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The Relationship Between Alumni Relations and Fund-Raising:
A Study of the Effect of Departmental Integration on Alumni Giving

A THESIS SUBMITTED

by

Susan M. Todaro

In Partial Fulfillment of the Requirements

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The Relationship Between Alumni Relations and Fund-Raising:
A Study of the Effect of Departmental Integration on Alumni Giving

This Thesis Written By

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Susan M. Todaro

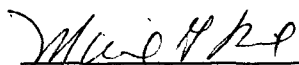This thesis is written under the guidelines of the Faculty Advisory
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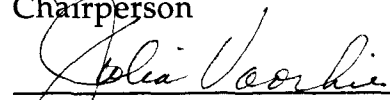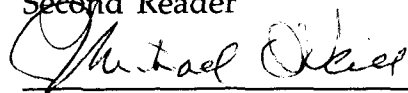
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Abstract

This study examined the effect of integration between alumni relations and development departments on alumni giving. Integration was defined as the degree to which members of alumni and development departments achieve unity of effort. To determine the level of integration, the study looked at organizational structure, collective planning, collaboration, communication, and participation.

As a primary focus, the study measured the level of interdepartmental integration and compared the results with actual alumni giving at each school. The study also compared the level of integration between schools with centralized and decentralized organizational structures.

The study demonstrated an inverse relationship between interdepartmental integration and alumni giving. Most schools in the study with high alumni giving did not have highly integrated alumni relations and development departments. Schools with low alumni giving were more highly integrated. Further research, however, indicated that factors such as a school's age, size, and number of alumni and development staff significantly affected both alumni giving and integration, overshadowing this study's results. The study did find that schools with a centralized organizational structure were consistently more integrated than decentralized schools.

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Chapter One

Introduction and Purpose

In recent years, the increasing cost of providing higher education and decreasing funding from government and businesses have highlighted the importance of voluntary, or private, support from individuals. Leslie and Ramey (1988) remarked in a study of voluntary giving to higher education that individual voluntary support is a major source of college and university operating funds and institutional discretionary funds, which can give an institution an edge and allow it to grow. They assert, "Voluntary support frequently provides the margin of excellence, the element of vitality, that separates one institution from another and allows institutions to escape from the routinized sameness of fully-regulated organizations" (p. 115).

A major source of these voluntary funds is the schools' alumni. Cultivating alumni and encouraging all alumni (not just wealthy patrons) to financially support their alma mater is an important focus of educational fund-raising. For this reason, virtually all institutions of higher education have developed special annual giving programs aimed at their graduates (Brittingham & Pezzullo, 1990). Alumni are targeted for major gift efforts, as well (Dunlop, 1986). In fiscal year 1990-91, alumni accounted for an average of 26 percent of all sources of voluntary support to colleges and universities, for a total of nearly $2.8 billion (Chronicle of Higher Education Almanac, 1992).

Obtaining financial support for a college or university is a complex task that involves the efforts of more than just the school's fund-raising staff. In

fact, there is a collection of people and activities in institutions of higher education solely dedicated to obtaining and maintaining support (financial and otherwise) from the school's various constituencies. These people and their programs make up what is known as "institutional advancement," which generally refers to the activities of fund-raising, alumni relations, public relations, publications, and government relations (Kelly, 1991). The general belief, endorsed and promoted by the national professional association, Council for Advancement and Support of Education, is that institutional advancement activities and programs are highly interrelated and share the same mission. A. W. Rowland, editor of the <u>Handbook of Institutional Advancement</u>, provides a definition of advancement which supports this belief: "Institutional advancement . . . is not one activity but a collection of activities designed to cultivate support by increasing constituencies' understanding of institutional goals and missions" (Kelly, 1991, p. 80).

The concept of institutional advancement is important to this study, which will examine two of its defined activities: alumni relations and fund-raising. These two activities are highly interrelated, sharing an important constituency and performing many similar tasks. The purpose of this study is to determine if there is a clear correlation between the level of integration between the departments that conduct alumni relations programs and fund-raising and the level of actual financial support obtained from alumni. The study will test the "conventional wisdom," strongly advocated in the

literature, that a high level of integration between alumni relations and fund-raising is essential to success in obtaining donations from alumni.

