re -tooled our alumni operation to drive traffic to the website. So at this point 73% of all of our attendees are signing up online. So there's a—we're forcing them to come to our website and there's an opportunity for us to be proactive in what we're putting in front of them.

Once you've decided—yeah, the people sort of like us, we have the environment to be successful, then we started looking at our operations. And this is where you'll see some of the similarities with what Mitchell was talking about. The first question was do we have the capacity to meet our goals. And the big question—whenever you start talking about your goals in the Annual Fund, is it dollars or is it donors? And yes, she can have both but I would advocate that you can't have both within the same segment. You've got to look for one or the other from the population that you're going out to.

And I think, similar to many of you we have to balance our programs here between staff solicitations, peer-to-peer solicitations, the phone program and our direct mail programs. Each have their advantages and this is where we said, 'okay we know that we're going to raise the big bucks from our staff solicitations and the peer programs. But that capacity's limited.' Even with the 12 officers that I have out on the road, we surely are not going to raise 23,000 donors from that population.

So we've designed processes and programs to make the phone program front and center. In that vein we added some call stations and we have an automated center with 20 call stations. We have the privilege of working with IDC; they actually run our phone program with two on site directors who employ University of Vermont students to make the calls. But IDC has brought in sort of a work ethic and the solicitation model has been very successful for us here at UVM.

They key—the cornerstone to that is the phone mail solicitation process, where in advance of a phone call there's a pre-call letter that's going out, articulating the case and why—and the prospect should consider making a gift to the University.

Another major part of the program for us that, has been really important is the implementation of a multi-ask strategy. Instead of a resident asking for a one-time gift we're asking them for quarterly gifts. And the biggest challenge whenever you're trying to acquire new donors is the renewal of those new donors that you just acquired. So if you can lock them, get them in the habit of giving you a quarterly gift, suddenly you've built in some of that renewal challenge that you're going to be dealing with.

The other thing in terms of capacity is a challenge to kind of everyone to look at who you're holding out of the program. That was one of the things that we struggled with is we've never called the College of Medicine because doctors don't like to get calls through the phone program. I'm sure you all have codes on your database that says don't call these people through the phone program.

Go back and look at that, we had almost 12,000 prospects that we had coded historically over time, it has never really been cleaned up, of people not to call through the phone program. So last year we really took—stuck our toe in the water and tried to call some of those folks. And believe it or not, we had a 34% pledge rate from these future donors in that pool. And if they were donors that had been giving, it was an even higher rate.

There are some folks—obviously; you have your best callers making these calls because there are some people who truly do not want to be called through the phone program. But we've learned our lesson and we're now recording much more information about that request not to call on our database so we can look back at that and make some strategic decisions.

The final question that we asked ourselves as we went through this process was, and oftentimes many people start here, is to look at the effectiveness of the actual solicitation process. A lot of this was covered by Mitchell but I think the process is the end result. You do want to make your processes as efficient as you can, but if you haven't done all the other groundwork, you're not going to be successful.

So how accurate is your data? The answer is never good enough. We always invest in research here at the University; we've used multiple sources of research. We've used HEF data, Harris Alumni Finder, we actually send out alumni update forms to 20% of our population every year, of the year prior, to their reunion. And we actually don't produce an alumni directory from that information but we kind of put it out there to the alums saying we want to make sure we can communicate with you in honor of your reunion. And we see over a 35% return rate with those forms filled out. So it's a terrific source of information for us and it's done in a way that, our data records staff can manage that, because it's a little bit each year.

The other area is through our website. As I said, we're driving a lot of traffic to our website so we have Jet Blue ticket giveaways and things that would encourage people to update their information while they're there. And I encourage all of you to take a look at that. Segmentation has been critical for us. Different approaches will work for different constituents. We now have the luxury of working with our College of Medicine and I alluded to earlier, when we first approached them, they said no way, we're not going to give you our doctors to call through the phone program. They had medical students that they recruited to do those calls. We're now into our third year of our partnership with them and they couldn't be happier and they can't imagine anyone calling but their doctors, other than current students at the University. So, it's all about the success of your program and how you communicate that to them.

