

Impact of COVID-19 on UK Schools' Development Offices

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 in schools. The survey was publicised by IDPE and the resulting report is being made available by IDPE to its members.

To help bring the report to life, we have included at the end a small number of unattributed comments received through the survey's three open-ended questions. In many cases the selected comments are representative of a body of similar opinions voiced.

IDPE has nearly 400 member schools supporting 2,000 individuals working in and supporting schools' development, and the survey was brought to their attention through both targeted mailings and IDPE weekly e-newsletters.

Forty-four schools participated in the survey. In the charted results that follow, we display the percentage of respondents, with the number of schools responding shown in brackets.

An Overarching Takeaway

There are clearly differences amongst the survey participants in relation to staffing and investment levels within the Development functions and in terms of where they are on their Development journey and the length of time the function has been operational.

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. It must be acknowledged that it will be easier for those Development functions who 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 school and its community through activities such as calling vulnerable alumni, matching students to vulnerable alumni for care calls, and supporting virtual careers' events. Through these difficult times – indeed, arguably, because of these difficult times – some schools are achieving deeper engagement with known cohorts within their constituencies with whom they already have established relationships as well as engaging for the first time with new constituents across their communities.

However, there is also a clear and present potential threat where there is a lack of internal understanding about the relationship-building, engagement and development process and, instead, there is a sense of equating success with immediate fundraising income.

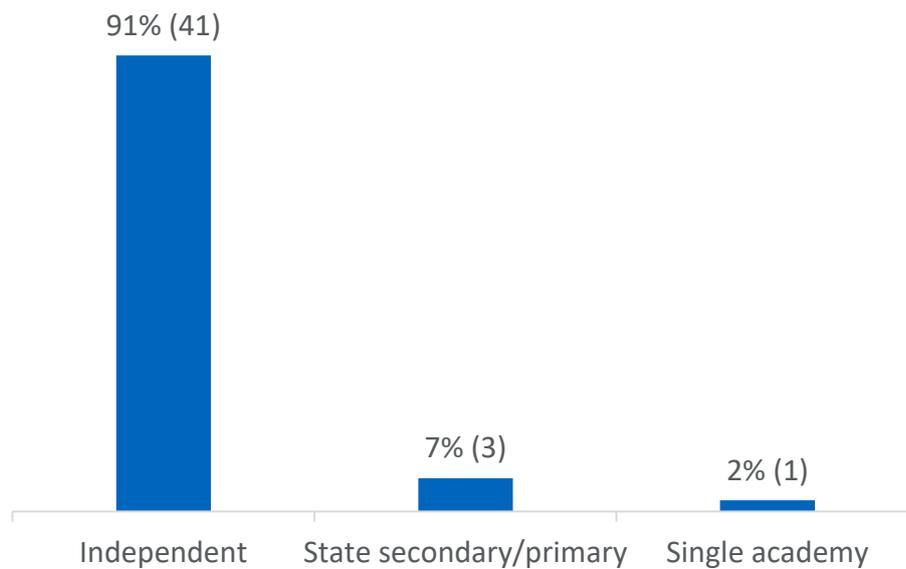
A necessary part of Development leadership is having the strength to take on the task of internal education, referencing the school's own history of Development and drawing as necessary on the experiences of other schools supported by benchmarking data. It is important to share the impact of the activities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

Profile of Respondents

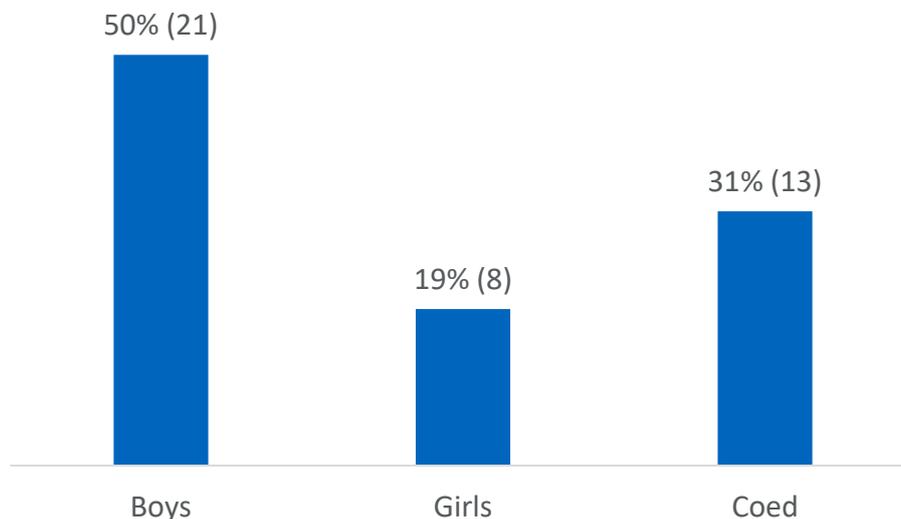
Of the forty-four survey respondents, the vast majority were independent schools, with one school identifying itself in two categories.

