

A Marts & Lundy UK [Special Report](#)

Impact of COVID-19 on Development Offices within UK Universities

June 2020



Survey Methodology & Response

The survey consisted of ten questions designed to capture feedback on the initial impact of the pandemic, specifically around the furloughing of Development staff, immediate budget cuts, and philanthropic income raised by universities. To help bring the report to life, we have included at the end a small number of unattributed comments received through the survey's two open-ended questions. In many cases the selected comments are representative of a body of similar opinions voiced.

Individual contacts at seventy-six universities were invited to participate in the survey and twenty-three responded (30%). In the charted results that follow, we display the percentage of respondents with the number of universities responding shown in brackets.

Overarching Takeaways

Despite the budgetary and financial uncertainties throughout the higher education (HE) sector, an impressive thirteen out of twenty-three respondents have taken the decision NOT to furlough any of their Development staff. Seventeen respondents have launched a COVID-related emergency appeal, but these lose resonance over time and each university will inevitably and correctly revert to fundraising for core priorities that deliver their mission and strategic plan.

Whilst cash income over recent months does not appear to have been hit as significantly as might have been expected, the areas for concern lie around the tailing off of certain activities that could negatively impact future philanthropic income. It is to be hoped that the reported recent decreases in pledges received, solicitations and major donor cultivation touchpoints can be rapidly reversed. Without doing so, in a tonally appropriate way, risks damaging future income.

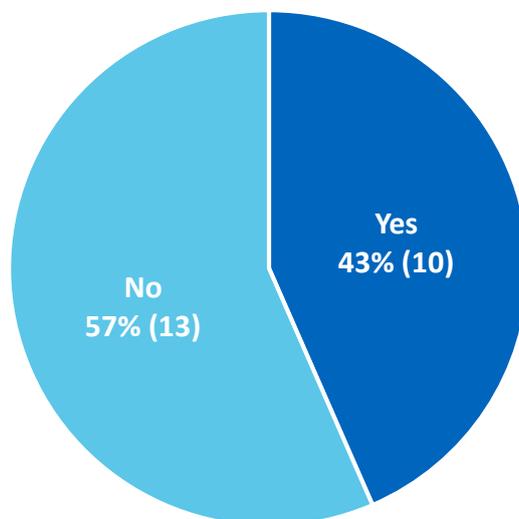
The need to demonstrate the value of philanthropy and the work undertaken to secure support has always existed, but it has yet greater importance and urgency today. This will be easier for those Development functions that have internal traction and good track records. Nevertheless, there is a real opportunity at this time for all Development functions to share the added value, beyond financial, that they are bringing to the university and its community through activities such as calling vulnerable alumni, communicating with alumni and providing content-rich access to virtual events.

Through – indeed, arguably, because of – these difficult times, some universities are achieving deeper engagement with known cohorts within their constituencies as well as engaging for the first time with new constituents across their communities. This is something to be built upon.

A necessary part of Development leadership is having the strength to take on the task of internal education, referencing the university's own history of Development and drawing as necessary on the experiences of other universities, supported where possible by benchmarking data. It is important to share with your senior leadership the impact of the activities you undertake on your fundraising journey as well as the end results of income and commitments secured.