Background

In the U.S., the first formal alumni fund was established at Yale in 1890, followed by Princeton, Amherst, Dartmouth, and Cornell. In 1936, when Francis Pray reported the results of a survey of American colleges, he revealed that fewer than half of the respondents had alumni funds (Brittingham and Pezzullo, 1990). Today, however, almost all private colleges and universities conduct ongoing alumni fund programs to solicit their graduates. Although annual alumni funds are only one mechanism used by private universities to obtain donations from their alumni, the growth in these funds helps to illustrate the increasing importance of alumni support to schools.

At this point the questions can be raised, if colleges and universities have specific alumni fund programs, then where do more general alumni relations programs come in? What is the relationship between typical alumni activities, such as reunions, alumni clubs, and alumni tours to fund-raising? The answers to these questions are basic to this study.

Firstly, alumni relations and fund-raising share a common constituency and a common focus—encouraging alumni to support their institution. Secondly, it has been found by a number of researchers that involvement in alumni relations programming and activities is a characteristic that frequently distinguishes donors from nondonors

(Caruthers, 1974; McKee, 1975; Gardner, 1975; Markoff, 1978; Carlson, 1978; Keller, 1982; Haddad, 1986). In recognition of these links, Charles Cushman, in his booklet The Alumni Program, lists key objectives of an alumni relations program:

- To create an informed and interested body of alumni fully aware of their responsibilities to the school.

- To encourage the alumni to maintain a continuing relationship with the school.

- To encourage support for the school's fund raising . . . goals, recognizing their significance in the school's service to society (Cushman, 1986, pp. 8-9).

In summary, alumni relations programming is an intricate part of cultivating and maintaining the relationships that are crucial to raising funds from alumni. However, alumni programming is most often planned and managed by an alumni relations department, or in some cases an independent alumni association, which is separate from the fund-raising department. Conventional wisdom in the advancement field, as well as common sense, says that these two departments should work closely together, taking a team approach to the school's relationship with its alumni. However, this is frequently not the case. For many reasons, which will be covered in detail in the next chapter, these two departments often work isolated from each other, each conducting their own programs and working toward their own goals.

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Statement of the Issue

Given the conventional wisdom that alumni relations and fund-

raising should be highly integrated, and the reality that this is often not the

case, it is important to isolate and examine the effect that integration, or lack

of integration, actually has on the amount of funds raised from alumni.

Furthermore, it is important to explore what it means to be integrated. Most

articles and books that discuss integration define it as a type of organizational

structure. In higher education, there is often a discussion of centralized

versus decentralized organizational structures. In a thoroughly centralized

structure, the managers of each advancement function (fund-raising, alumni

relations, public relations, publications, and government relations) report to a

single chief advancement officer, who reports to the president. Decentralized

structures vary widely, but the commonality is that the various functions are

more isolated and independent of each other, and there is no central officer in

charge of the entire advancement program.

Organizational structure is an important aspect of integration, but there

are other factors which are also significant in determining the degree of

integration between two organizational units. These factors include

collective planning, participation, program collaboration, and

communication. This study goes beyond just looking at the subjects'

organizational structure and explores these other factors, as well, to

determine their level of integration. Then, the level of integration is

compared to the level of alumni support to determine if there is a strong

correlation.

This study hypothesizes that those schools that have high levels of alumni financial support also have highly integrated alumni relations and fund-raising efforts. However, it is not the purpose of this study to discover a model situation, but rather to explore the numerous ways that schools integrate these two functions and the effect that integration has on alumni giving.

Definitions of Variables

Definitions that are important to this study are:

Private research/doctoral institutions: As defined in the Council for Aid to Education's annual report, Voluntary Support of Education, this group of institutions represent "four categories of universities from The Carnegie Foundation for Advancement of Teaching ("Research I and II," "Doctorate Granting I and II"), classified by the amounts of federal research support received and numbers of Ph.D. degrees awarded each year" (1990, p. 1).

Alumni: Individuals who have attended a particular university, although they need not have obtained a degree from the school.

Alumni Relations Program: Also referred to in this study as the alumni relations department, this is an official organization established to encourage and enable alumni to maintain a continuing relationship with their school. This goal is met by sponsoring social events, such as homecoming or reunions, and educational activities, such as seminars and trips; by creating regional organizations (alumni chapters or clubs) which conduct similar

activities in areas away from the university; or other similar activities meant to strengthen the relationship between alumni and their alma mater. The organization may be a department within the institution or an independent alumni association.