Participants were asked to identify their type of school across several criteria, marking all options that applied to them. Of the responses received to questions of further categorisation, exactly half were boys' schools, the split between day schools and boarding/day and boarding schools was almost equal, and all educational levels were well represented.

Respondents by School Type

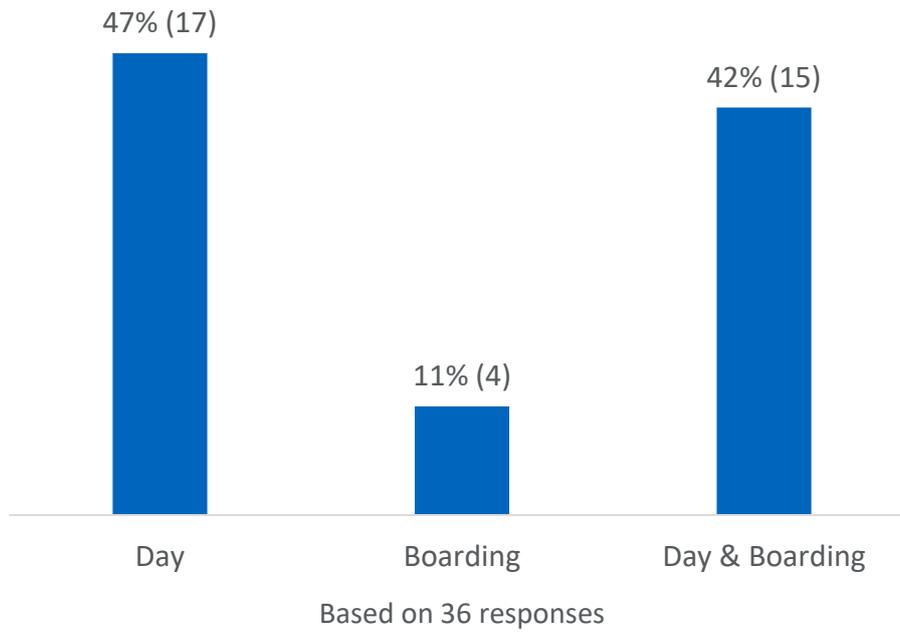


Respondents by Pupil Gender

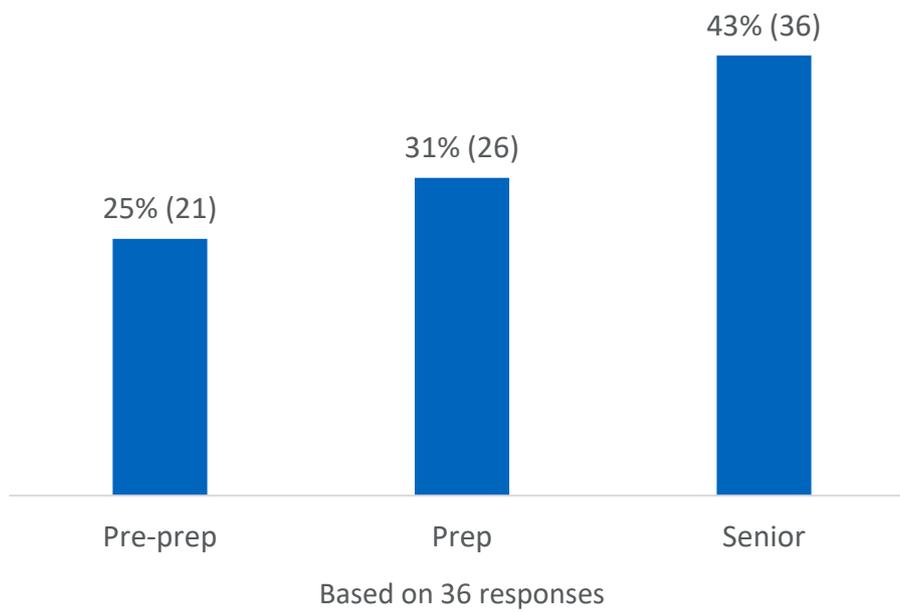


Based on 42 responses

Respondents by Day/Boarding

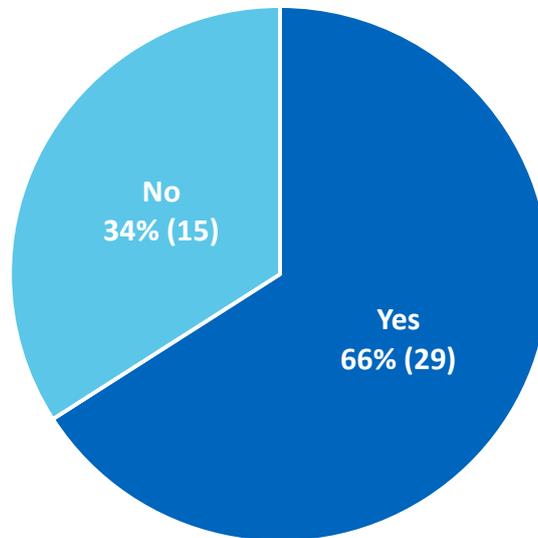


Respondents by Educational Level



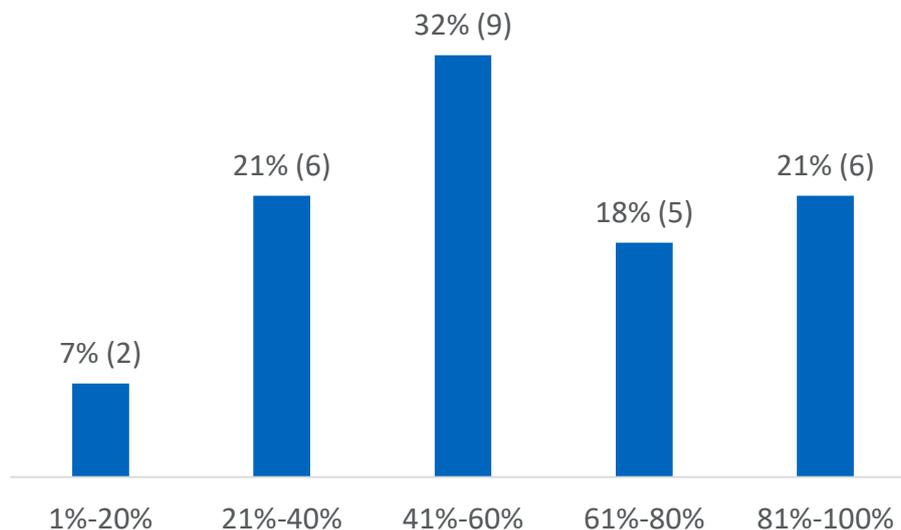
Survey Questions & Responses

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



Two-thirds of respondents had furloughed some or all Development staff. In comparison, only 45% of respondents to a similar M&L survey focused on the UK higher education sector said they had furloughed some Development staff. As a generalisation, universities would likely have higher staff numbers in their Development offices than schools; therefore, in spite of furloughing staff, it would be easier for them to continue with a reasonable level of constituent engagement and fundraising activity than it would be for schools where Development staff have been furloughed.

