

# GIVING BY GOVERNING BOARDS TO DAY AND BOARDING SCHOOLS

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An analysis of performance and trends in giving by boards over the 2001–2010 decade and of the impact of the recession on it for: Day Schools & Boarding Schools.

## “HOW STRONG IS YOUR BOARD PARTICIPATION?”

This is a standard—almost inevitable—question as an institution seeks support or as it initiates a campaign. Strong giving from an institution’s board is widely regarded as essential in making its case to its broader constituencies and in carrying out an effective campaign.

Marts & Lundy has analyzed six key questions concerning board giving to day and boarding schools. What has been happening to:

- Total board giving?
- The size of the average board gift?
- The number of board donors and the percentage of board members who give?
- Board giving as a percentage of total giving? (This provides an indication of how important board giving is in the institution’s overall support)
- Board giving as a percentage of total individual giving? (This provides the clearest reading on its impact by neutralizing the occasional effects of institutional support)
- Board Giving for current use in contrast to capital purposes?

And we have also made an estimate of:

- What has been the board share of final campaign totals?

We have looked at these over the long term for the full decade (2001–2010). We have also considered just the short term (2008–2010) to assess the impact of the recession. Many hope this will prove to be an unavoidable aberration and that philanthropic support will return to earlier levels of achievement and to a rate of growth for which there is a powerful historical precedent.

We have used two broad comparison groups developed by CAE/VSE\* for day and boarding schools (the numbers indicate the approximate size of each group providing board giving data—not all institutions report this):

- **Day Schools (56) (NAIS day schools excluding combined day/boarding)**
- **Boarding Schools (116)**

\* Council for Aid to Education Voluntary Support of Education surveys (2001-2010)

## RIGHT UP FRONT: THE BOTTOM LINE(S)

The trend analysis that follows indicates that over the past decade:

*Total board giving and the average board gift have moderately strengthened for day and boarding schools.*

*While the number of board donors and the average board gift have trended up, the percentage of board members who give has declined for both day and boarding schools.*

*Board giving as a percentage of total giving has trended down in both day and boarding schools. The trend of board giving as a percentage of total individual giving has been flat in day schools and it has declined in boarding schools.*

We believe this indicates that while total board giving and the average board gift have generally been increasing in nominal dollars, the **impact** of board giving has been **decreasing** significantly for both day and boarding schools.

Not surprisingly, during 2008–2010 the recession strongly affected board giving:

*Total board giving, the average board gift, the percentage of board members making a gift, board giving as a percentage of total giving and as a percentage of individual giving all declined in 2009 and then declined even more sharply in 2010. This contrasts markedly with what happened in private higher education where there was general recovery in 2010.*

*Board members in both day and boarding schools increased their designations for current use as opposed to capital purposes*

And our estimated assessment of the **impact of board giving (including giving through family foundations) on campaign totals** show boards have probably provided roughly:

- **22% of campaign totals for day schools**
- **27% of campaign totals for boarding schools**

## THE ANALYSIS

There are three constraints in CAE/VSE data that are important to keep in mind:

- CAE/VSE data show only direct board gifts; gifts through family foundations are not included and gifts through such mechanisms as donor advised funds and corporations may not be included so the available data unavoidably understates board giving.

*Note: we have found in a separate study that total giving by individuals to day and boarding schools tabulated by CAE/VSE is typically increased by about 18% when giving through family foundations is added to it. We have adjusted the CAE/VSE data to reflect this increase.*

- “Board member” is defined to include “current, emeritus and honorary” but this definition is not always rigidly followed and additional categories of board membership may exist and be included, such as, ex-officio.
- CAE/VSE comparison groups, of course, report averages for a large number of institutions. It is important to bear in mind that there are wide variations among the specific institutions making up the group.