Fund-raising: Soliciting alumni either personally, by telephone, or by mail for money to support the school. This includes money for specific programs, as well as for general operational purposes. The solicitation may be made by a staff member, administrator (dean or president), faculty member or alumni who has volunteered specifically to do fund-raising. The term includes annual fund and major gift fund-raising, but for this study does not include corporate or foundation fund-raising.

Alumni Giving: All voluntary donations from alumni to their school. Does not include alumni association dues or other payments for membership or services. Includes annual fund gifts, campaign gifts, and other special gifts.

Development Director: The paid university staff member whose primary job is to manage and be responsible for the schools' fund-raising effort. May be employed by the school or the school's foundation.

Alumni Relations Director: The paid staff person in charge of the alumni relations program who may be employed by the school or by an independent alumni association.

Donors: For this study, donors are defined as alumni who give money to the school without expectation of receiving any benefit of monetary value in return.

Alumni Financial Support: This dependent variable will be measured in three ways as found in Voluntary Support of Higher Education: Volume 2 : (1) the total amount received by an institution from its alumni; (2) the percentage of alumni who were solicited and gave to their institution; and (3) the amount of the average gift (Council for Aid to Education, 1990 & 1991).

Integration: As defined by Stephen Robbins in his book Management: Concepts and Applications, integration is "the degree to which members of various departments achieve unity of effort" (1988, p. 694). In this study, the departments are alumni relations and fund-raising.

Following are the independent variables used to measure the level of integration between alumni relations and fund-raising functions. A detailed explanation of how each variable will be measured can be found in Chapter Three.

Organizational Structure: Who the chief development and alumni relations officers report to. The structure will be labeled centralized if both the alumni relations manager and chief development officer report to the same person and it will be labeled decentralized if they report to different people.

Collective Planning: The degree to which alumni relations and fund-raising departments work together in both long-term and short-term planning of their programs.

Communication: The degree to which alumni relations and development departments share information about alumni, prospects, strategies, and programming.

Program Collaboration: The degree to which alumni relations and development staffs collaborate on tasks that are beneficial to both departments. For example, maintaining shared files and contact reports, cooperative prospect and volunteer identification, and promotion of each other's programs.

Participation: The degree to which alumni and development staffs participate in and attend each other's activities.

Research Questions

There are three main research questions in this study:

1. Does the level of alumni giving to an institution correlate with the level of integration between its alumni relations and fund-raising departments?

   a. Does integration correlate with the total dollars raised from alumni?

   b. Does integration correlate with the average alumni gift size?

   c. Does integration correlate with the percentage of alumni donors?

2. Do alumni relations and fund-raising departments that are structurally integrated, in which the chief officers of both departments report to the same person, work together more cooperatively?

3. How do a number of factors affect a cooperative, integrated, working relationship between alumni relations and fund-raising departments?

Importance of the Study

Though there is much written about the relationship between alumni relations and fund-raising, an extensive search of the literature found nothing that questioned the "conventional wisdom" that integration results

in more alumni giving. More importantly, no studies could be found to empirically support the conventional wisdom. In a similar literature search for her study of the relationship between public relations and fund-raising, Kathleen Kelly (1991) concluded, "Research on institutional advancement is of irregular quality, with little evidence of an interrelationship between the six functional areas or of any systematic building of knowledge" (p. 114). This means that extensive and potentially expensive alumni relations and fund-raising programs are created and implemented with little concrete knowledge about interrelationships of the departments. In addition, although many alumni relations and fund-raising departments are structurally integrated (centralized), there are many more factors which can affect the actual degree of cooperation and teamwork. Although this is only a beginning, this study will start an investigation into these relationships and their effect on programming in institutional development.

Secondly, although there are many studies of the predictors of giving based on organizational characteristics, most have looked at the schools' size, age, fund-raising expenditures, perceived quality, size of endowment, and other factors (Brittingham and Pezzullo, 1990). The examination of new factors, such as departmental structure and the relationships between departments, will potentially provide new ways to enhance the fund-raising effort.

Limitations of the Study

It is time- and cost-prohibitive to do a comprehensive comparison between alumni relations and fund-raising programs in all categories of schools. This study was limited to a specific category of schools—research and doctoral—and the types of programming they offer. These schools were selected because they usually have large enough alumni relations and fund-raising staffs to clearly measure integration. However, this is a notable limitation because schools with smaller advancement staffs will potentially have very different experiences with regard to integration.