We have very successful parent's program here at the University of Vermont. As of this morning, we've raised over \$1.6 million from parents this year alone and still counting. We're talking about alumni participation increases, but within that parent poll, we've seen a 40% increase in two years. So, there are a lot of good things happening here at the University and parents hear that from their sons and daughters so they're a terrific pool to try to convert to donors.

We work with IDC's four right rules, making sure that we have the right person asking the right prospect for the—using the right case for support for the right gift. We did spend a lot of time looking at what's the right gift? And the right gift isn't necessarily \$1,000 if they're a previous \$25 donor or a previous non-donor. So we look at the individuals' donor history and come up with an

ask amount that's appropriate for them. And rather than the big sticker shock of \$1,000, we ask them for an amount quarterly. So, if you were a \$25 donor, rather than asking you to jump up to \$100, we're going to ask you to give us \$25 quarterly. It's the same thing, its going to add up to \$100 at the end of the year, but it's much more attainable for the folks, to write that \$25 out of their checking account.

A big factor for us has been our work with credit cards and getting them on the phone. Since we brought IDC onsite to manage our phone program, we've taken our credit card rate from a 19% up to a high of 34% last year. We're a little bit under that, but we're hoping to get back to 34 this year. But that's cash in the door and, if you couple the credit card rate with the multi-payment strategy that we're talking about, we're getting four gifts a year with a guaranteed payment on that credit card. So it's a tremendous source of revenue for your Annual Fund if you look at that.

And the key for us there has really been, as Mitchell eluded that—summed his close. Making sure that prospects know that—or not really giving them the option to do anything but give it to you on a credit card. And for most folks, because we are reaching out into the future donor population, they don't have that pattern of giving to you in the past so giving on credit card is just something you can establish, that routine. The hardest groups that we've had converting to the credit card is our true donor population that writes you that check every year in December. And you're probably not going to change their pattern for the most part.

So that's sort of it here at UVM Clark. As I said, it's a total team effort. I wish I could take credit for all the success we've been having, but there are many things contributing to the donor growth. We do make it a point to celebrate our successes internally and make sure that, the Deans and everyone know about it. And just—we had a Board of Trustee's meeting about two weeks ago and it's particularly gratifying for me to hear the President of the University, and the Dean of the College of Medicine, talking about the success of our "Chatty Cats", which is the brand that we have for our Phone-a-Thon program, the Chatty Cats. So it's a true sign that this is a bigger thing. It's not just the Annual Fund working with this outreach effort; it's truly a University-wide endeavor.

Clark Gafke: Alan you said something that was fascinating. And that is that is, and I tried to write it down that the result of somebody giving a gift through the UVM fund is a validation of their feelings. And five years ago, you set down a path that wanted to change their feelings about the University. So get everybody on board, get everyone working off the same calendar and it builds momentum on itself.

Two questions, one, how difficult was it, or did you luck into it, in changing some, what used to be, solicitation pieces with reply envelopes in them, to cultivation pieces? Just pass out good information and fast updates?

Alan Ryea: The stuff that we were controlling, it was easy obviously, we could make the case and we could do that ourselves. It was a little harder when we reached out into the schools and Colleges. But the key for us was having that inventory. Where we can go to them and say, 'look, this graduate of the School of Nursing is getting six solicitations'. And this is what we've been able to track, there's probably more than that going on that we don't know about.

So just being able to prove to the Deans, here's what's going on, but also being able to offer them the olive branch and saying, 'all right, we know this is happening. This is what we need you to do; we will conduct the solicitation for you. We guarantee you we're going to raise you more money', and then after we did that the first year it was a pretty easy sell. But until we showed them the money it was a leap of faith but we had a new President coming on board at the time that was

really, rallying the troops on campus to really—to raise the quality and the perception of the University of Vermont. So a lot of the Deans were willing to take some risks to set that point.

Clark Gafke: Yeah and I can imagine that some of your solicitations were cancelling each other out. They—untimed, arriving at the same time. So they weren't getting the most for their money either in sending out their own solicitation.

Alan Ryea: Right.

Clark Gafke: Great, Patty are you with us?

Operator: Yes, I am.

Alan Ryea: All right.

Operator: Ladies and gentlemen, if you have a question at this time, please press the one key on your touch-tone telephone. If your question has been answered or you wish to remove yourself from the cue, please press the pound key. Our first question comes from Joan Schimi of Miami University.