It is also important to bear in mind some of the factors that can influence board giving. These can vary widely from one institution to another and include:

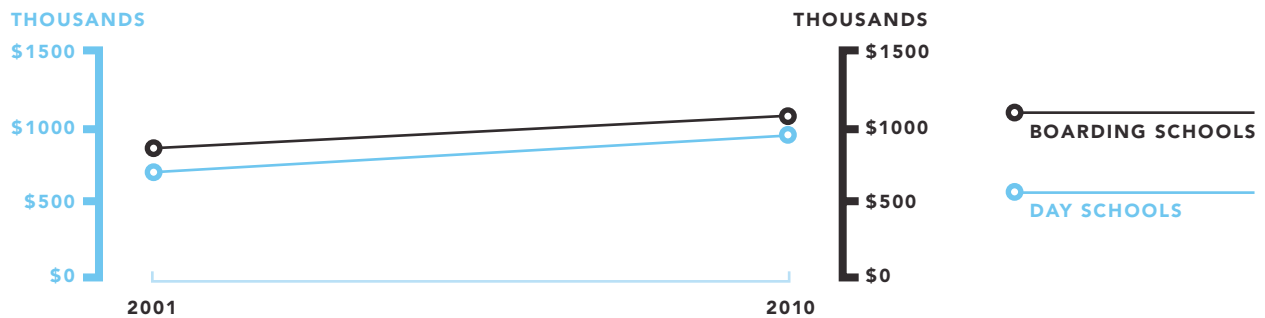
- By whom, how and when the board is solicited
- The level of giving by the board leaders relative to their capacity
- The age of board members
- The size of the board
- The wealth on the board and its origins
- The tenure of board members
- The role of philanthropy in the board portfolio (explicit or implicit)
- The tradition of board giving
- The extent of board involvement in other campus activities and responsibilities

## 1 HOW HAS TOTAL BOARD GIVING PERFORMED?

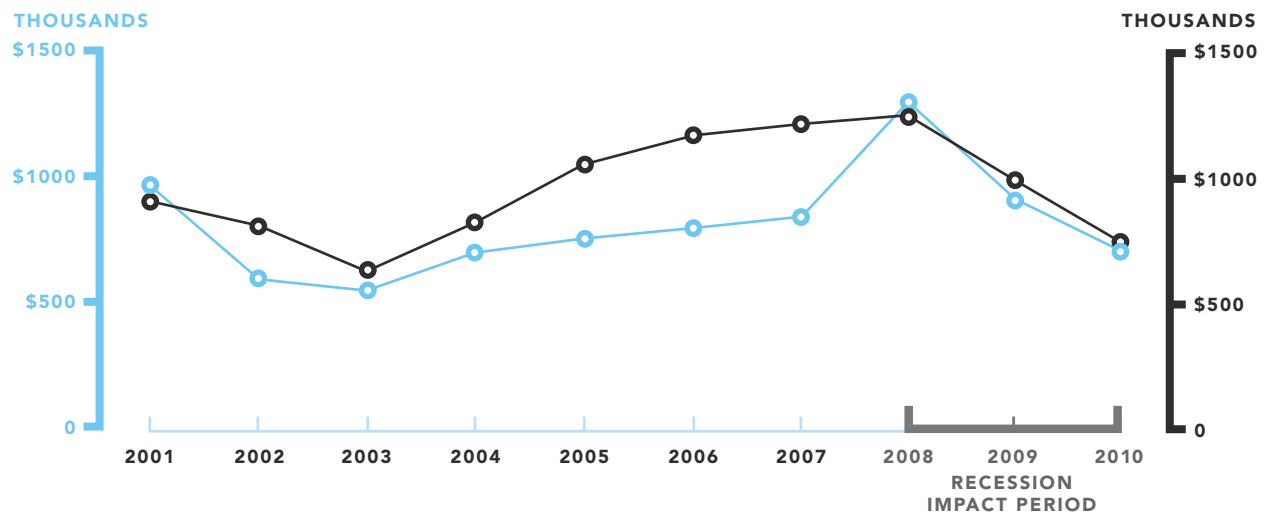
### Over the past decade (2001–2010):

Despite wide—and likely market-driven—fluctuations during the decade, the overall trend of board giving in nominal dollars has strengthened for both day and boarding schools:

### TOTAL BOARD GIVING: TREND LINES 2001–2010



### TOTAL BOARD GIVING 2001–2010



### And during the 2008–2010 period including the recession:

As can be seen above, board giving plunged by 45% for day schools and by 41% for boarding schools (unlike private higher education, it did not show any recovery in 2010).