Again, due to time and costs, this study is also limited to private universities. I suspect that public schools have a different perspective, due to traditionally different funding sources and their relatively short experience with alumni relations and fund-raising programs.

Chapter Two

Review of Literature and Related Research

Educational fund-raising, alumni relations, and institutional advancement are well-documented topics. Much that has been written is of a practical nature, such as handbooks and reports written by fund-raising and alumni relations professionals, containing case studies, techniques, and specific strategies for performing advancement functions. In addition, there have been numerous doctoral dissertations and research papers written on various aspects of these subjects. This chapter serves to summarize the most pertinent literature and to provide background information relating to the research question of this study: Does the integration of development and alumni relations departments affect alumni giving?

This chapter begins with an examination of writings focused on four areas most related to this study: (1) the development of the advancement concept, which promotes a coordinated effort amongst its various functions; (2) a historical review of the alumni movement and fund-raising in higher education; (3) the importance of alumni support to higher education; and (4) a look at the current status of the relationship between alumni relations and development. Following this is an examination of contingency management theory and the concept of integration. The chapter will close with a summary of related research.

The Institutional Advancement Concept

Alumni relations and fund-raising are two functions that fall under

the umbrella "institutional advancement," which also includes public relations, publications, and government relations. Institutional advancement is a term and a concept which is unique to higher education and has only gained wide acceptance and understanding in the last decade.

The notion of an organizational structure to encompass all of these functions was first recognized in 1958 at the Greenbriar Conference, a joint conference of the American College Public Relations Association and the American Alumni Council. By the close of this conference, the attending practitioners agreed that fund-raising, alumni relations, and public relations all served to gain understanding and support for the institution and should be "related in a unified organizational framework reporting directly to the president through a coordinating officer" (Pray, 1981, p. 2). The report that resulted from this landmark conference stated that although only 20 percent of the institutions had such an organizational structure, more than 87 percent favored such an arrangement (Leslie, 1969).

A. Westley Rowland defined institutional advancement in the preface to The Handbook for Institutional Advancement as, "All activities and programs undertaken by an institution to develop understanding and support from all its constituencies in order to achieve its goals in securing resources as students, faculty and dollars" (1986, p. xiii).

Harvey K. Jacobson (1990) looks at the definition of institutional advancement in two ways, functional and conceptional. Referring to another definition by A. Westley Rowland, which Jacobson calls *functional*, he says:

The functional definition emphasizes the specific duties and

responsibilities . . . that includes . . . 'the functions of

institutional relations/information services, educational fund

raising, alumni relations administration, publications/

periodicals, and government relations all under the direction of

the manager of the advancement functions.' (Jacobson, 1990, pp.

434-35).

The conceptual definition he says, in contrast, places the emphasis on process,

rather than on activities. Jacobson conceptually defines advancement as "the

management function responsible for maintaining and improving

relationships between an educational organization and its publics for their

mutual benefit" (p. 435).

In a more practical sense, Michael Richards and Gerald Sherratt (1981),

say in their report, Institutional Advancement Strategies in Hard Times:

Institutional advancement . . . refers to a synchronized and total

program to advance the understanding and support of a college

or university. Its dominant concern is resources: acquiring,

interpreting, and maintaining them as an aid to the institution

in particular and to higher education in general (p. 1).

The key words in this definition are synchronized and resources. In today's

sophisticated society, many people, activities, and programs are required to

gain and maintain financial and other resources. It is conventional wisdom

that these people, activities, and programs be coordinated and integrated to

achieve maximum effectiveness and efficiency. Richards and Sherratt go on

to recognize that increased integration has "revived the role of the president

as the advancement catalyst, expanding his or her responsibilities and

leadership" (p. 2). In conclusion, they say:

> A strategy for advancement confronts four challenges: designing
>
> quality public relations programs that build influence and
>
> support; restructuring activities to involve the institution's
>
> many publics; redesigning fund raising campaigns to be cost
>
> effective and to achieve optimum results within the constraints
>
> of competition, inflation, and tax law; and coordinating
>
> objectives, programs, resources, and contacts for maximum
>
> effectiveness (p. 2).

To better understand how the advancement concept evolved it is

important to review the history and development of advancement, focusing

on alumni relations and fund-raising.