Joan Schimi: Hello?

Clark Gafke: Hello?

Joan Schimi: Okay you can hear me.

Clark Gafke: Yes.

Joan Schimi: I actually have a few questions. So, I'll start with kind of the most important and then you can feel free to move off of me if there are more that we need to get to. We're in our campaign as well, a \$500 million campaign, and we're trying to get our hands around a reasonable participation goal for the campaign. We have had a little trouble finding a statistic in that regard, from other schools in terms of—people are able to tell us their annual rates, but the rate for a campaign we're having trouble finding. So I'm wondering if Arizona and Vermont could help us in that respect?

And then, we're also curious about what your staff looks like because we have five and we're all wanting to come work for Vermont with their [laughter]. We have 153,000 alumni.

Clark Gafke: Guide us on the one issue, is it a comprehensive campaign?

Joan Schimi: Yes.

Clark Gafke: Okay and you're—size and scope right now, to match up some sizes of—how many prospects do you have to call, how many alumni are we dealing with?

Joan Schimi: We have 153,000 alumni, about 120,000 of those are solicitable[sic]. We have, like 32,000 who have given to the campaign, in one form or another and that's since 2001 or 2, 2002. And we're going to go through 2009. So we're like a 24 – 25% participation rate for the campaign right now.

Clark Gafke: Good.

Speaker: You want me to take a stab at the first Clark?

Clark Gafke: Go ahead.

- Alan Ryea: We are in a comprehensive campaign as well, so everything that comes into the Annual Fund is counting toward our \$250 million. And we really, saw that as an opportunity for us because we knew there was an infusion of capital coming in for publications. And a lot of the handouts, the glossies you get when you're in a campaign, we took that opportunity to use those pieces as case for support in all of our Annual Fund.
- So we worked very closely with our major gift offices to make sure that there were kernels on those publications that we could translate at the Annual Fund level. We had the luxury of the number one priority for this campaign being scholarship. And so it was very easy to bring that down to the Annual Fund level and put that out through all of our direct mail pieces and through the phone program.
- Regarding staffing, I do oversee the Annual Fund and the Alumni Relations Office. So when I say I have 12 officers, we're also, in addition to—we'd love to have you work here number one, but we also are responsible for planning events. So last year we had 112 events with 12,000 participants that, we oversaw all of that external outreach for. So it's a combination of fundraising and event planning.
- Joan Schimi: My God.
- Speaker: He didn't say, but there are openings at the University of Vermont right now. Log onto their website and [laughter].
- Joan Schimi: [Laughter] okay. So, is your Annual Fund designated—so does each school have its own, or are you unrestricted for the whole University?
- Alan Ryea: We have a combination, we have an unrestricted goal, which is roughly \$2 million, and then, the remainder of the 6.6 is restricted. And that's how we've been able to reach out to the Schools and Colleges. Because we can raise money for the Dean's discretionary fund and have it count as a part of our Annual Fund. So, it really eliminated that turf battle that a lot of institutions will run into.
- Joan Schimi: Do you have any idea what your participation rate is so far during your campaign?
- Alan Ryea: During the campaign, we're up about—we're close to 20%, 19.8.
- Joan Schimi: Okay, I have a couple of other questions, but I'll let you move on to other people. I don't want to take all the time.
- Clark Gafke: You want to throw out the two questions real quick?
- Joan Schimi: Sure, I was just curious about Arizona. When you said you added some full time staff to your phone program, what that was? And then also, you said additional marketing for your graduates of your last decade and I was wondering what that was. What you did.
- Mitchell Harris: And, I didn't chime in on the question on participation rate and campaign because we are coming into the end of our silent phase. So we're still kind of having some of those conversations in terms of target. So I was listening intently.

In terms of our staffing pattern—by the way, we've got a wind chill here today of about 60 degrees so, it's not all fun and games here. Staffing pattern, we—we have seven full time people dedicated to our annual giving programs. And we've got kind of a centralized/decentralized structure here.

We—provide annual giving services for all of our academic units but they also, have some kind of giving responsibilities. Some of the larger units have an individual who is kind of our main contact person and they do some events and some alumni-related things. And our smaller units pretty much depend on us because there's not enough time in the day for them to do some of the annual things.