Reference the Special Report on *Giving By Governing Boards to Private Higher Education*:  
[www.martsandlundy.com/dl.php?filename=pdf/special\\_reports/MLGBPHE.pdf](http://www.martsandlundy.com/dl.php?filename=pdf/special_reports/MLGBPHE.pdf)

## 2 HAS THE SIZE OF THE AVERAGE BOARD GIFT CHANGED?

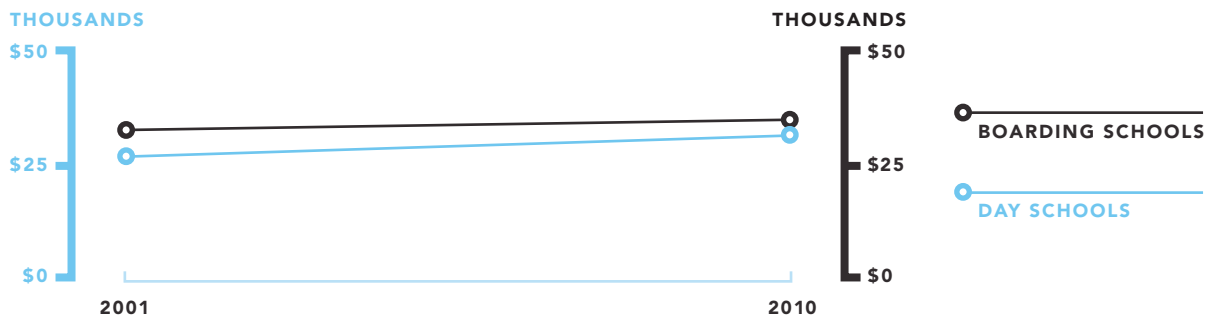
**Over the past decade (2001–2010):**

Even with pronounced fluctuations, the trend of the average board gift has increased only slightly for both day and boarding schools.

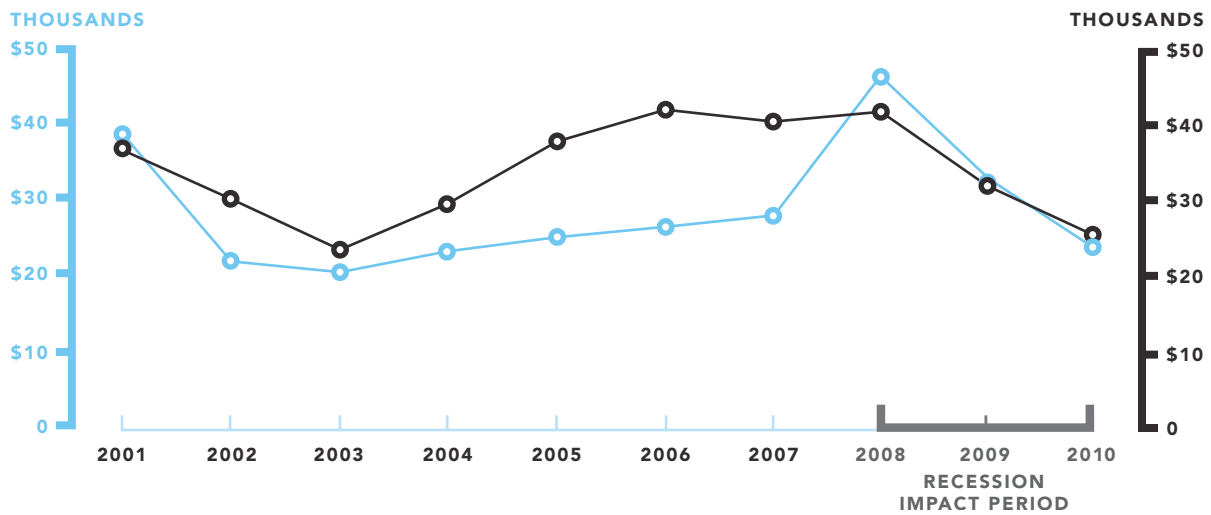
Over the decade it has averaged about:

- **\$30,000 for day schools**
- **\$34,000 for boarding schools**

### AVERAGE BOARD GIFT: TREND LINES 2001–2010



### AVERAGE BOARD GIFT 2001–2010



**And during the 2008–2010 period including the recession:**

The average board gift plunged for day and boarding schools (and, again, unlike higher education it showed no recovery in 2010).

