



## **Solving the Top-of-the-Pyramid Problem**

# Amplifying Major Gift Activity Without Burnout

# Introduction

In this report, we're looking at the convergence of three trends:

- **the growth of wealthy individuals with major gift capacity**
- **the dwindling number of major gift officers in advancement**
- **and the current state of major gift portfolio management.**

Viewed together, these trends have conspired to make it harder for you to reach campaign and annual dollar goals.

But we don't want to state problems without offering solutions, so we'll propose new approaches to assign, cultivate, and engage more top prospects.

## **Can your major gift officers work their portfolios, reach their fundraising goals, and qualify the next crop of major gift donors?**

**If they're like most, the answer is no.** This isn't their fault or yours — it's a question of numbers. There aren't enough hours to develop authentic relationships using traditional methods with all the prospects in your database without vastly increasing the number of development officers on your team. And if your institution is like most, you're struggling to attract and retain staff, too.

In this paper, we'll look at the fundraising landscape in the context of a new EverTrue analysis of major gift fundraiser activity with assigned prospects, which reveals that, sadly, some of our best prospects may be having a worse experience after being added to a portfolio. We'll also share the latest advances that are helping teams make fundraisers more productive without burning them out, greatly enhancing your donors' experiences and setting your university up for ongoing fundraising success.

# Setting the stage

## There are a lot of affluent prospects to reach

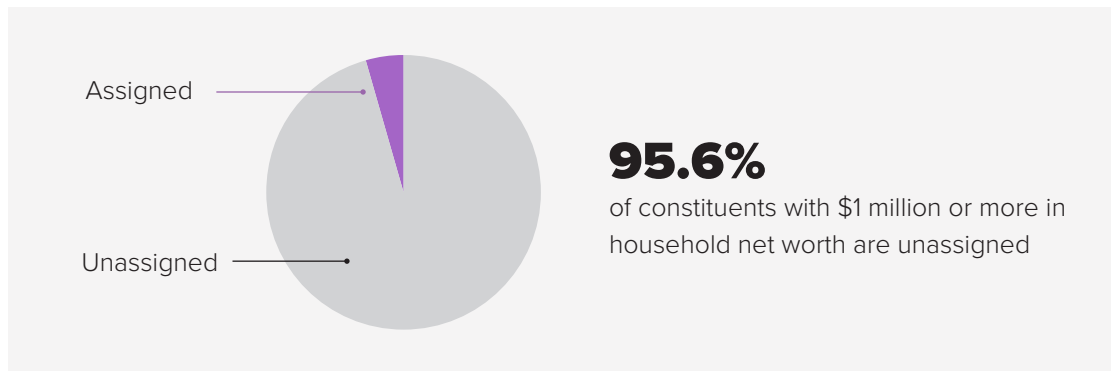
- 770 billionaires in the US (2,640 worldwide)<sup>1</sup>
- 9,630 centi-millionaires with a net worth of at least \$100 million<sup>2</sup>
- 5.3 million millionaires in the United States today<sup>3</sup>
- 95.6% of constituents with \$1 million or more in household net worth are unassigned<sup>4</sup>

There is an enormous amount of wealth, specifically in the United States. According to the Council on Foreign Relations, “In 2021, the top 10 percent of Americans held nearly 70 percent of U.S. wealth.”<sup>5</sup>

While wealth in the United States is concentrated at the top, the problem for most shops isn’t a lack of wealthy prospects — it’s reaching them all. EverTrue’s analysis shows the vast majority of high-net-worth individuals are unassigned, meaning most teams are just scratching the surface of their major gift pool.

It’s a matter of scale. Development teams need to work more efficiently to reach more prospects — get more at-bats, if you will — in order to qualify, cultivate, and solicit the next generation of major gifts.

**It’s more important than ever to identify and connect with donors with the highest capacity to meet ever-increasing fundraising goals.**



<sup>1</sup> Peterson-Withorn, C. (2023, April 4). Forbes' 37th Annual World's Billionaires List: Facts And Figures 2023. Forbes.

