

## **Alumni (or any other constituent group) Participation – What’s All the Fuss?**

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This article will focus on alumni participation as there are national collectors of this information that enter into college rankings. But the information shared here can just as easily apply to parents, grandparents, friends, members, etc.

Alumni participation was originally seen (some 40 years ago by US News and World Reports) as a way to gauge alumni affinity/engagement. But it can no longer directly do that. And frankly, as we see with the statistics for higher education (once we eliminate all the inappropriate counting technics institutions are using to inflate this rate), alumni participation rates are consistently going down - but that has nothing to do with alumni affinity. It has to do with math.

We are simply graduating far more alumni every year than are dying. And the Advancement Services world is doing a great job of finding “lost” alumni. Back in the 80’s when I joined the profession we were happy with 20% lost rates. Today, if we are over 5% lost we are not doing our job!

The denominator for the equation is growing at a rate that is next to impossible to keep up with. But it is the numerator that is further killing the participation rate. Not only because we are graduating so many folk (and doing a better job of finding them), but to count in the numerator a donor must make a *personal* gift. Back when these rates were first calculated, donor-advised funds did not even exist. Today, our alumni are making frequent use of DAFs, community foundations, family foundations, privately owned companies, etc. **THOSE GIFTS DON'T COUNT!** Only if an alum writes a check out of their own checking account does it count (confirmed by CASE and USN&WR).

That is why I say this is no longer a relevant national comparison tool. It sure can be useful at the local level if your own participation rate is horrible and you are trying to do something to fix that. One institution knew that their alumni participation rate was much lower than it could be and, so, they did track it as new programs were implemented to reengage former students. And they were pleased when they saw slow and steady improvement over the next several years. But then they hit the mathematical wall I have alluded to. They got as high as the math would allow. Little has changed during the following years in programs or fundraising strategy - but the alumni base was growing at a far faster pace than be kept up with. And so they began to see a decline in the rate. But that is not necessarily a bad thing. Fundraising dollars are soaring there. But using participation rates (following the stipulated formula) as the **ONLY** measure of alumni affinity is simply not useful any more - but that is all USN&WR looks at.

So here is the only nationally accepted way to calculate participation rates as adopted by CASE, CAE and US News & World Reports:

Since the definition of “alumni” varies from one institution to another, and considering that not all schools have graduate degree programs, all organizations are urged to calculate participation rates in three categories:

1. Undergraduate degree or diploma holders
2. Graduate only degree or diploma holders
3. “Alumni” without a degree or diploma

The actual participation rate for US News & World Reports takes the number of LEGAL *undergraduate degree holding* donors, divided by the number of alumni (same criteria) of record:

- Number of Record – number of living alumni for whom the institution *believes* it has a valid address or way to contact. This includes “no contact” or “do not solicit” alumni – and the contact method can be by mail, email, or phone – not all; just one
- Number of Donors – number of alumni who made one or more **legal** contribution during the reporting year. If a married couple, both of whom are alumni, make a joint contribution, it is counted as if both alumni made a gift. You must *exclude* donors who only gave through third-party vehicles like donor-advised fund and family foundation

So here is why forcing institutions (usually by senior leadership) to improve participation rates fails. You have constituents that are dying slower than those you are adding, and those that do give are making gifts more and more through third-parties –**and those gifts do not count.**

But because of the undue pressure being levied to improve a rate that doesn’t matter anymore, institutions “cheat.” They count gifts that shouldn’t count. They ask donors for \$1 gifts to improve their rate. In fact in a recent study I found that 90% of institutions I surveyed reported one number to CASE and another (higher) number to USN&WR, even though both numbers are supposed to be **identical.**

Let’s stop this madness. Alumni *participation* is not a valid measure unless we are comparing ourselves to ourselves as a measure of progress. Alumni *engagement* is what we need to focus on. But that, too, cannot easily be compared across institutions. We will discuss alumni engagement models in a future paper.