### 3 HAS THE NUMBER OF BOARD DONORS VARIED OVER THE DECADE?

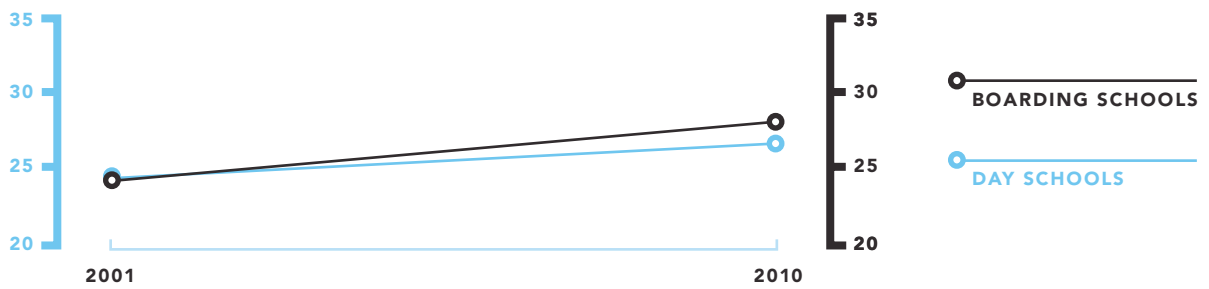
**Over the past decade (2001–2010):**

The number of board donors reported by CAE/VSE has trended upwards for both day and boarding schools.

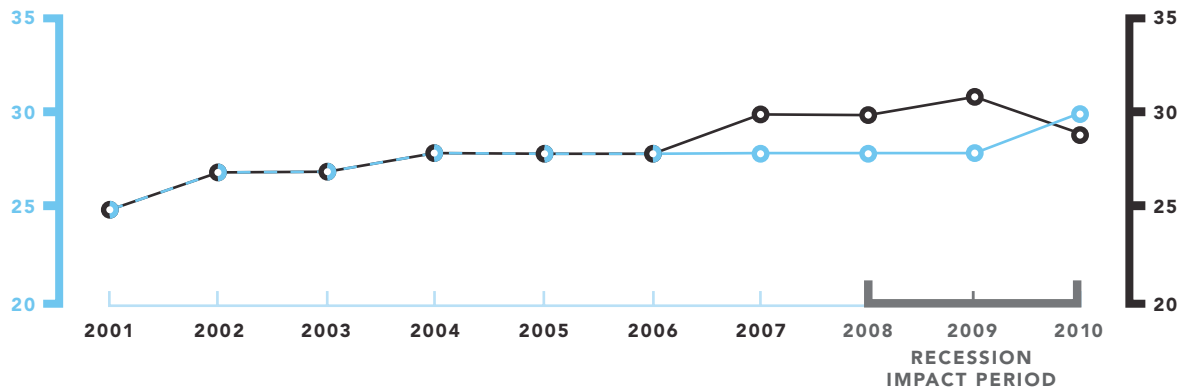
**And during the 2008–2010 period including the recession:**

It dropped sharply for boarding schools and increased for day schools.