So in addition to those seven full time folks, we also have three folks that are dedicated to our parent programming. That additional position that we were able to secure—when we were looking at our call center and the staffing pattern in there, with 35 stations and—. Actually a couple of years ago when we were looking at it there was one person dedicated to the call center, so we've grown that quite a bit in the last couple of years, with the goal in mind of really, improving the production of the call center. So that's where that person goes and it gives us the opportunity to do some of the other things that, we haven't been able to do in the past, the gold effort for example.

Again, we segment those folks out separately for all of our efforts. So the phone call, it's a little bit more geared to kind of a peer conversation as opposed to, you're calling someone who's established in their career and maybe has, children your age. The mail pieces have been completely different. Again, a different look and we've got kind of a—a symbol, a gold—kind of figurine that has been appearing in different places that folks have been seeing. This idea of becoming ASU Gold by making a gift.

So—and then we also, anyone who's a graduate of the last decade that makes a gift, on a monthly basis we have these gold magnets with that figurine on it that we send out to everyone. It's just kind of a thank you touch, there's no solicitation involved at all. And, just another way for us to reach out to those folks.

Operator: Our next question comes from Stephanie Greenwood of Hope College.

Stephanie Greenwood: Hello?

Speaker: Hello, Stephanie.

Stephanie Greenwood: Hi, this question is actually for Alan at UVM. He had indicated that there was a 40% increase in parent gifts, this year I believe you said. And I was just wondering how they accomplished that?

Alan Ryea: The biggest thing was just opening them up and getting them on the floor and make sure that we get phone numbers. We work very closely with our Orientation Office, to get parent data forms in front of those parents when they're here on campus. You know at a point when they're filling out everything you put in front of them. So we're getting a lot more data and we have our ability to reach out to those folks has significantly increased from what it has been in past years.

Stephanie Greenwood: So have you been soliciting some parents in the past but just not as many because of not having the data?

Alan Ryea: Yeah, not as many. We also, are in a period of growth here at the University. We've increased our student enrollment by about 500 undergraduates per year so we've got more—just the raw numbers is increasing as well.

Stephanie Greenwood: Okay, thank you.

Mitchell Harris: And I'll chime in also on that. And I guess its proof that there's no reason to kind of re-invent the wheel. We've had a lot of success with our parents this year for the same reasons. We started working with our Orientation folks and getting that information at that point. We've moved from—a good deal of calling to parents, calling the parent of "so and so" to actually having the parent name. And that's made a big difference.

Operator: Our next question comes from Tracey Lewis of Carnegie Mellon University.

Katie Lambrough: Hi, it's actually Katie Lambrough[ph] at Carnegie Mellon. And I had a question for Arizona State. I think you talked about giving welcome packets to new donors and I'd love to hear what you actually include in those packets? And if you have any stats on how that's helped you retain those donors?

Mitchell Harris: This is the first year that we've done that, so we're—that's one of the things that we're definitely looking at, to be able to give some feedback when we get to our budgeting process. Something I'd be happy to share with you when we start to get those numbers in.

It's a very simple packet. It's a letter that, just talks about how it's important that you made the decision to become involved and invest in the University and how much we appreciate it. And then, it's a refrigerator magnet that has contact information. You know if you move or you get a new job or—an addition to your family, here's a phone number, here's a website you can go to. Here's how you can let us know what's going on with you.

And then, the other thing that we're still working on is, sort of an impact statement for the folks giving, in any gift. Doing impact statements for someone that gives \$50,000 is *easier* than for someone that gives \$50. But when you put it in the context of the number of people who gave \$50 last year and that total and what that does for University, we're able to kind of get at some of the impact of someone's \$50 gift. So we're looking to put something like that in place also.

Alan Ryea: Katie I can tie it in from UVM, we don't have the donor packet that we send out, but we did start producing that impact statement two years ago. And a lot of things—we altered a lot of other things in that process, but we were able to take our first time, first year donor renewal rate from 34% to 46%.

Katie Lambrough: Okay thanks.

Operator: Our next question comes from Alan Lund of CSU.

Alan Lund: Hi folks.

Speaker: Hey Alan.