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



Based on 28 responses

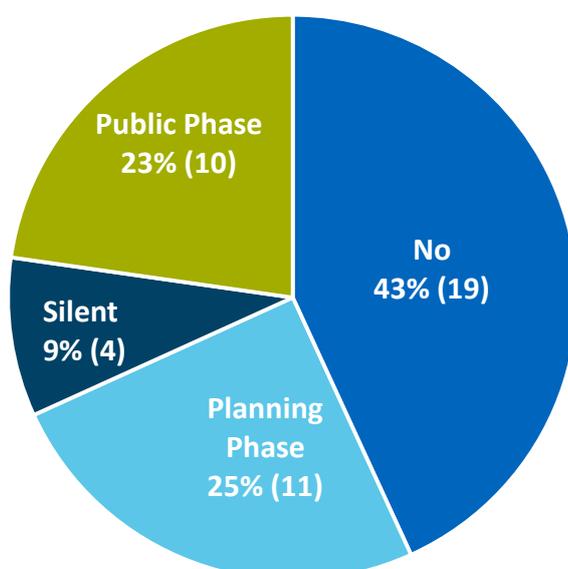
Four schools reported having furloughed 100% of their Development staff. Over 70% of respondents said that at least 40% of their staff were furloughed. Comparable data from the M&L survey on UK higher education showed only 30% of university respondents reporting over 40% of their Development staff furloughed.

With uncertainty remaining about when staff might be re-called or whether staff will be made redundant as the Coronavirus Job Retention Scheme is initially scaled back and then ceased, school leadership teams would be well advised 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 schools that do not rapidly re-call 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 school's mission.

Now is the time for Development leaders to make the case to their school leadership for continued investment in the function and, where possible, to base their business case on historic income data and benchmarked data.

Available benchmarking data for the schools' sector includes findings in the length of time it takes to establish a successful Development function – and, arguably, if you pause your Development function for any significant period of time, it may take disproportionately longer to reach success.

Is your school currently in campaign?