<sup>2</sup> Daley, L. (2023, March 15). U.S. Millionaires and Billionaires: You Might Not Believe the Wealth. The Ascent.

<sup>3</sup> Ibid

<sup>4</sup> Source: 2020 EverTrue customer data analysis

<sup>5</sup> Siripurapu, A. (2022, April 20). The U.S. Inequality Debate. The Council on Foreign Relations.

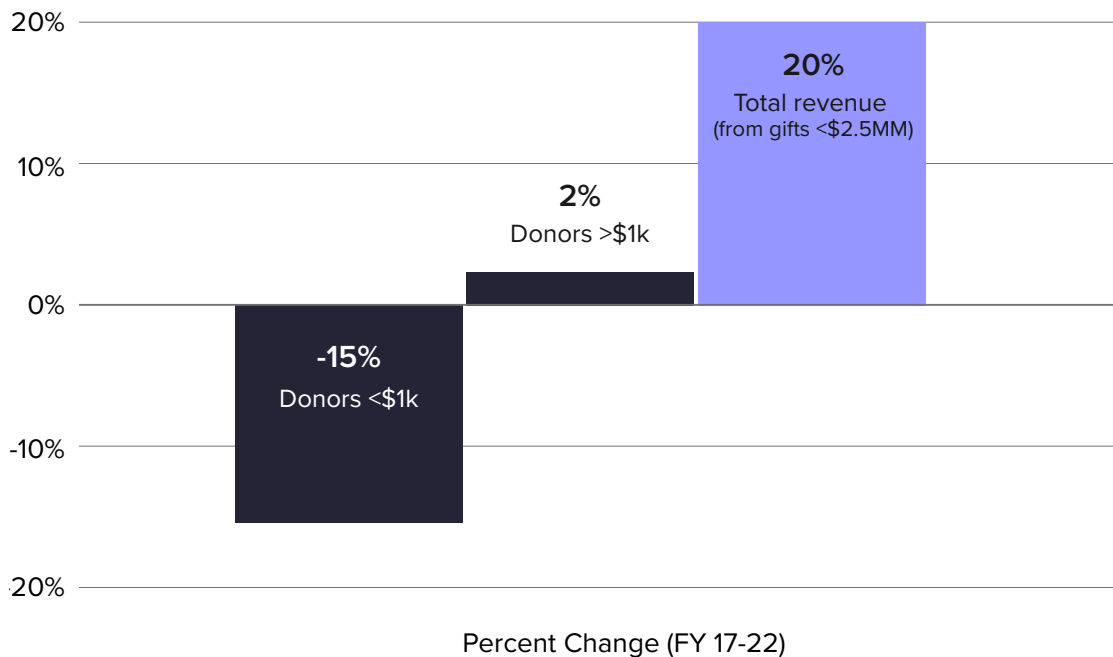
# Revealing gaps

## It's critical to reach more prospects. But are major gift fundraisers doing a great job building relationships with their assigned prospects?

The data doesn't paint a rosy picture, according to an EverTrue analysis of gift officer activity from April 2022-April 2023.

While total giving to higher education increased by 12.5 percent in FY22, a handful of large gifts have masked an overall drop in small- and mid-sized gifts.<sup>6</sup> And the donor pool, which was already in decline, hit a freefall at the start of the the Covid-19 pandemic. According to EverTrue research, donor count in higher education has dropped 8.7 percent from FY19.

### Changes in Donor Counts and Dollars Over 5 Years



<sup>6</sup> Collins, C. and Flannery, H. (2022, July 26). Reining in Philanthropic Megadonors: What the Data Tell Us Is Needed. Nonprofit Quarterly.

## Gift officers are not reaching their current assignments

Despite all the investments made in growing staff, salaries, database conversions, and using platforms like Zoom or Microsoft Teams for remote donor engagement, development officers aren't able to consistently engage prospects they will need for the future.

In April 2023, EverTrue analyzed the previous year of major gift officer activity specifically looking at meetings, interactions, and contact reports. We found that the overwhelming majority of constituents assigned to a frontline fundraiser received minimal one-on-one interactions.