Alan Lund: Hey. Question, we're actually doing pretty well, our numbers are going up. What is not going up are credit cards. And the question I had, we also verify every gift. We don't right now, have the supervisors asking for credit cards, the caller's already done that by that point. What I'm wondering is, do you folks get any push back, losing any donations, because of that credit card assumptive ask? What kind of impact do you have that way?

Mitchell Harris: Yeah, we—sorry this is Mitchell. The callers are pretty in tune to staying away from, giving individuals that out. Of saying, 'okay we'll send you a pledge card' or something like that. But we haven't seen any negative push back from our assumptive ask. And we—actually, in addition to the assumptive ask, we've got some common objection responses that our supervisors are able to

use. They don't—go through three or four of those, they may do it once. But it—we haven't really seen any negative from that.

Alan Ryea: Same thing here, it hasn't been overwhelming. I do have a few; I call my "love letters" that I get every now and again where people aren't necessarily happy with the presumptiveness of that close or the conversation. But in the grand scheme of things when you're talking about bringing in 14,000 donors to get one or two letters, it's pretty easy to respond to those.

Alan Lund: Okay.

Operator: Once again, if you have a question, please press the one key. Our next question comes from Angie Meyers of Bucknell University.

Angie Meyers: Hi everybody.

Clark Gafke: Hey Angie.

Angie Meyers: Hi Clark. I have a question, Mitchell had talked about investing in the call center operations, they increased stations. One thing that I'm sure everybody runs into is how to make sure that the seats are full. What incentive or—an additional dollar amount or bonus do you give to ensure your seats are full in the program?

Mitchell Harris: Well, one of the advantages we have is that, the number of potential employees that we have out there, even in an area that's cost center rich. What we've had to do is really offer the environment that the students really want to be a part of. So, we pay a decent wage, probably one of the better wages for an on-campus job. We do offer some bonuses that the students can get. We try to have an atmosphere that's fun and—just enough flexibility to recognize that they are students first, but not enough that, hurts the program.

And they can see also, when they come in and there are five students that don't work on a given night that are here because they want to pick up extra hours, they very quickly realize that, I better be here when I'm supposed to be here or someone else is going to take my seat. So, we pretty much recruit year round. A little bit heavier at the beginning of a semester. But that ad is in the student newspaper at least a couple of times a week and those fliers are up on the kiosks regularly and we regularly send out posters to the development officers and ask them to put it in common areas in their buildings.

So there's something going on pretty much continuously, to try to get the folks in. And then, one of the things that IDC helped us with was refining our interview process and that's helped also. So we're able to get some more of the students in the door and—so that they can get a feel for what the job is and kind of make some of the decisions. And then the last thing is our students are here. I mean they are a big recruiting tool also. We offer some referral bonuses for them also and they've taken to that very well.

Angie Meyers: Thank you.

Mitchell Harris: You're welcome.

Clark Gafke: Let me go back and make a comment. Katie from Carnegie Mellon brought up an interesting point on these first time donors and Alan, you touched on it as well. Saying that it's—not in these words, but it's easy to get somebody to give money the first time. But it's the repeat gifts that are so vitally important to winning this game of increased alumni donors and ultimate more major gifts.

We all have a tendency, because everyone knows what CASE stands for, Copy and Steal Everything, we all have a tendency to talk amongst ourselves and take ideas amongst ourselves. But I'd put a challenge out there that, I, being a University of Missouri graduate, can't give enough to Missouri to be recognized in any significant way. But I can give the same gift to 4-H and be recognized as a potential major gift prospect. And, I would challenge all of us to look outside of education to the other non-profits, there are some—I don't know there's been a million put on the books in the past 10 years, more of them. And I think they're getting pretty savvy at recognizing the first time donor in a way that, really makes that person feel they made a difference.

And I know there are budget limitations to that and we're dealing with a larger number usually than they are. But instead of looking at our own first time donor packets, look in your community for that. And then, once you get the person on the books, getting them to continue their giving is just that ongoing cultivation. But, I know you've really got to celebrate that first gift in such a way that says, "it was noticed". I'll leave it at that and we can get on with more questions.