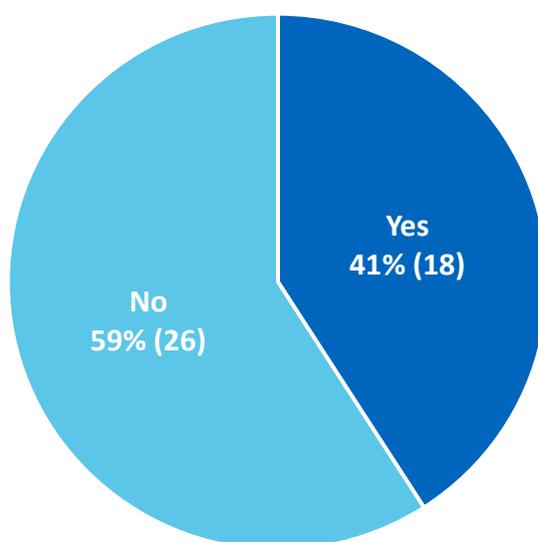
It was interesting to analyse a little further the levels of staff furloughing by the schools in different phases of a campaign. The highest level of furloughing had been applied by those schools not in a campaign at 74%. This compares to an average of 60% of furloughing across schools either in the planning phase, silent phase, or public phase of a campaign.

Campaign Phase	% of Furloughed Staff	Respondents by Number
Planning Phase	55%	6 out of 11
Silent Phase	75%	3 out of 4
Public Phase	60%	6 out of 10
NOT in a Campaign	74%	14 out of 19

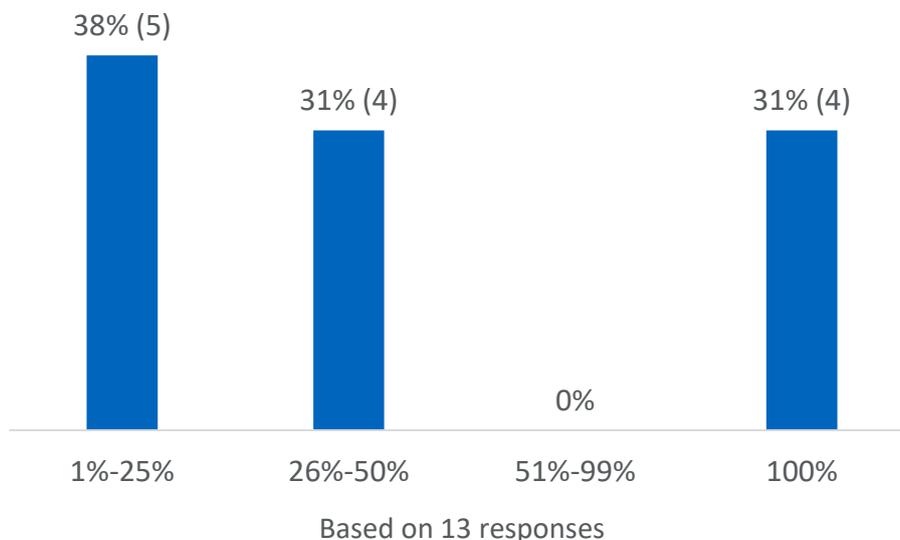
Has your school reduced expenditure/budget (excluding staff costs) in fundraising and alumni relations as a result of COVID-19?

Whilst twenty-nine schools had undertaken some level of furloughing of their Development staff, only eighteen reported that they were working under reduced expenditure budgets for the Development function. It is likely that, for some schools, the bulk of their expenditure profile had fallen earlier in the financial year; therefore, there were no opportunities to cut back on non-staff spend/budget.

There may also be an element of some schools that had undertaken partial furloughing of Development staff, understanding that expenditure would be needed for or could be diverted towards necessary new spends in the COVID era, for example, to deliver an emergency appeal, or increase postal communication to their constituents.

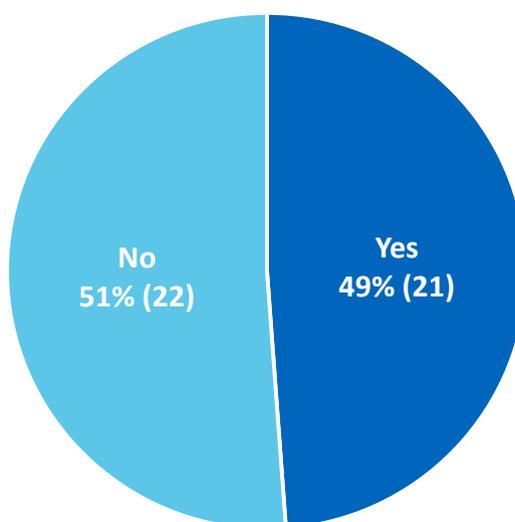


By what percentage has your expenditure/budget (excluding staff costs) on fundraising and alumni relations been reduced by?



Clearly, the four schools with all their Development staff furloughed have ceased any non-staff expenditure on engagement and Development activities. The remaining nine schools that answered this question reported expenditure cuts of less than 50%.

Has your school launched a specific emergency appeal or fund in response to COVID-19?