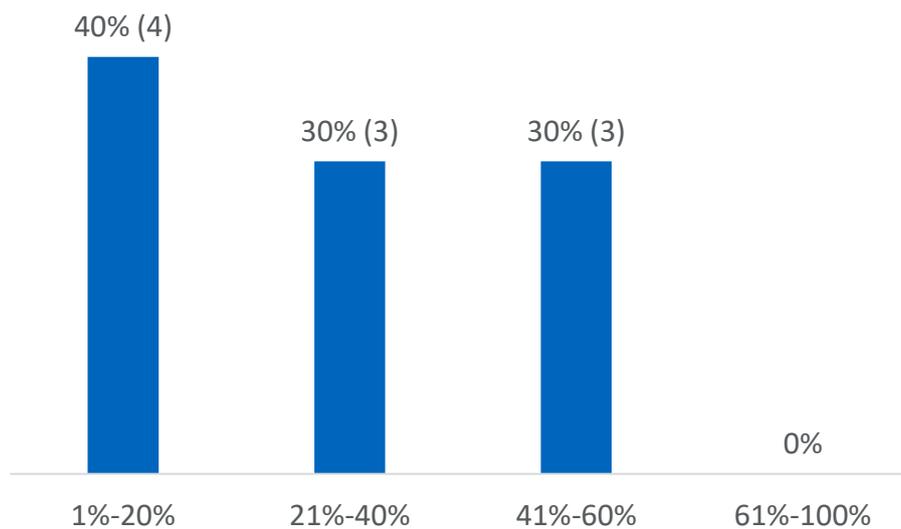
Survey Questions & Responses

Do you have any fundraising/alumni relations staff on furlough?



Less than half of the respondents had furloughed some or all Development staff – an encouraging sign of the increasing value placed on Development functions by senior leadership despite these financially constrained times for universities. Comparable data from a similar Marts & Lundy survey for the UK schools sector (that attracted 44 respondents) showed 66% of schools reporting some or all Development staff had been furloughed. As a generalisation, universities would likely have higher staff numbers in their Development offices than schools; therefore, even amongst those who have furloughed some staff, they will have been able to continue with a reasonable level of constituent engagement and fundraising activity.

What percentage of your fundraising/alumni relations FTE headcount is furloughed?



Based on 10 responses

Of the ten universities that provided a further breakdown of the level of furloughing they were experiencing, seven reported lower than 40% of their Development staff furloughed. In the comparable schools survey, four schools reported having furloughed 100% of their Development staff and over 70% of respondents said that at least 40% of their staff were furloughed.

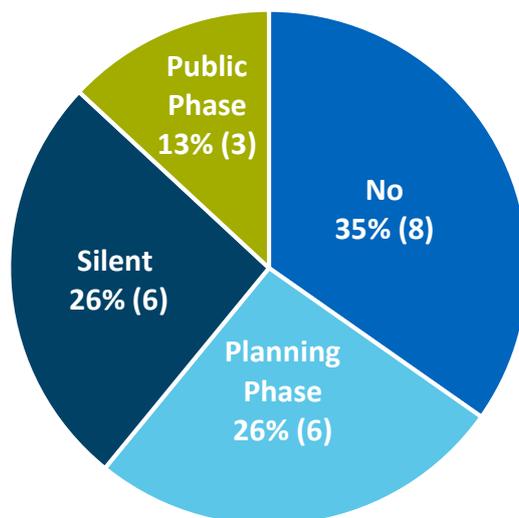
We received limited and often incomplete data on the survey question requesting breakdowns of furloughed Development staff by functional area, so we are unable to give further feedback on findings for this question.

With uncertainty remaining about when staff might be recalled or whether staff will be made redundant as the Coronavirus Job Retention Scheme is initially scaled back and then ceased, university leadership teams will need to consider the impact of continued reduced staffing on the long-term benefits of running a sustained and effective Development programme. The obvious fear is that those universities that do not rapidly recall staff and continue their investment in Development will set themselves back several years from the holy grail of delivering a sustained and predictable philanthropic income stream that helps drive the university's mission.

Now is the time for Development leaders to make the case to their senior management teams for continued investment in the function and to base their business case on historic income data and benchmarked data.

If you pause your Development function for any significant period of time, in particular if you are in or planning a campaign, it may take disproportionately longer to reach success.

Is your university currently in campaign?