Speaker: I'll add to that Clark. One of the things that we did here is we worked with—if you haven't seen this, it's a book by Penelope Burk called *Donor-Centered Fundraising*. It's a tremendous book and we looked at that and really tried to apply that across all of our programs. Not just the Annual Fund but gifts that were coming in through other parts of the institution. And the key element that comes out of Penelope's research is that, donors want to know about the impact.

So, do as much as you can using your communication vehicles to talk about that impact whenever you can.

Clark Gafke: I know we're also, and I think we can keep taking questions. I know we're up on time. Everyone will get a survey and if there's follow-up questions, please write them down on your survey and we'll get you in touch and give you our thoughts on those. But, Patty do we still have more questions in the cue?

Operator: I'm not showing any further questions.

Clark Gafke: Okay, if anybody has any more questions we can--.

Operator: --We do have one more question now. Deborah Lundahi of Wayne State University.

Deborah Lundahi: Yes, we're from Wayne State College and I'm here with two other colleagues. One thing that we're noticing are the impact of cell phones on our younger alums, no longer have land lines. They're strictly having cell phones and how we would gather those numbers. And also, the fact that more people have caller ID. And so, they recognize when they see WSC and if they choose not to answer then, not only do we not get a no and process that, we don't get an opportunity to update their address and so forth. What do other people do to counteract that?

Clarke Gafke: Either one of you want to take it?

Alan Ryea: That's a tough one; I think we all face that. I mean one of the things that we found very effective is that alumni update form that I was talking about. We get a very high response rate from our younger classes because they're moving around so much that, we may in fact, have a bad address. So we send it to mom or dad and mom or dad forwards the form to the alum. And they will give you their cell phone number so; we do have a lot of cell phone numbers that we're actually calling for folks.

- Clark Gafke: I think at the end of the day, if somebody wants to avoid you, they're going to be able to avoid you. We have to do more with the folks that we can communicate with and hope over time that, they'll come into the fold and allow us to visit with them. Mitchell?
- Mitchell Harris: I don't know that I can add anything. It's something that we all face and I think we just continue to plug away and hopefully we can bring them around.
- Clark Gafke: I think it is a data tracking issue. If we're not tracking—I think phone numbers are going to be more up to date than addresses in a short period of time. And so, you don't want to change your phone numbers in your database very quickly. You want to keep multiple phone numbers on the record, the address will go bad but the person will have a lifetime phone number.
- Alan Ryea: That was actually, one of the things that we bumped into, Clark, if I can jump in here. Just process-wise, our routine had been here, whenever our data records department got a new address they would make the previous address, we use the BSR Advanced system for our database, so it would make that previous address a past address and—there along with that phone number. So what we found and we implemented a new process here, if we didn't get a new phone number with that new address, we're keeping that old phone number until we know otherwise.
- Because we were using a lot of those younger alums that did give us a cell phone. They weren't getting a landline and they just didn't update their phone number that second time around.
- Clark Gafke: Good, Deborah did we answer it?
- Deborah Lundahi: Yes, thank you.
- Clark Gafke: You bet.
- Operator: We do have two more questions in the cue.
- Clark Gafke: Guys you okay to stay over?
- Speaker: Yes.
- Clark Gafke: Okay good, go ahead Patty.
- Operator: Certainly, Stephanie Greenwood of Hope College.
- Stephanie Greenwood: Hi, this question is for Mitchell. He had mentioned they have a "Why I Give" campaign that extends to your student body, even though you're only soliciting seniors. But I wondered what components there are to that campaign in terms of educating the rest of the student body?
- Mitchell Harris: There are—unfortunately, not having a strong marketing background there probably are some additional things that could be added to this and we're hoping to look at that for next year. But essentially, we have our—six or seven students from our various campuses that, made gifts. And we've had a photographer with them, out in different areas of the campus taking pictures. And we've got some quotes from them and there is—the main component is a website that features their quotes of why they gave. And we're kind of driving everyone to that website. While there they can "Click here to make gift now" and that sort of thing.
- We're looking for some help from our marketing department to put together some posters and ads that we can put on our campuses. So it's—it's a work in progress but those are kind of the initial

pieces to it. And next year it may kind of have a different theme, or it may be "Why I Give" again, it just kind of depends on how well it goes.

Stephanie Greenwood: How are you—you said you were working on directing people to the website, how do you approach that? To direct people there for the information?