NUMBER OF BOARD DONORS: TREND LINES 2001–2010



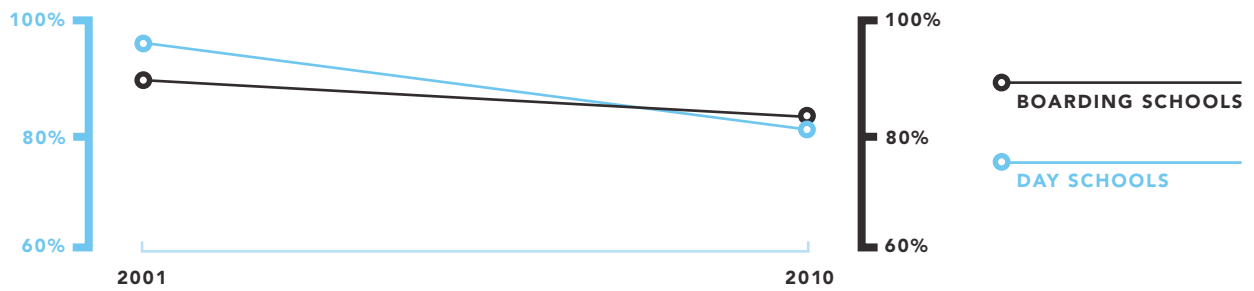
NUMBER OF BOARD DONORS 2001–2010



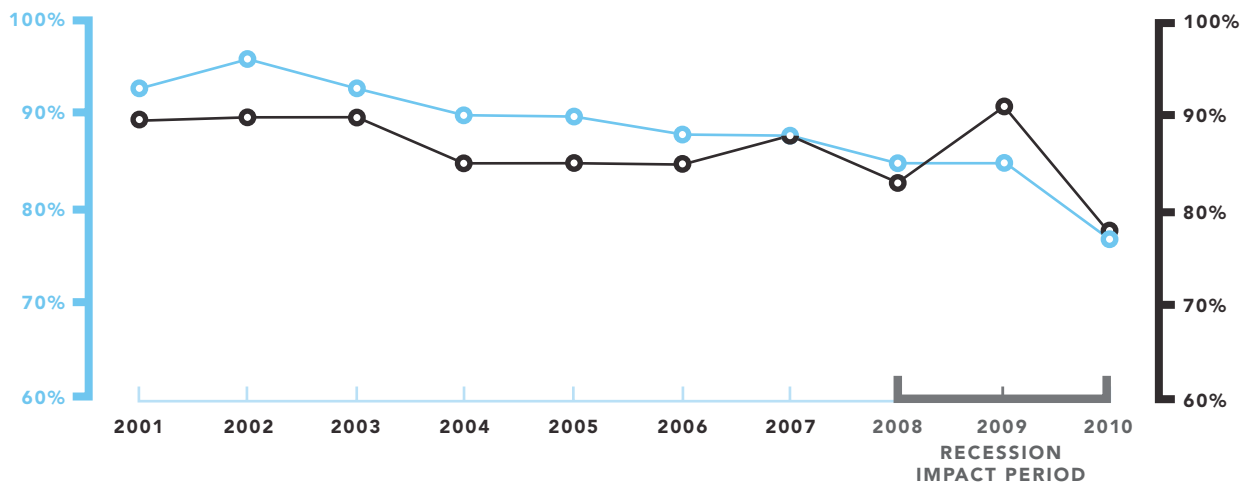
3 CONTINUED

Interestingly, the percentage of board members making a gift has shown a general decline over the full decade for both day and boarding school.

% OF BOARD MEMBERS MAKING A GIFT: TREND LINES 2001–2010



% OF BOARD MEMBERS MAKING A GIFT 2001–2010



And during the recession, after increasing in 2009 the percentage dropped sharply in 2010 for day and boarding schools.

#### 4 HOW HAS BOARD GIVING PERFORMED AS A PERCENTAGE OF TOTAL GIVING?

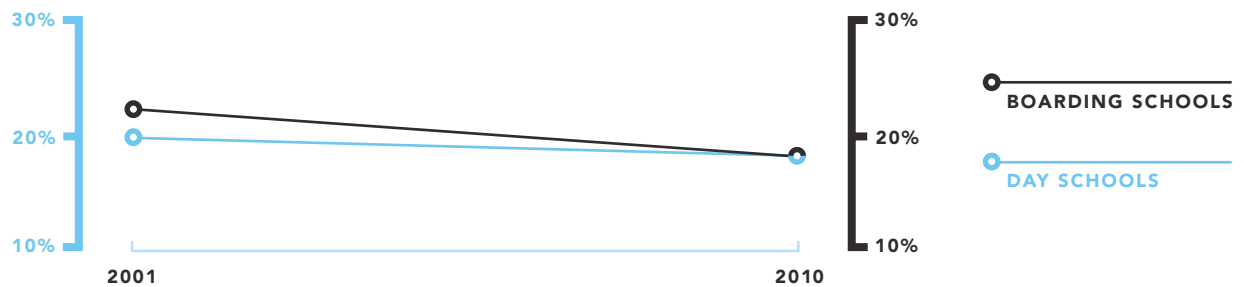
**Over the past decade (2001–2010):**

Board giving as a percentage of total giving indicates the magnitude of the board’s role in the institution’s overall philanthropic program. The average performance has been:

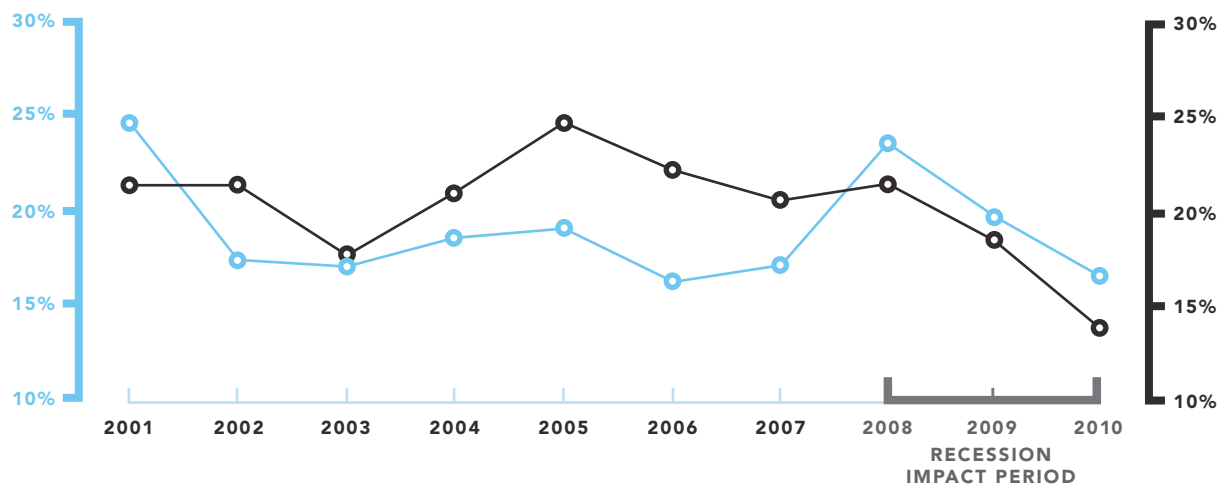
- 19.0% of total giving for day schools
- 20.3% of total giving for boarding schools

Board giving as a percentage of total giving has declined over the full decade in both day and boarding schools. This could—at least in part—represent an overall broadening of the base of support by schools, diminishing the impact of board giving. (Overall giving figures for schools provide some support for this.)

#### BOARD GIVING AS A PERCENTAGE OF TOTAL GIVING: TREND LINES 2001–2010



#### BOARD GIVING AS A PERCENTAGE OF TOTAL GIVING 2001–2010



**And during the 2008–2010 period including the recession:**

Board giving as a percentage of total giving plummeted in both day and boarding schools and there was no comparable increase in giving from other sources to partially account for it.



## 5 HOW HAS BOARD GIVING PERFORMED AS A PERCENTAGE OF TOTAL INDIVIDUAL GIVING?

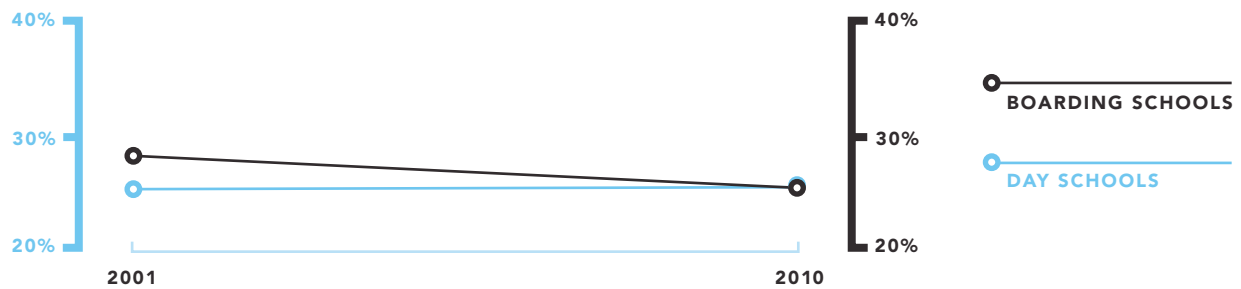
### Over the past decade (2001–2010):

We believe this is the core measure of board giving. In terms of the percentage of total individual giving, on average, the board has provided approximately