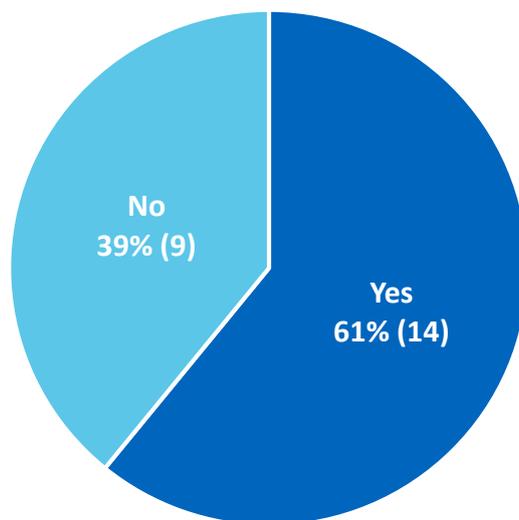


Two-thirds of respondents are in a campaign or in the planning phase for a campaign.

It was interesting to analyse a little further the levels of staff furloughing by the universities in different phases of a campaign. Whilst only 38% of universities NOT in a campaign had furloughed some Development staff, an average of 50% across those universities either in the planning phase, silent phase or public phase of a campaign had chosen to apply a level of furloughing.

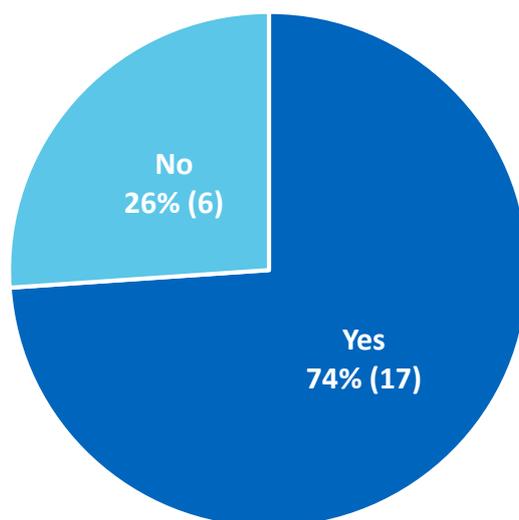
Campaign Phase	% of Respondents Who Furloughed Staff	# of Respondents Who Furloughed Staff
Planning Phase	50%	3 out of 6
Silent Phase	33%	2 out of 6
Public Phase	67%	2 out of 3
NOT in a Campaign	38%	3 out of 8

Has your institution restricted short-term, non-essential expenditure in Development and Alumni Relations as a result of COVID-19?



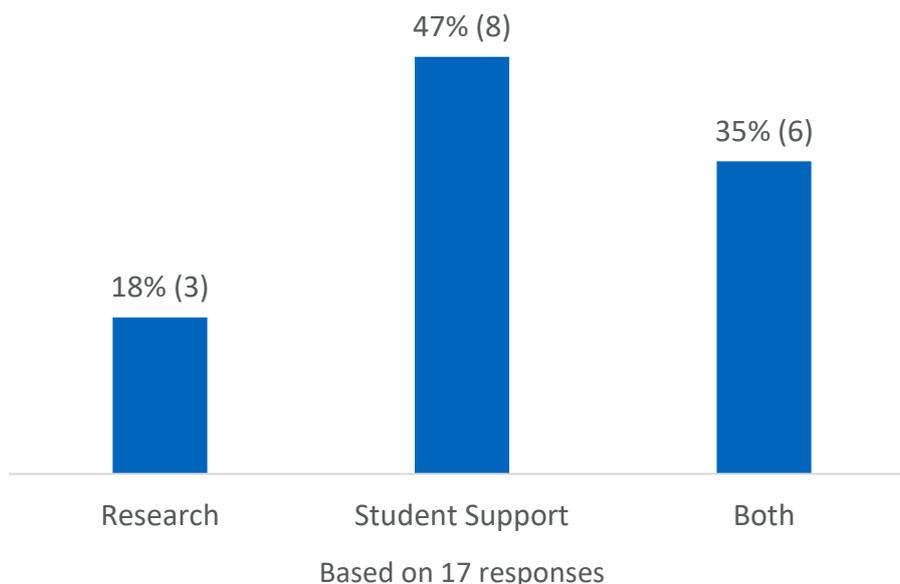
Whilst ten respondents had undertaken some level of furloughing of their Development staff, fourteen reported that they were working under reduced expenditure budgets for the Development function.