Based on 43 responses

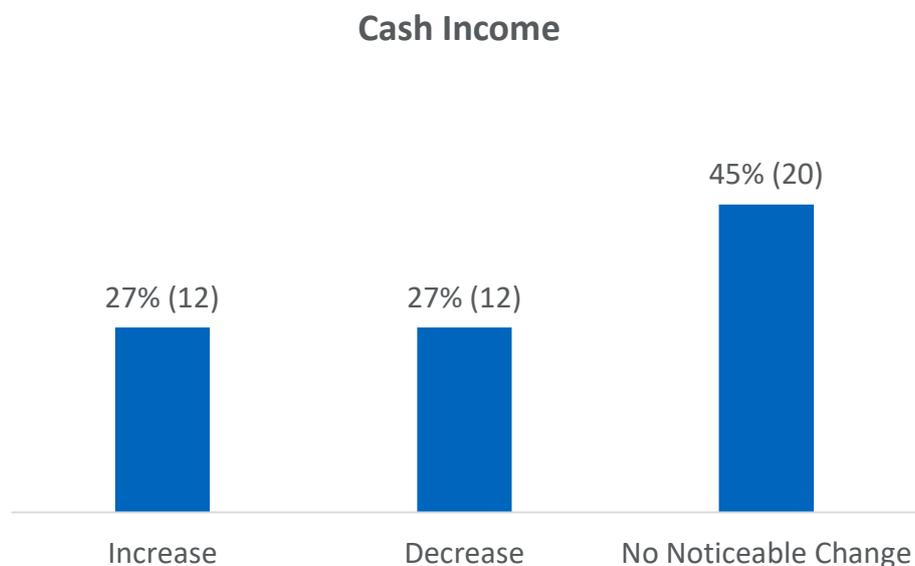
Despite only fifteen schools retaining their full Development staff complement through these troubled times, an impressive twenty-one launched an emergency appeal in response to COVID-19. We did not collect specific data on how these appeals have performed, but there are

encouraging signals (charted below) of schools experiencing either an increase in cash income or no significant change to income levels during the COVID period.

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 a period of time, your core mission will override the pandemic in the longer term.

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

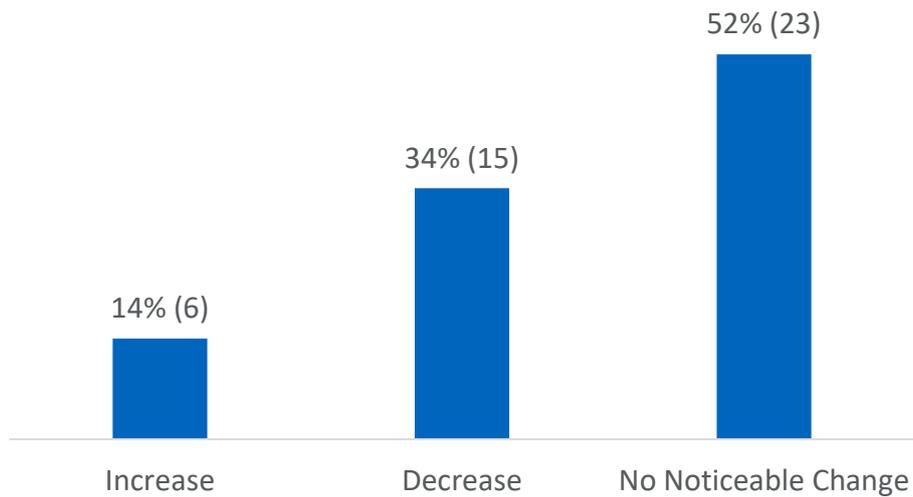
As a result of COVID-19, what increases or decreases have you seen since March 2020?



There are positive signals on cash income levels. Of the survey participants, only twelve reported a decrease in the cash income level they would have expected at this time of year, with a further twelve saying they had experienced an increase.

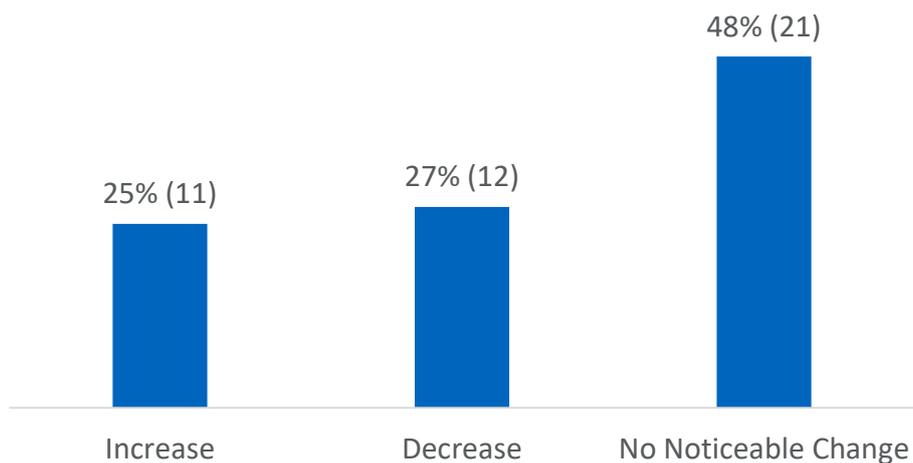
Established regular giving programmes alongside positive reactions to COVID-19 appeals are likely to be behind many of those reporting increases or no noticeable change. Noteworthy is that this is against the backdrop of twenty-nine schools having furloughed some or all of their Development staff.