Mitchell Harris: Basically, in the posters and the ads, that's the place where you can go—you know the poster or the ad might have one of the students and part of their quote. And if you go to the website, you can find more information about why this person and other classmates gave. Or you can find more information about the School of Business and their students' project to outfit whatever lab that they're trying to outfit.

So, there's kind of a tease with the ad or the poster and they can go to the website to find more information. And then also, sort of a place where they can go to see progress for student giving.

Stephanie Greenwood: Okay thank you.

Clark Gafke: Stephanie this is Clark, I have a question. Are you guys still maintaining the Hope Builder's Society?

Stephanie Greenwood: Yes.

Clark Gafke: The—for the rest of us, Hope has done an interesting—I first was introduced to this oh, nearly 15 years ago now I guess, to the Hope Builder's Society. And it's recognition in the Annual Report for giving three or more consecutive years. You get an anchor beside your name and you lose it if you don't give and continue to give and it takes you three years to earn it back. So as you look at a Hope College Annual Report, it stands out if you don't have an anchor. And then you stop and—it's pretty competitive and it goes all the way into the phone room. Where if you're on the phone with a Hope Builder, they need to continue to give at any level just to maintain their anchor.

But they don't want to lose it because it'll take them so long to earn it back. And I think it's worked well for you over the years. One of the first programs I've seen like that.

Stephanie Greenwood: It has and we do—at the end of the year we do solicitation of [unintelligible] who fall in that group who would—if we don't have a gift from them by the end of the fiscal year, where they would fall into that category of losing the consecutive designation. And just recently, earlier this week, we decided to change that to five years of giving rather than the three.

Clark Gafke: So the bar gets higher.

Stephanie Greenwood: It does a little bit.

Clark Gafke: Very good, very good, Patty?

Operator: Yes, we have one more question. Dawn Krumzieda from Augustana College.

Steve: Hi there, this is Dawn's work associate Steve and here in Sioux Falls, South Dakota. And my question is about email solicitation. How often, how do you do it, how does it work with your direct mail appeal [audio interference] and how do you segment with it? You guys. And how much do you think its worth, what percent of your budget do you think it's actually worth really, putting money into an email solicitation?

Mitchell Harris : I can start. We're pretty young in that area; we did our first email solicitation in the fall and have our second ready to go next month. And I would say that, you really, have to have an overall e-communication strategy for your organization first. That's been one of the things that's been a roadblock for us, not having that in place.

When you have that, I've seen places that have a program that's been up and running for a while that, will send out one a month. But again, if they have an e-communications strategy in place it doesn't become, 'you're just using my email address just to ask me'. So, you have to have some other things in place, otherwise, you get people that start to say, don't email me at all anymore. So, the—I think the age of your program will determine how often you would do something like that. For us, twice a year this year seems like it makes sense, we might go to quarterly next year.

And how to segment? Not to—get out of answering the question, as much as possible or as much as you want to measure. Because if you can get some information that tells you that, a certain segment of your population responds to that better than the other, that'll help you determine budget-wise, what you need to do to make that a successful program.

Clark Gafke: Steve this is Clark. I—we've been toying with e-solicitation for a while now and I'm just completely convinced that you need to remain forever uncomfortable with everything you're doing. Because it changes so fast that, as soon as you think you've got it figured out you don't anymore.

So, I like the balanced approach that Mitchell just outlined, a lot of cultivation, mixed in with some solicitations and providing new and updated information. And I don't think the answer for us lies in what other schools are doing. The University of Dayton comes to mind, when they first opened their website they went to consumer trade shows first to design their website. And got an early jump on a lot of other schools as far as what they were doing and how they were pushing that.

And I think we all can benefit from the same by looking at other sites, rather than just other school sites.

Steve: Great thank you.

Clark Gafke: Yeah.

Operator: I'm not showing any further questions. Would you like to conclude with any further remarks?

Clark Gafke: Very good, thank you folks for joining in. As I indicated, we'll send out a survey so if there's any other follow-up or any other materials you need or request, we'll be sure to get it to you. So, gentlemen thank you for being on the call this afternoon.

Speaker: Thank you.

Speaker: Thanks.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This concludes the program, you may all disconnect. Everyone have a great day.