Have you launched an emergency appeal or fund in response to COVID-19?



Thirteen universities have retained their full Development staff complement through these troubled times, but a greater number, seventeen, have launched an emergency appeal in response to COVID-19. We did not collect specific data on how these appeals have performed, but there are encouraging signals (charted below) of universities experiencing either an increase in cash income or no significant change to income levels during the COVID period.

What is the appeal or fund seeking support for?

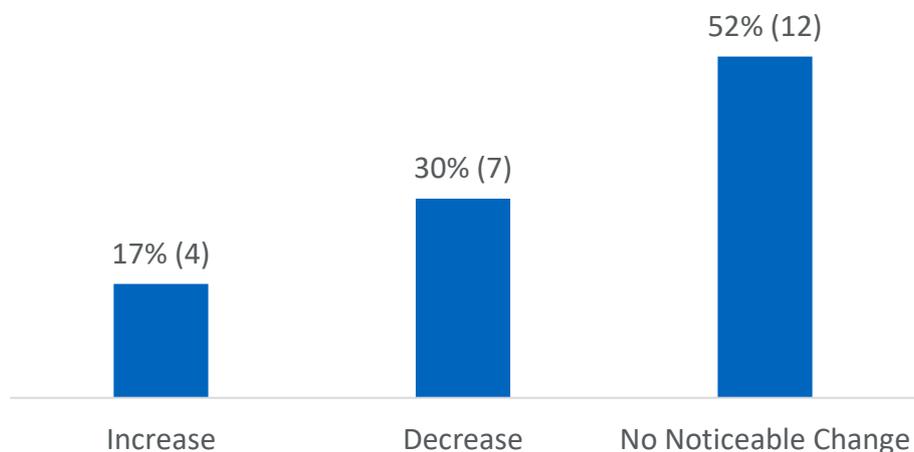


Now is the time to consider refining your case for support to reflect current circumstances and immediate needs. Committed donors and those who know you well are likely to want to help, and when they can, they will respond positively to a well-toned ask. BUT, whilst right now COVID-19 may have an explicit place in your case for support, your core mission will override the pandemic in the longer term.

Remember, if your university's vision and mission was important pre-pandemic, it will remain so post-pandemic (potentially, even more so).

As a result of COVID-19, what increases or decreases have you seen since March 2020?