The "Alumni Movement" and the Evolution of Fund-Raising

Beginning in the colonial period of America and lasting through the

Civil War, most colleges' and universities' fund-raising was conducted by

their presidents. Wealthy patrons were asked for large capital gifts, and

operational support, in the form of money, produce or labor, was raised from

church members, college communities, missionary societies and other friends

(Pray, 1981). Prior to the American Revolution, clergymen were also

dispatched to England to raise money for schools to educate ministers and to

"educate the heathen Indian" (Brittingham & Pezzullo, 1990).

There was not a strong tradition of alumni involvement in American institutions of higher education until 1821, when Williams College formed the Society of Alumni, "so that the influence and patronage of those it has educated may be united for its support, protection and improvement" (Roszell, 1989, p. 39). With this beginning and throughout the 1800s, schools established their first alumni organizations and alumni began to be recognized as a strong potential source of financial support that must be informed and involved (Ransdell, 1986; McKee, 1975).

In 1890, Yale established the Yale Alumni Fund, which marked the beginning of organized fund-raising by alumni (McKee, 1975). R. M. Markoff (1978) writes that, prior to this time,

> Alumni philanthropy for buildings, for endowments, and for special needs was not unknown—indeed, much of it was magnificent—but this assistance came mostly from wealthy individuals. Nobody thought of translating sentiment and sociability of the total alumni body into tangible support until 1890, when the Yale alumni formed the Alumni University Fund Association (pp. 74-75).

In A History of Fund Raising, Harold Flack (1932) comments on the Yale Alumni Fund as "a practical way for the great mass of graduates to help the University, to give tangible evidence of their loyalty and to have a share in making possible for others the benefits which they themselves had

enjoyed" (p. 1).

Throughout the 1800s alumni organizations flourished. Most of these groups were run by part–time alumni secretaries. In 1897 a new era of organization and professionalism dawned, however, when the University of Michigan hired the first full-time paid alumni secretary (McKee, 1975). In 1913, the Association of Alumni Secretaries (AAS) was formed "to bring together . . . the men who are in active charge of the work of the college alumni associations of the country. The association gives opportunity for an exchange of ideas and serves as a clearinghouse of information" (Carter, 1988, p. 17). In 1927, the AAS merged with the Association of Alumnae Secretaries (formed in 1925) and Alumni Magazines Associated (formed in 1918) to establish the American Alumni Council (AAC), an occasion that many felt marked the maturation of the alumni movement (Carter, 1988).

The period between the Civil War and 1900 was "a time of educational revolution when enrollments skyrocketed and universities became departmentalized" (Kelly, 1991, p. 42). Universities grew and became more complex, necessitating the change of presidents' roles to encompass more managerial tasks and less fund-raising. The fund-raising function was shifted to the trustees, who had previously held more policy and management power (Kelly, 1991). During this time of rapid growth and increased sophistication of higher education, presidents also began to create more complex administrative structures. Alumni secretaries were one of the early administrative positions created by presidents in the new organizational

structure (Kelly, 1991).

Following several large and successful fund-raising campaigns conducted during World War I, such as a $114 million campaign by the American Red Cross in 1917, the end of the war saw the emergence of professional fund-raising consultants (Brittingham & Pezzullo, 1990). Beginning with Harvard in 1919, colleges and universities began to employ professional fund-raisers to conduct short-term campaigns to meet specific financial needs. These professional fund-raisers organized campaigns and guided the fund-raising efforts, utilizing the president, trustees and other volunteers for actual solicitation (Kelly, 1991). Kelly quotes an observer of that time, H. Russell Binzer:

> In those days, fund-raising for an educational institution was not
>
> an integral part of the ongoing management of the institution.
>
> Rather, it was undertaken as an "extra" activity whenever the
>
> need for additional funds made itself felt. Then the professional
>
> firm would be called in to advise and direct the client in his
>
> search for the needed funds (1991, p. 45).

During this period, ongoing alumni fund-raising was still primarily conducted by alumni associations through their alumni funds. Robert Warren, the officer in charge of taking minutes during the first American Alumni Council meeting in 1927, wrote of the meeting,

> There came a group of persons whose minds are filled only with
>
> thoughts of alumni funds, whose gloom over an obituary is

tempered by anticipatory pleasure over a probable bequest, and

these added themselves to those whose minds dwell on

advertising and subscriptions. They diluted the simon-pure and

guileless old-fashioned alumni secretary who has nothing to sell

except happiness and a belief in dear old Alma Mater (Carter,

1988, p. 18).