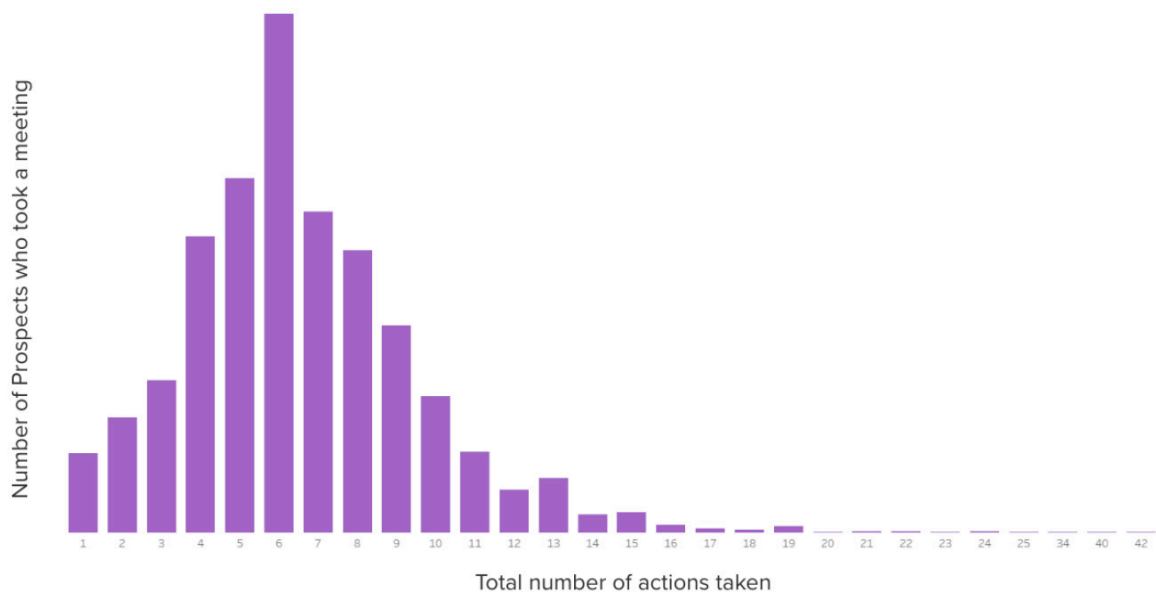
In the past year...

- 1.06% of constituents are assigned... less than 2% at pretty much every institution
- 8 of 10 assigned prospects did not have a meeting
- 70% of assigned prospects had fewer than 3 touchpoints
- 35% of assigned prospects had ZERO interactions

This lack of portfolio coverage is a major problem. Not only are prospects not getting worked — and therefore not being qualified, cultivated, or stewarded — but the data also tells us that more donor touchpoints are critical to long-term fundraising success.

Donor participation rates jump by 23 percentage points (a 75.6 percent increase) with just one meeting. It's clear that donor visits are a critical component to driving donor participation and giving.