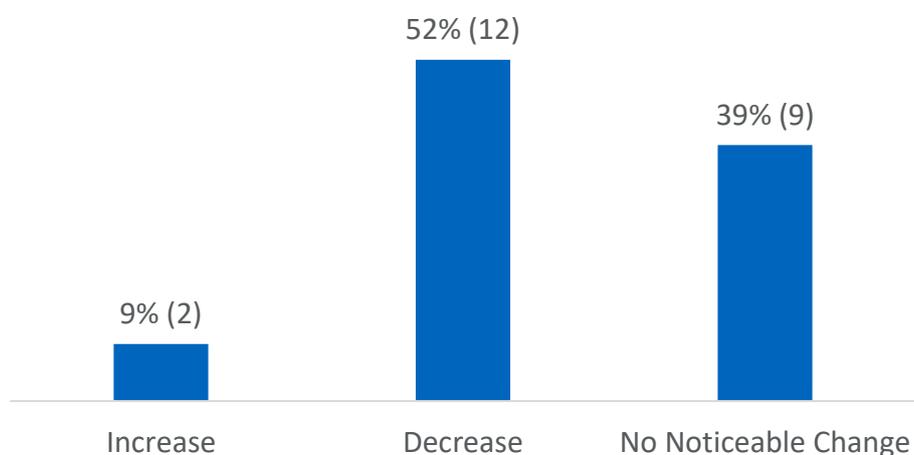
Cash Income



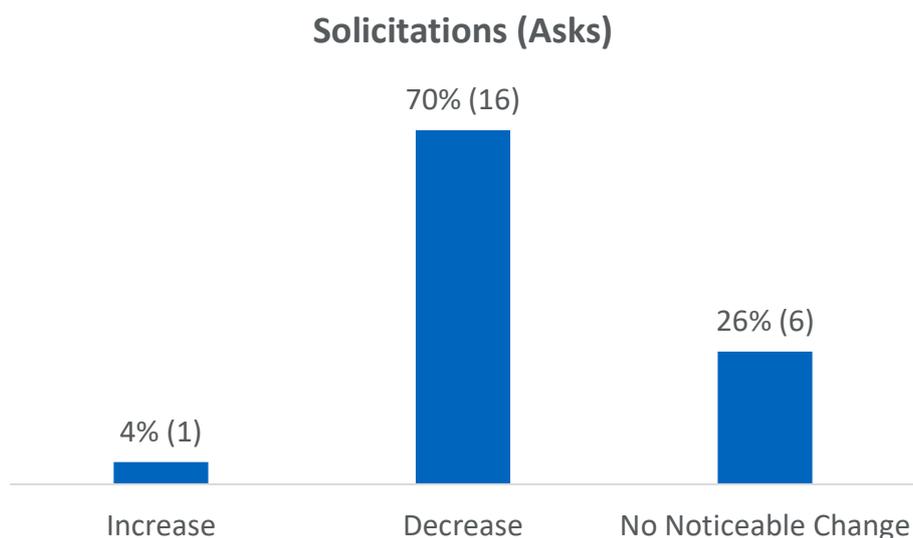
There are positive signals on cash income levels. Of the survey participants, only seven reported a decrease in the cash income level they would have expected at this time of year. Over half reported no noticeable change, and four respondents said they had experienced an increase.

Established regular giving programmes alongside positive reactions to COVID-19 appeals are likely to be behind many of those reporting increases or no noticeable change. Noteworthy is that this is against the backdrop of ten universities having furloughed a number of their Development staff.

Pledges/Commitments

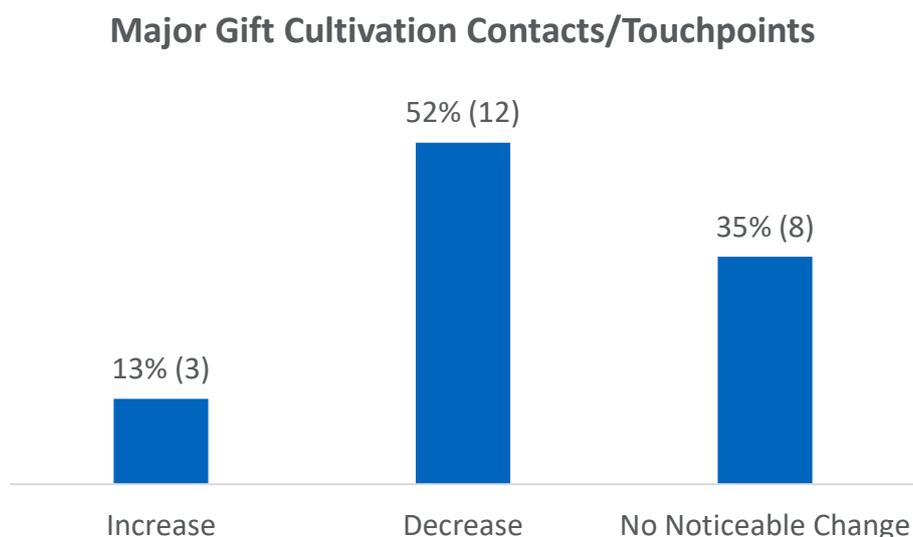


Just over half of respondents reported a decrease in their levels of pledges and commitments through this time, with a healthy percentage stating they had experienced no noticeable change. Overall, however, the impact on pledges and commitments is less positive than the impact on cash income. Depending on the financial amounts a particular university is used to seeking or receiving, this may result in a considerable hit on future cash income levels.