Pledges/Commitments

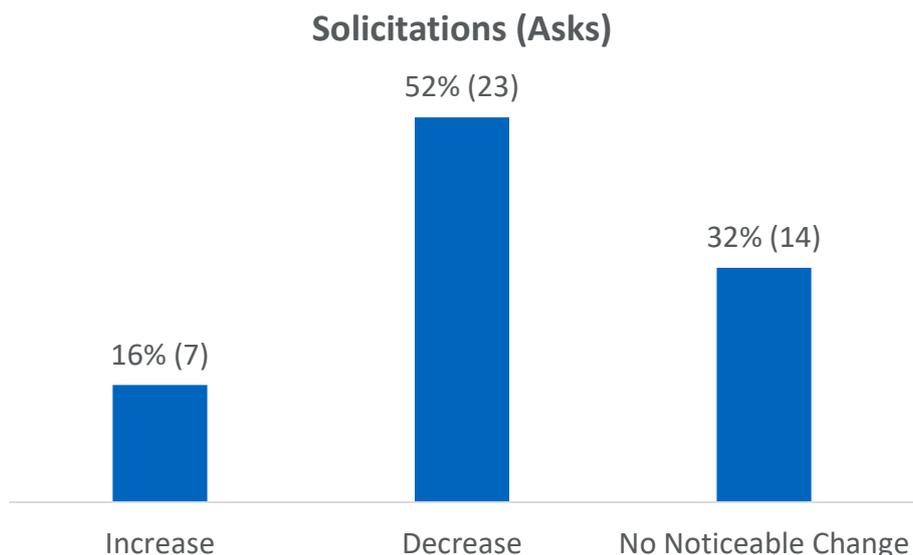


Over half of respondents reported no noticeable change in their levels of pledges and commitments through this time. There were, however, a lower number of schools showing an increased level of pledges as compared to increased cash income.

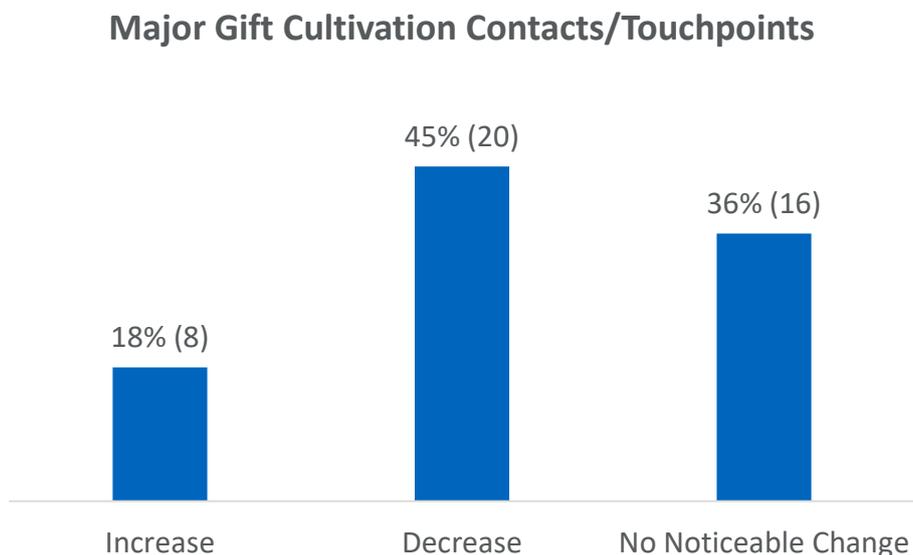
Number of Donors



Reported changes in donor numbers through this period broadly reflect the findings on cash income levels.



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



With lockdown restrictions and the levels of furloughed staff in schools' Development offices, it is no surprise that major gift cultivation activity has decreased in nearly half of all respondent schools. However, M&L is aware of many organisations across different sectors (including the schools' 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 who prioritise major donor relationship building (despite staffing restrictions) will be best placed to reap rewards in the post-pandemic era.