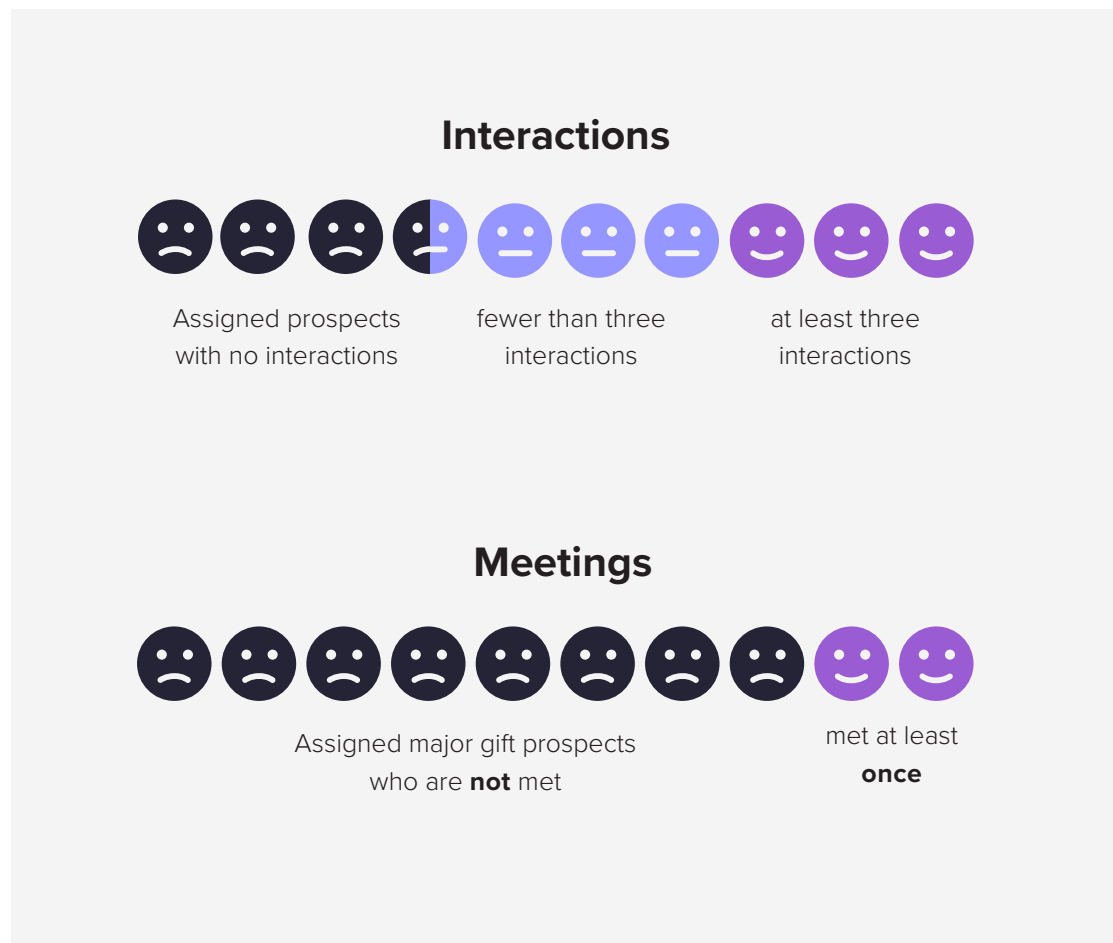
But getting that initial meeting requires more touchpoints than most prospects receive in a year. According to EverTrue analysis, in FY22 it took an average of 6.5 interactions for a fundraiser to book a initial visit.



Prospects are busy. It often requires politely persistent outreach via multiple channels (email, video, phone, social media, etc.) in order to capture their attention and book an elusive meeting.

According to these statistics, most prospects do not receive the necessary number of touchpoints to book that visit and move the relationship forward.

**The majority of assigned prospects are not receiving the donor experience that they deserve.**



# A new CRM isn't the solution

We looked at fundraising performance at a handful of national institutions (both public and private) that have recently switched to a Salesforce-based CRM and examined interactions, visits, donor count, and dollars raised. We saw very different results from each institution, indicating that a shiny new database may not be a fundraising panacea.

One institution saw the number of leadership and major gifts drop by 25 percent below their average annual level. Another saw gift officer visits plummet by nearly 17 percent. No institution we studied showed remarkable improvements to their program after switching their CRM.

While there are a number of factors that contributed to those results, it's clear that a new database alone isn't enough to solve the gift officer activity gap. CRMs are designed for data storage, not propelling one-on-one outreach from a development officer. As we'll discuss further, additional platforms that specialize in fundraising enablement are critical to consider no matter the underlying database.

**Converting to a new CRM isn't the silver bullet that will solve the gift officer activity gap.**

## Roadblocks to activity

### Hiring and retention

We have all seen and felt the low job satisfaction and high turnover rates among major gift fundraisers. A Harris Poll commissioned by the Association of Fundraising Professionals and The Chronicle of Philanthropy found that 84 percent of them feel "tremendous pressure to succeed" and a full 30 percent of them were considering leaving the profession altogether. A key reason for this is they simply cannot keep up. Universities are facing hiring freezes while simultaneously increasing fundraising goals, putting more and more strain on major gift officers to make up the difference.