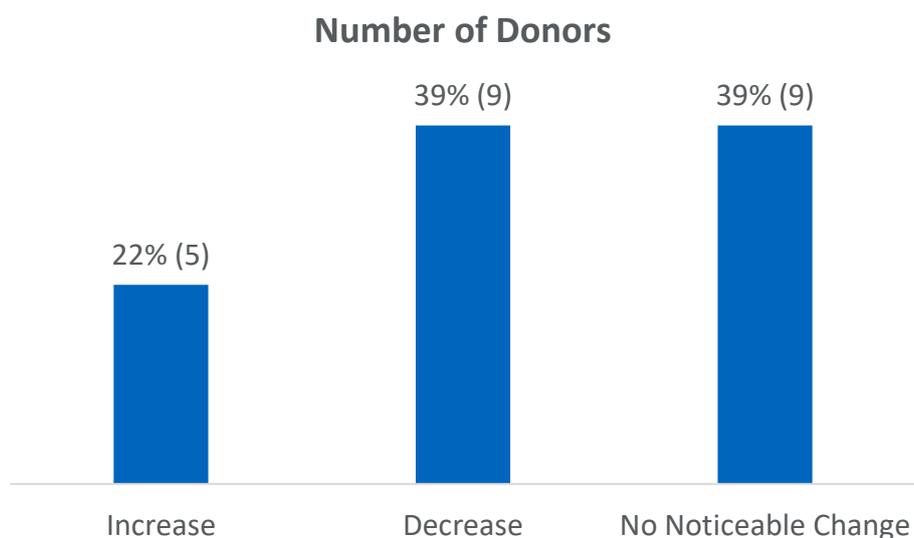
With 70% of the respondents reporting a decrease in solicitations, this would be an area of significant concern for income levels going forward. The findings above are reinforced in the chart below, which reports a decrease of over 50% in major gift cultivations/touchpoints since March 2020.

Whether you are a fledgling, emerging or well-established Development function, make the case internally that sustained philanthropic income is driven by the process of asking the right people at the right time for the right things – which needs committed Development staff to drive the process



With lockdown restrictions and the impact (for some) of managing workloads with less staff, it is no surprise that major gift cultivation activity has decreased in just over half of all respondent universities. However, M&L is aware of many organisations across different sectors (including the HE sector) that have been active on Zoom and phone calls to keep in touch with major gift donors and prospects in an effort to maintain and strengthen important relationships. This approach of update and care calls has generally been very well received – indeed, we have learned of many instances where unprompted gifts have resulted. Those organisations that

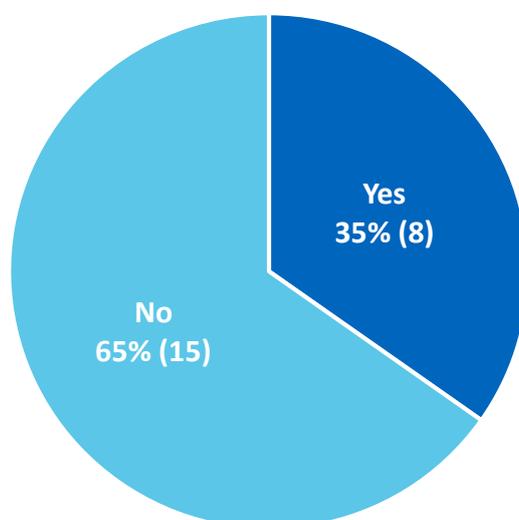
prioritise major donor relationship building (virtually and despite staffing restrictions) will be best placed to reap rewards in the post-pandemic era.



Do not make assumptions about donor situations. Let them tell you how this is affecting them. There are plenty of individuals who will continue to support the organisations that matter to them.