Although Warren's perception was that alumni organizations were

becoming dangerously money-oriented, a 1937 survey of the American

Alumni Council showed that only about half of the respondent alumni

organizations maintained fund-raising bodies (Carter, 1988). However, this

period was the beginning of conflict between fund-raising and friend-raising

in higher education.

In 1938, Mount Holyoke College's alumni fund director foresaw the

emergence of "fund-raisers" as a specialized group in educational institutions.

She predicted in the 1938 American Alumni Council Report that within 25

years, "more colleges will at least investigate the effectiveness of organizing a

Central Money-Raising Office, whose chief responsibility will be the

increasing of material resources of Alma Mater" (Carter, 1988, p. 19).

It wasn't until the 1950s that fund-raising became an internalized

function in higher education. In 1949, the American College Public Relations

Association listed two members with the title of director of development, and

by 1952 there were 13 such members (Pray, 1981). From the beginning there

was friction between alumni organizations and fund-raisers. For one, alumni

secretaries felt that their offices were being swallowed by the "development empire," and that these newcomers had become increasingly powerful. In addition, the fund-raisers were joining the American College Public Relations Association (ACPRA), an organization that the American Alumni Council had long differed with (Carter, 1988). Although the ACPRA had suggested a merger, many alumni officers at the AAC were strongly opposed because they felt they were in a period of professional development, and they did not want to lose their distinct identity to public relations officers and fund-raisers.

Although the AAC was not yet prepared to merge into a single professional association for alumni, fund-raising and public relations officers, in 1958 the ACPRA and AAC held a joint conference, known as the Greenbriar Conference, "to examine the existing organizational principles and patterns of college and university relations" (Shea, 1986, p. 32). The conference resulted in a publication, entitled The Advancement of Understanding and Support of Education, which is recognized today as the watershed document about institutional advancement on American campuses (Jacobson, 1990). As mentioned earlier, this document reported, for the first time, that professionals in alumni relations, fund-raising, and public relations agreed that their institutions would be best served if their efforts were coordinated under a single administrator reporting to the president.

Nevertheless, it took nearly 20 years more before the AAC and ACPRA finally merged to become the Council for Advancement and Support of Education (CASE). Created in 1974, CASE is the principal professional

organization for both alumni relations and educational fund-raising practitioners today. It was also during this period that the term "institutional advancement" was accepted as the definition of a unified strategy and management structure for the central administration of advancement programs (Richards & Sherratt, 1981).

The Importance of Alumni to Institutions of Higher Education

As previously indicated, alumni have been recognized as an important source of support for many years. With the founding of the first alumni organization at Williams College in 1821, alumni have had an enormous impact on the direction and successes of institutions of higher education. In his 1981 doctoral dissertation, Alumni Fund Raising in Private Colleges, D. J. Wolshon cites Charles W. Eliot, a renowned Harvard president at the turn of the century, discussing the importance of the financial support of alumni:

It is of course largely by the extent of the support accorded to a college by its own graduates that the world judges of the right of that college to seek co-operation of others in planning for the future. An institution that cannot rally to its financial assistance the men who have taken its degrees and whose diploma is their passport into the world is in a poor position to ask assistance from others. It is not merely what the alumni give; it is the fact that they do give that is of supreme importance (1981, p. 5).

Taking a more expansive view of the importance of alumni, W. B. Shaw of the University of Michigan said some 70 years ago at an early

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meeting of alumni secretaries,

> Some of the wisest and most progressive movements in our
>
> American universities have come as a result of alumni
>
> initiative. . . . the interest and intelligent support of our alumni
>
> is one of the greatest sources of strength in our colleges and
>
> universities (Roszell, 1981, p. 199).

In recent years, James Fisher, a former president of CASE, said of

alumni support,

> Without a strong and positive base of alumni support, a
>
> president is bound to fail in virtually any effort to enhance his or
>
> her charismatic power. . . . Without [the] interest and
>
> involvement [of alumni], a president can neither gain lasting
>
> friends among nonalumni, generate a broad base of public
>
> support, raise money from nonalumni benefactors, nor
>
> significantly influence trustees, politicians, or the media
>
> (Roszell, 1989, p. 42).