But large gifts require time, patience, and relationship development. Pulled in so many directions, and without the right tools, fundraisers are barely able to keep up with the prospects in their portfolio, let alone cultivate relationships with the donors they will need in the near future. As reported in The Chronicle's summary of findings, fundraisers feel that their colleagues "don't understand... how long it takes to cultivate relationships with wealthy donors. In other words, by the time gift officers are able to reach out to new prospects, those prospects aren't warm enough to be solicited anytime soon."<sup>7</sup>

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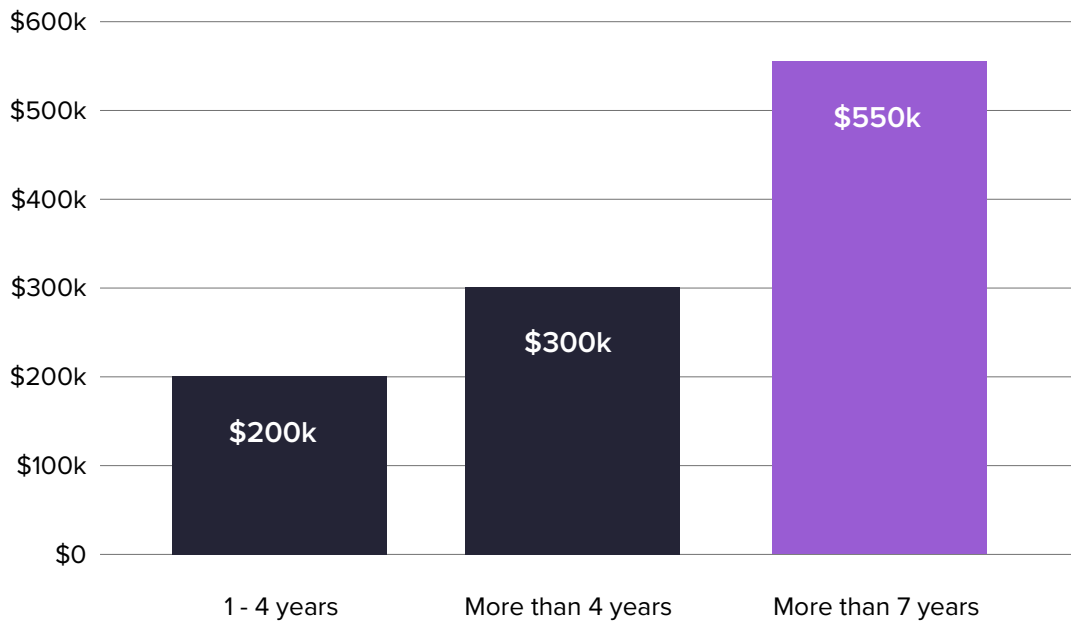
<sup>7</sup> Joslyn, H. (2019, August 6). Why Fundraisers Leave, and How to Keep Them. The Chronicle of Philanthropy, 31(10).

Every year your major gift officers must inspire those who are ready and able to make a monumental investment in the university’s mission. Doing that takes an incredible amount of hands-on work and requires a strong, trusting relationship with the prospect. How do you build that many relationships — and do it that well — when you’re on a significantly understaffed major gift team and your database is teeming with prospects?

It is little wonder that so many development officers are considering leaving their jobs. And make no mistake, this could be very costly. A study conducted at Northwestern University found that the longer their fundraisers stay at the institution (and build personal relationships), the more fundraisers were able to raise. Fundraisers with four or more years of experience raised, on average, gifts that were 50 percent larger than their less-experienced counterparts. And this trend continued, with fundraisers of seven or more years’ tenure being able to reach a median major gift size of almost triple the amount of their newer colleagues.<sup>8</sup>

**Gift officer turnover can cost teams hundreds of thousands of dollars in missed gift revenue.**

### Median Size of Gift by Fundraising Tenure



<sup>8</sup> Lively, D., & Vinukonda, N. (2021, July 7). Calculating the Cost of Losing High-Performing Fundraisers. The Chronicle of Philanthropy.