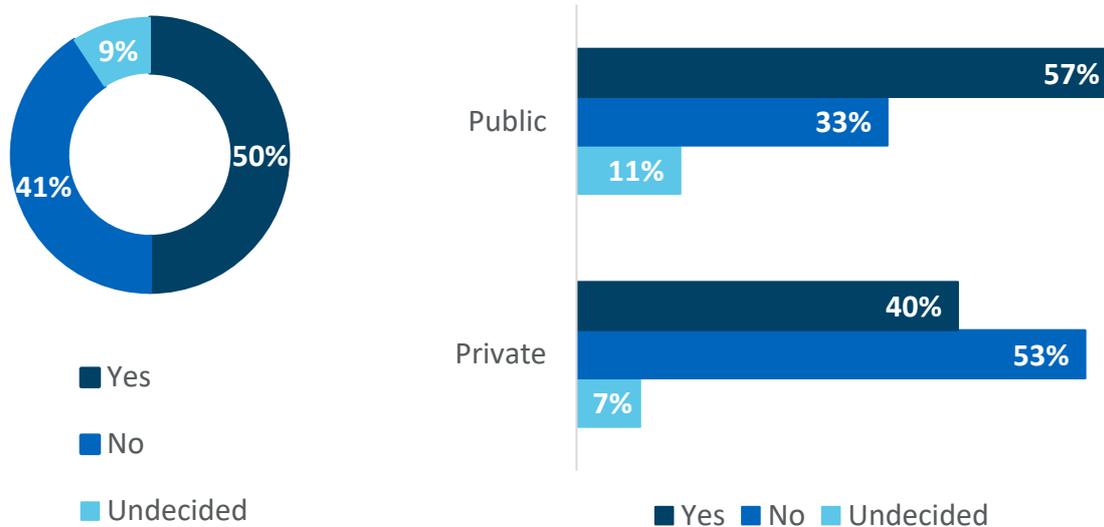
Focus on stewardship – redouble your efforts here.

Have you formally adjusted your FY20 gift officer metrics in response to the impact of COVID-19 on your fundraising operation?



A surprising two-thirds of UK respondents have not, at this stage, adjusted their gift officer metrics for FY20.

It is interesting to compare this finding with the results of a similar question posed in an M&L survey of US universities.



Institutions in the US are split more evenly on whether they will adjust FY20 metrics: 50% are adjusting gift officer metrics, while 41% are not and 9% are undecided. More than half of public institutions are making changes to FY20 metrics, while more than half of private institutions have decided against doing so.



Changes to metrics varies by gift officer at 50% of these US institutions, while 18% are adjusting by overall percentage and 3% are modifying by gift officer tenure/title. Of the 29% that responded *Other*, changes include expanding definitions behind metrics (e.g. video and phone calls counting as visits), refocusing the weight of specific metrics (e.g. stewardship), minor adjustments and placing a hold on certain metrics (e.g. solicitations).

In your opinion, what are the biggest challenges/impacts facing your university with regards to fundraising and alumni relations over the next twelve months? (Rank top 3)

Challenge	Overall Rank	Weighted Score*	No. of Top 3 Selections
Decreased philanthropic income and commitments	1	37	15
Cultivation of major gift prospects	2	25	12
Restricted expenditure on development and alumni relations	3	24	11
Events	4	21	13
Realignment of fundraising and/or alumni relations strategy	5	11	7
Delivering digital communication and online engagement effectively	6	10	6
Lack of time and commitment from university leadership	7	6	3
Low morale of Advancement staff	8	4	2

*Weighted Score = (3 times the number of #1 rankings) + (2 times the number of #2 rankings) + (1 times the number of #3 rankings)

The two most often quoted challenges above may well be rooted in the current inability to keep doing things the same way we used to pre-pandemic. Many of us are creatures of habit and sometimes we find change challenging. Development professionals are used to – and want – face-to-face contact with donors and prospects and other members of their community. Whilst this has not been possible under lockdown restrictions, the universities (and other institutions) that have remained active in building major donor relationships remotely and hosting virtual engagement events will undoubtedly have acclimatised donors and prospects to virtual meetings. As we prepare to come out of the pandemic era, this general acclimatisation to new ways of doing business may well become a part of the norm.