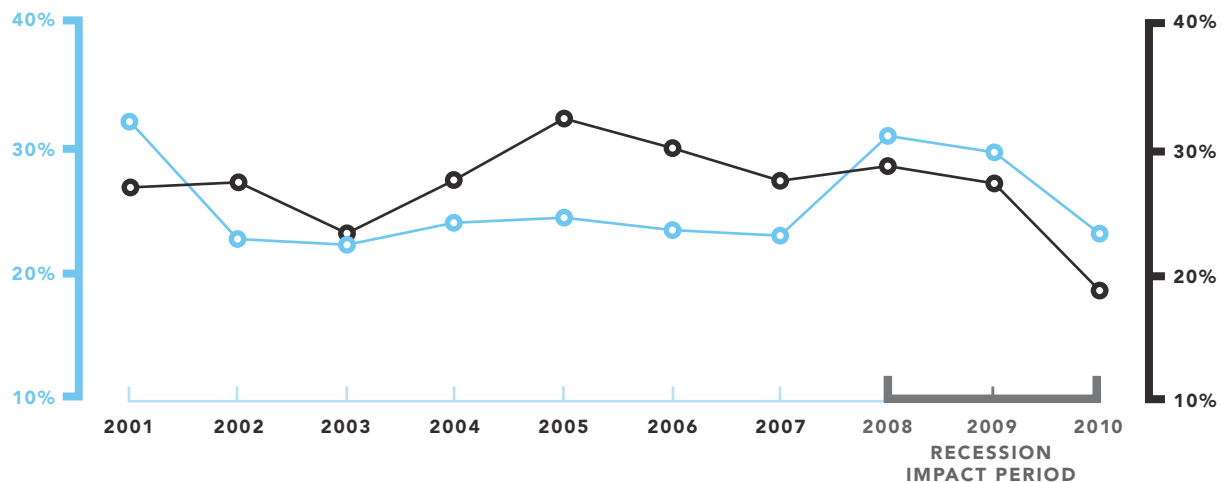
- 26% of total individual giving for day schools
- 27% of total individual giving for boarding schools

While the overall trend has been flat for day schools, it has been declining for boarding schools.

### BOARD GIVING AS A PERCENTAGE OF TOTAL INDIVIDUAL GIVING: TREND LINES 2001–2010



### BOARD GIVING AS A PERCENTAGE OF TOTAL INDIVIDUAL GIVING 2001–2010



### And just during the 2008–2010 period including the recession:

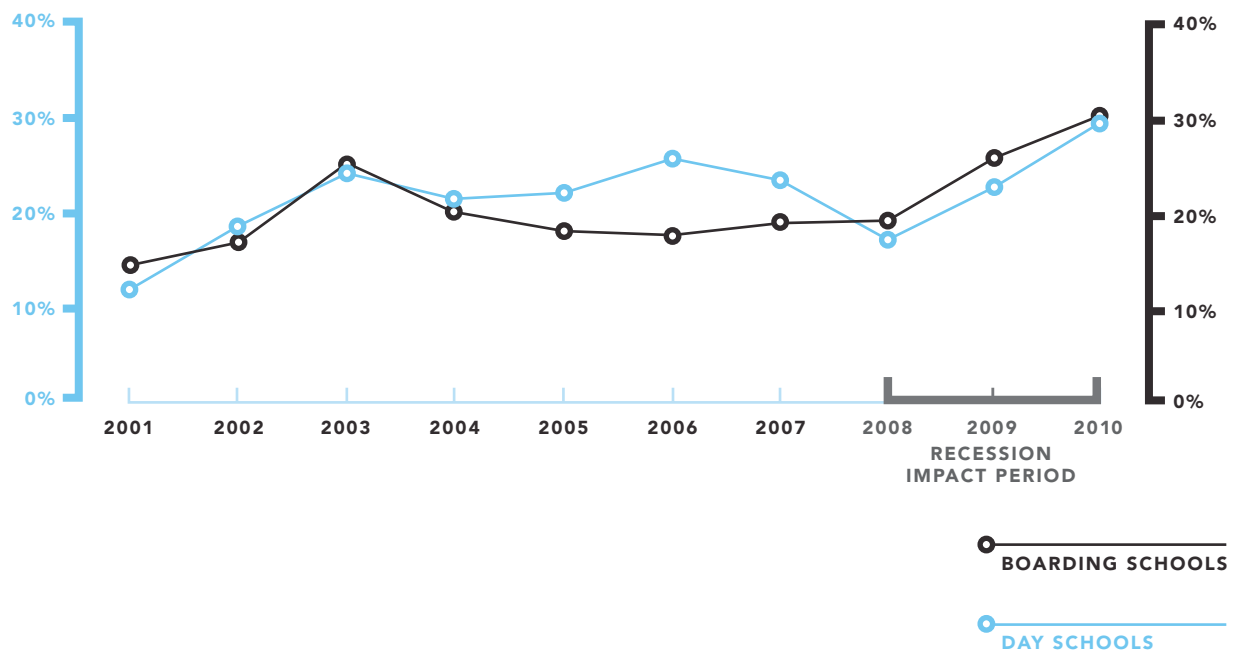
Board giving as a percentage of total individual giving dropped in 2009 and then dropped even further in 2010, unlike private higher education where it increased. This suggests a significantly weakening role by the board in giving during the recessionary period.