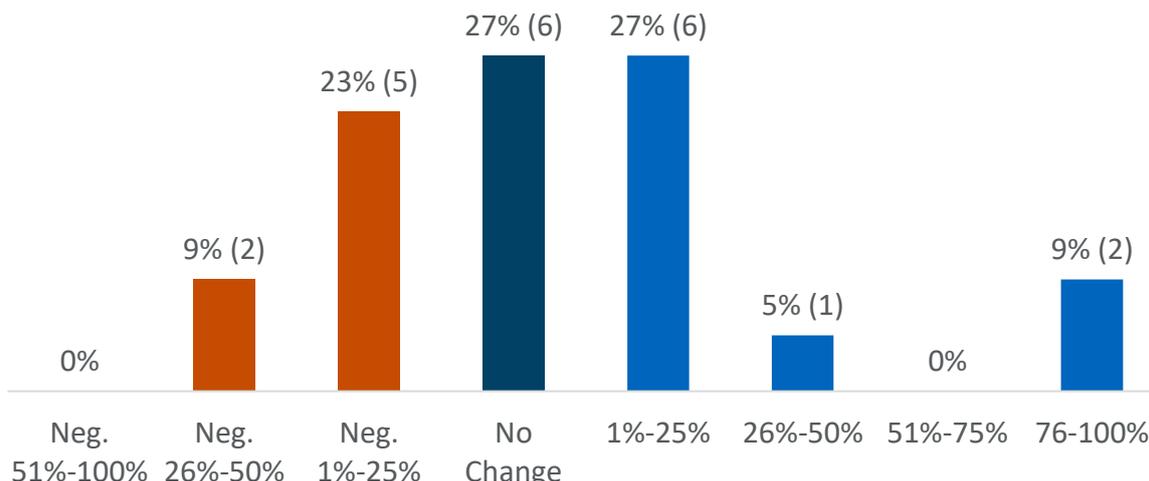
To complement the above survey results, M&L recently presented an IDPE Live session and used the opportunity to poll webinar attendees (of which there were c. 120) on a number of points. The responses to the polled question of “How are you progressing your major gift programme?” showed the following:

- 20% had suspended their programme.
- 46% had eased off activity – close to the 45% reporting decreased cultivation above.
- 20% were continuing as normal, albeit virtually – lower than the 36% reporting no noticeable change.
- 14% did not have a concerted major gift programme in place pre-pandemic.

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.

Overall, what percentage increase or decrease has your school experienced in philanthropic cash income since March 2020 from what you would usually see at this time of year?



Based on 22 responses

The spread shown in this chart, with seven schools reporting percentage decreases in cash income, nine reporting percentage increases and six saying no change, gives pause for thought. The makeup of a parent and alumni population at any particular school may be such that the impact of the pandemic has caused widespread financial constraints. Or it could be that downturns are primarily due to not having staff to manage the programmes and make asks and appeals.

Increases, particularly at the higher range of percentages, could be showing positively because there was only a small base of donor income to compare to and a successful emergency appeal was launched. It is likely true, however, that the results, upwards or downwards, reflect whether asks have been made or not made.

Whether your school is at the beginning of its Development journey or some good way down the path, 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 – and that needs committed Development staff to drive the process.

In your opinion, what are the biggest challenges/impacts facing your school with regards to fundraising and alumni relations over the next twelve months?

Challenge	Overall Rank	Weighted Score*	No. of Top 3 Selections
Cultivation of major gift prospects	1	56	25
Lack of face-to-face events/moving to a virtual events programme	2	51	25
Decreased philanthropic income	3	33	17
Restricted expenditure on development and alumni relations	4	27	12
Realignment of fundraising and/or alumni relations strategy	5	25	12
Lack of resources/reduction in staff	6	18	10
Lack of time and commitment from senior management team	7	16	10
Decline in regular giving programme	8	13	6
Decreased engagement	9	10	7
Low morale of staff	10	5	3

*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 schools (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 open opportunities for those Development functions that had to pause their activity.

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? It is likely that budget constraints will remain in place for a while at a number of schools, so working out what can be achieved in smarter, more efficient and more cost-effective ways will be critical to ongoing success.

Increased engagement with the broader school community was ranked as the second highest opportunity – a point that has been reinforced throughout IDPE Live where people have shared that members of the school community are engaging with Development more often and meaningfully than in the past, for example, through giving online talks or attending virtual events.

However, it is striking that increased commitment from the senior management team was ranked lowest in the list. Embedding that elusive culture of philanthropy comes through behaviours and messaging from the top of the organisation. IDPE’s most recent benchmarking report demonstrates that increased commitment the school’s senior management team leads to increased income.

Senior management teams within all schools have necessarily had to focus on managing change and communications around the school’s core teaching mission during a public health emergency. But, for the long-term financial sustainability of their school, they will need to consider and pay attention to the health and wellbeing of their Development functions – and Development professionals must encourage them to do so.