Can we see a time when relationships are built or maintained through a blend of virtual and face-to-face meetings? Are there cost and time efficiencies that everyone can benefit from?

Interestingly, the most often quoted opportunity in the table below is about trying new engagement and fundraising approaches. Perhaps, as Development professionals, our appetite for change is increasing?

The adoption and expansion of hosting virtual events across the sector has provided clear opportunities for new approaches, and we hear anecdotally that virtual events and gatherings are engaging new audiences for some institutions.

It is likely that many universities will suffer overall budget constraints for a while to come, so working out what can be achieved in smarter, more efficient and more cost-effective ways will be important to ongoing success. It is encouraging that both lack of time and commitment from the university leadership and low morale of Advancement staff were ranked lowest in the list of challenges.

Senior leadership within all universities has necessarily had to focus on managing significant enforced change due to the public health emergency. But, for the long-term financial sustainability of their institution, those that have not felt able to consider and pay attention to

the health and wellbeing of their Development functions will need to do so – and Development professionals must encourage this to happen.

In your opinion, what, if any, are the upsides or potential opportunities of the pandemic with regards to universities' fundraising and alumni relations over the next twelve months? (Rank top 3)

Opportunity	Overall Rank	Weighted Score*	No. of Top 3 Selections
Trying new engagement and fundraising approaches	1	55	23
Expanding your virtual events programme to reach a broader audience	2	25	15
Having a more urgent and better understood case for support	3	23	9
Trying new technology	4	13	8
More cost-effective delivery of programmes	5	9	7
Increased engagement with your university community	6	8	5
Increased commitment from university leadership	7	5	2

*Weighted Score = (3 times the number of #1 rankings) + (2 times the number of #2 rankings) + (1 times the number of #3 rankings)

Select Unattributed Comments Received Through the Survey

Challenges

- *The most challenging aspect of the current situation is the planning. We need to learn to be a bit more nimble and act faster. Gone is the luxury of developing appeals and FR programmes through careful planning. This is going to be a serious challenge for older HE institutions that have slow decision-making processes.*
- *We have no short-term budget restrictions, but from 1 August we have a 90% travel and hospitality cut!*
- *Active major/principal gift fundraising is on brief hiatus with staff furloughed. Initial lockdown activity saw a lot of connecting with active prospects but that was soon exhausted.*
- *University is very focused on short term cost savings.*
- *I expect that Principal Gifts will continue to be possible but that mid and major gifts will be squeezed for a while. Unfortunately, the PG programmes require expensive staff, and institutions will find it very difficult to take the risk on this level of investment.*
- *Expanding the major gift pipeline may become more challenging: warm contacts are happy to engage over the web but there is no substitute for face to face and campus visits for those first discovery and follow up meetings.*
- *We had to cancel a telephone campaign – so that has had the biggest impact on acquisition of donors/new pledges so far.*

Opportunities/Hopes and Thoughts for the Future

- *This has opened doors to new relationships.*
- *Urgency around COVID-19 support has moved some gifts through to close much more quickly than usual.*
- *In a time of uncertainty, the focus around COVID-19 fundraising has pulled the majority of our team around a shared purpose which has helped with morale as people feel like they are doing something about the situation.*
- *We have really stepped up our online engagement with alumni in this period – that has been our priority focus.*
- *The most important aspect is understanding your community and their commitment to ensure our current and future students have as little negative impact on them as possible – given the situation. Those who have always been engaged will continue to be so; there is an opportunity to engage with those who previously haven't had time, to make a positive impression and to engage more effectively – but you do need to understand the situation many of our alums will be in.*
- *Lockdown has definitely opened our eyes to the possibilities for virtual/digital engagement – in which we should probably have been far more active. That offers new dimensions particularly to international audiences whom we will be unable to visit in person for some time.*
- *Impact is broadly neutral – the pandemic has created its own case for support and new engagement/fundraising opportunities, with some older campaign narratives seeming less relevant in the short term.*