## Engaging more donors requires new tools

According to EAB, the majority of gift officers spend less than 60 percent of their time on fundraising-related activities.<sup>9</sup>

They work in clunky systems, get pulled into committee meetings, or are tasked with planning events. And every hour spent on those projects (and myriad other tasks) is an hour they could have used for direct donor engagement.

Gift officers need tools (like EverTrue) that help them plan trips, file contact reports, and manage proposals efficiently.

## Lack of technology that prescribes outreach

Advances in technology have greatly increased gift outcomes by putting fundraisers in front of the right prospects. That is fantastic; nothing is worse than wasting hours chasing down prospects who are unlikely to support your institution.

But a prospect who isn't interested in making a gift today may change their mind if they are exposed to messaging that is customized specifically for them and that makes a compelling case for why your institution is worthy of support.

EverTrue's Donor Experience programs — designed for Donor Experience Officers (DXOs<sup>SM</sup>) to manage portfolios of 1,000+ leadership gift-level donors — rely on touchpoint plans to propel meaningful, personal outreach at scale.

DXOs<sup>SM</sup> follow prescribed steps to deliver completely customized messaging to take disengaged prospects and flip them to engaged donors. As these donors respond to DXO<sup>SM</sup> outreach, make a new gift, or become major gift prospects, the outreach cadence changes automatically — turbo-charging their fundraising activity. This is how DXOs<sup>SM</sup> achieve the amazing results they are known for.

**DXOs<sup>SM</sup> can focus exclusively on delivering a great experience to each donor, reaching an average of 24 prospects a day, and completely covering a portfolio that's 8x's the size of that of a typical major gift officer.**

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<sup>9</sup> Educational Advisory Board (2015). Making Meaning of Metrics: Leveraging Accountability and Analytics to Enhance Fundraiser Productivity. The Advisory Board Company.

## Prescriptive outreach propels activity... and drives results

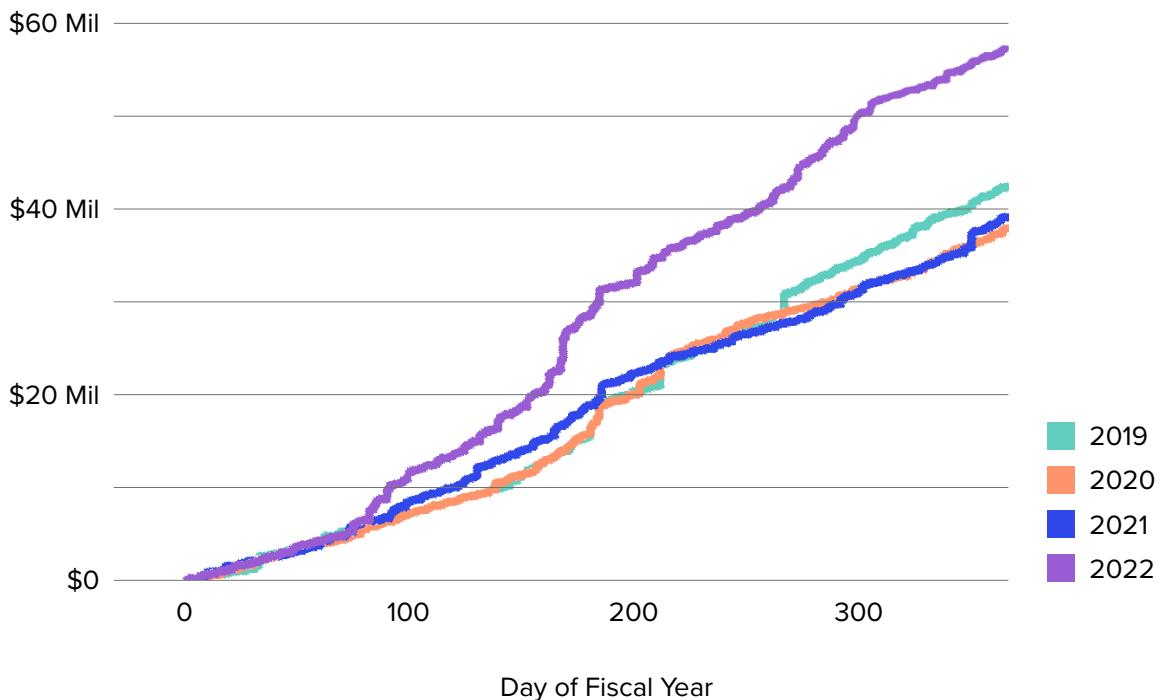
With three years of DXO data to analyze, EverTrue found that high-volume, personalized outreach at scale works.