## 6 HAVE THE PURPOSES OF BOARD GIVING CHANGED BETWEEN CURRENT USE AND CAPITAL?

### Over the past decade (2001–2010) and during the recession:

During two periods when there was a drop in giving there was an increase in gift designation for current use funds by board members to meet immediate fiscal needs in both day and boarding schools. This is seen in 2001–2003 and again in 2008–2010 when the designation of board gifts for current use surged. Board members, of course, would be particularly well informed about the need for current use funds.

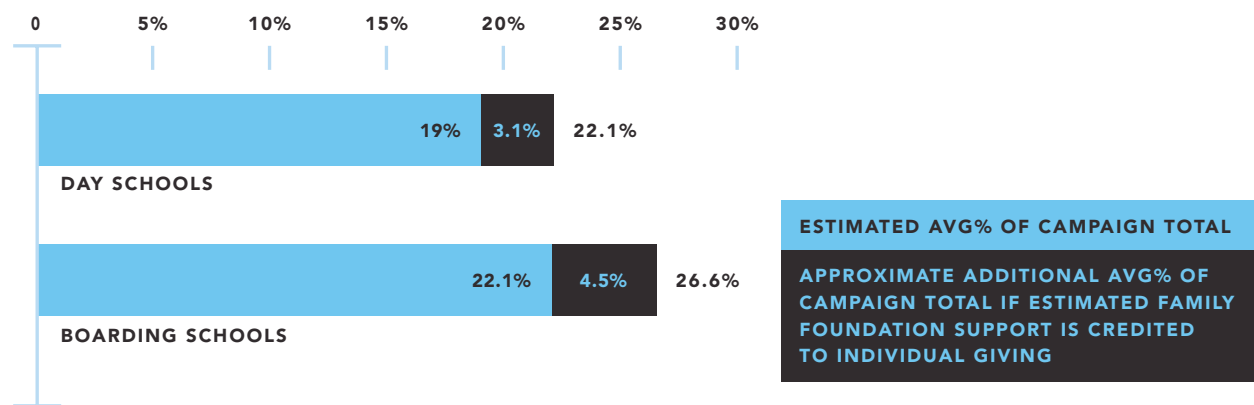
### BOARD GIVING FOR CURRENT USE 2001–2010



## 7 WHAT PERCENTAGE OF A CAMPAIGN TOTAL IS TYPICALLY PROVIDED BY THE BOARD?

This is an inevitable question as campaigns are planned and carried out. We believe that board giving as a percentage of total giving over a full decade provides a reasonable approximation of this. We have added the typical percentage by which total individual giving is increased when family foundations are included, (using data from a separate analysis) to provide a fuller picture of total board giving to a campaign:

### BOARD GIVING FOR CURRENT USE 2001–2010



This suggests that, in terms of total campaign giving, boards have probably been providing approximately:

- **22% for day schools**
- **27% for boarding schools**

These estimates, by definition, are based on averages for large groups of similar institutions. Board giving varies widely among specific institutions so these percentages have to be viewed as very general indications. (Specific benchmarking should be based on an institution’s identified peer groups.)

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