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

Opportunity	Overall Rank	Weighted Score*	No. of Top 3 Selections
Trying new engagement and fundraising approaches	1	73	31
Increased engagement with the school community	2	46	21
Trying new technology	3	37	18
Having a more urgent and better understood case for support	4	35	18
Expanding your virtual events programme to reach a broader audience	5	30	20
More cost-effective delivery of programmes	6	25	14
Increased commitment from senior management team	7	6	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

Senior Management – Commitment and Investment

- *It's been great to see senior management getting behind alumni relations and fundraising and being encouraged to get involved in asking. It has also been a great time to try new things – people are more willing to give things a go, so perhaps less risk involved, especially with virtual events as there are very little overhead costs.*
- *We have been in a hiatus on fundraising and this has given the senior management the boost needed to support a fundraising campaign for bursaries. There has been a verbal*

commitment to the Development function for quite some time and this has raised the Development Office to the forefront, but at the same time there will be a reluctance to commit funding until things are a little more settled.

- *I am concerned that hard won gains over the last few years will be lost. We had just been getting to a point of active fundraising and really successful events. I don't doubt that our alumni community is with us, engaged and supportive – I do doubt that internal audiences will be as supportive as we need them to be. I think that Governors/Heads/Bursar will be busy with the bigger picture and cut costs, not realising the long-term damage.*
- *It's made me realise that as Director of Fundraising, my role is to galvanise a community. The job is too big for one, two, three or four people. The Development Office – regardless of its size – will never be powerful enough on its own; it needs to be the generator that powers a whole army of individuals to take action, aligned by a shared vision. I knew this before, but the pandemic has really highlighted the importance of this for me. No Development team is an Island!*
- *Successful fundraising and alumni relations depend on a long-term commitment from school senior leadership, so even if there is 12 months of CV19 disruption, investment in these areas needs to be maintained.*

Development Staffing and Impact of Furloughing

- *Loss of staff to furlough has meant loss of time at a crucial juncture where significant inroads could have been made into prospect research and preparation and research for future campaigns.*
- *Concerns that there will be redundancies which may affect the Development Office team. The total budget freeze is a concern as we had a number of ideas to bring past donors back on board which may have to be put on hold.*
- *We did cancel our telephone campaign which would have brought in around £80,000 and we have had quite a few donors cancel their existing direct debits. We were also about to launch a Bursary campaign which has had to be paused.*

Virtual Programmes

- *We are trying new online engagement tools/events, and this has helped us to connect our network in a meaningful way.*
- *We will have to adapt and be innovative with events, asks, communications etc. so this can be an opportunity for change. But we may also be understaffed and, with all the other pressures in schools at the moment, not a priority. So that brings other challenges too. All charities are going to feel the pressure on income, so competition will be tough.*
- *The need to have more activity and engagement online is clearer than ever. In the early days, it was challenging feeling as though we were operating in an information vacuum as the Head was understandably focused on other matters. This continues to be a bit of an issue.*
- *Major donors had more time to connect, because everybody was at home, so this was an advantage.*

- *We launched a hardship appeal to current parents and have recruited 100 new givers, with feedback from parents that this is the first time they've realised/understood the needs of bursary parents. The hardship appeal has also given us a practical way to engage (and therefore steward) prospects we've been trying to warm up for some time, so it has been a helpful route into a bursary giving discussion.*
- *We've seen a big increase in engagement on all our social media channels, so it's been a priority to feed these with live news/showcase what remote teaching will look like.*
- *I have picked up a number of regular donors to our bursary fund on the back of the pandemic, also a couple of legacy prospects. However, I decided to postpone the telephone campaign to next year and hope that people will be feeling more optimistic by next summer.*
- *The crisis allowed our network to connect in a very special way and we saw many alumni that never gave before making donations. Also, our 'crisis' appeals were very successful, and everyone offered help, not only financially but in many other ways.*

Hopes and Thoughts for the Future

- *An increase of focus on the Development Office which will ultimately lead to a better resourced function and higher visibility within the school.*
- *We will probably do a bit more virtually in the future, which will be beneficial for our alumni not living locally.*
- *More meetings via video conference which may make meetings with major gift prospects easier to arrange.*
- *I hope that we will avoid slipping back into the old ways of doing things and will be able to find time to continue to ring and email our alumni as much as we are now, once we're back into the usual routine of meetings and events.*
- *We already had an engaged audience, but the hardship appeal has given us a platform to really progress our fundraising programmes. Even though initial income is down, donor numbers are up and I think we're paving the way to a better collective understanding of the philanthropic aims of the school, which has to impact long-term income.*
- *Working from home will become more accepted, leading to healthier work-life balance.*

General

- *We are working on reforecasting the next 4 years, but it is really difficult to estimate the impact of this global crisis. We have lots of unknowns! On the other hand, we have seen a stronger engagement from alumni as people have had the chance to think what it is that is important to them.*
- *I think an area of risk/opportunity is the Class of 2020 and they need to be nurtured carefully. It could be the start of disengagement from younger graduates, or they could become like the WWII generation who have deep connections with their peers/school.*
- *I think we will have to work harder to ensure our departments stay open and we can still deliver positive outcomes for our schools and alumni. We will need to do more on each step of the supporter journey, whether that is engagement, solicitation or stewardship.*