In FY22, prospects assigned to a DXO received 465 percent increase in engagement from a fundraiser than they did in FY20. That outreach led to a 51 percent increase in giving from these donors in the same time period.

Top-performing DXO programs generated an average 83 percent year-over-year increase in dollars<sup>10</sup> and top DXOs raise an average of \$2.3 million each, annually.

**The tools and cadenced-based outreach that make Donor Experience Programs successful with leadership-level donors can — and should — be tailored for major gift officers.**

### DXO Cohort Revenue Production: All Time



<sup>10</sup> Source: 2022 EverTrue customer data analysis (Sample: all prospects assigned to a DXO.)

# The future of gift officer outreach

## **New metrics to focus on**

In addition to tracking activity, visits, proposals, and results, advancement teams should track outreach consistency from gift officers.

Is every assigned prospect receiving a cultivation or stewardship touch at least once a month? What percentage of a fundraiser's portfolio has receiving tailored communication on a regular basis in the last year? Are we okay with 35 percent of assigned prospects not receiving a single touchpoint or should we aim higher?

## **New tools to propel meaningful activity**

The gap in donor experience isn't caused by bad fundraisers. It's the result of teams not having the right tools and systems in place to eliminate manual work and allow gift officers to focus fully on fundraising.

As we've seen in EverTrue's Donor Experience Programs, high-volume, personalized outreach at scale is possible... and it works. This same approach should be applied to major gift activity. Perhaps not to portfolios the same size as at the leadership gift level, but certainly, we can set a new standard of five prospect touchpoints a day with every single assigned constituent receiving a meaningful touchpoint — video, email, note, or a relevant impact story — on a monthly basis.

To do so, leaders must invest in technology that automatically surfaces prospects in need of a touchpoint and equips fundraisers with modern tools (video, Zoom, text, email, and direct mail) and cadence-based touchpoint plans to guide one-on-one activity. Advances in automation and AI have brought us to the place where no fundraiser should have to wonder what to do next or who to talk to. Instead, they can focus exclusively on delivering a better experience for every prospect and building more long-term relationships.

Increasing activity will lead to a better donor experience, more meetings, and ultimately more gift revenue.

# In Summary

- There are still plenty of unreached prospects with major gift capacity.
- There is not enough time in the day to keep all of these individuals personally connected (unless we make big changes to “fundraising as usual”).
- Until they are regularly connected, they will remain “cold” prospects, making them highly unlikely to make a major gift.
- Fundraising teams are shrinking nationwide, and we are seeing large numbers of experienced fundraisers leave the profession because they are burned out.
- We’ve proved that fundraisers need technology that automatically guides meaningful outreach to improve the experience for every assigned prospect... and, ultimately, drive fundraising results.

## **Want to learn more?**

**Request a demo at [evertrue.com](http://evertrue.com)**

## **About EverTrue**

EverTrue’s data, software, and outreach platforms empower higher ed and independent school advancement teams to create personal experiences for donors. More than 1,900 nonprofits use EverTrue’s data sources and modern, mobile-first software and outreach tools to drive fundraising results and build donor pipeline. EverTrue is a remote-first company that’s backed by Rubicon Technology Partners. For more information, visit [www.evertrue.com](http://www.evertrue.com).