Looking specifically at dollars, alumni may not provide a large

percentage of total dollars to alma mater, but their support is significant and

often fills the greatest needs.

Table 2.1

Estimated Voluntary Support to Higher Education by Source

(millions of dollars)

	1986	1990	1991
Total voluntary support	$7,400	$9,800	$10,200
Alumni	1,825	2,540	2,680
Nonalumni individuals	1,781	2,230	2,310
Corporations	1,702	2,170	2,230
Foundations	1,363	1,920	2,030
Religious organizations	211	240	240
Other	518	700	710

Source: Voluntary Support of Education 1991: Volume 1 (p. 5), Council for Aid to Education. 1991.

According to the Council for Aid to Education's annual report, Voluntary Support of Education, in 1991 alumni accounted for an estimated $2.6 million, or 26 percent of all voluntary support to higher education institutions, which makes them the largest single source of voluntary support (1991, p. 5). In addition, in 1990 alumni were the largest voluntary contributors of unrestricted monies for current operations (Council for Aid to Education, 1990, p. 14). This is an important point, because the rising costs of education make it more difficult to maintain current levels of programming.

Many other sources of support, such as government, foundations, corporations, and wealthy patrons often place stringent restrictions on the use of their gifts, which often do not include standard operating costs (such as building maintenance and administrative costs).

Looking toward the future, alumni will become an even more attractive source of financial support. Graduates from the enrollment boom that lasted from the 1950s through the 1970s are now reaching an age at which they are likely to give more and larger gifts. As college enrollments have flattened, the average age of the alumni pool is rising, which may bode well for alumni contributions in the years ahead (Council for Aid to Education, 1990).

In addition to direct financial support, alumni exert other influences affecting the ability of institutions to raise money. As Charles Eliot observed, alumni support can serve as a "stamp of approval" on the institution, opening the door and encouraging others to contribute. Centre College, ranking first for more than five years in the percentage of alumni contributing to its annual fund, found that the results of the high participation were greater than just the dollars collected and the future potential for larger alumni gifts. Shawn Lyons, the director of development, wrote in Currents, "Our position has helped tremendously in recruiting students . . . and has played a major role in adding to our burgeoning endowment through grants from national foundations" (1989, p. 28).

Another way alumni are important to the fund-raising effort is by

serving as volunteers. In the Handbook for Alumni Administration, S. W. Roszell quotes Barbara Snelling on the importance of volunteers:

> Volunteers provide to an institution strength that is available from no other source. The testimony of volunteers concerning their beliefs build trust in others. Through their dedication, they visibly demonstrate their personal endorsement of the institutions' mission and objective, lending their own reputations as validation of that mission. Because they act without direct self-interest, volunteers provide a depth of credibility that no one else can offer. Their message in support of the institution carries a compelling sincerity and conviction that employees of the institution, because of their presumed self-interest, cannot manage (Roszell, 1989, p. 40).

Volunteers are an important element in most college and university fund-raising efforts. Although today there is some divergence of opinion about the effectiveness of volunteer fund-raisers, most development efforts have been built around the use of volunteers, rather than staff, as solicitors. Because alumni are a constituency that is closely linked to the institution, they are one of the best sources of volunteers. As stated by Roszell (1989) in the article "Alumni as An Essential Resource for Development," "Major gifts by corporations, foundations, or individuals frequently are the result of peer solicitation, and often the peer relationship has its roots in a collegiate experience shared by the alumni and the donor" (p. 41).

In summary, it is apparent in the literature that alumni are considered

an important resource to institutions of higher education—for the money they donate, the credibility their involvement lends to the institution, and the time and talent they contribute on behalf of alma mater. In the context of this study, the question is: What role do alumni relations departments or associations play in gaining and maintaining financial support from alumni? The following section reviews writings dealing with this issue, looking at alumni relations programming in the fund-raising process.

The Role of Alumni Programming in Fund-Raising

William L. Pickett (1986) says in the introduction to an article, "Fund-Raising Effectiveness and Donor Motivation," "Educational fund raising takes place within the total framework of a comprehensive advancement strategy. No matter how well done technically, fund raising will not be effective without imaginative and assertive constituent relations" (p. 231). This statement alludes to the idea that fund-raising is not just a one-step act of asking for money, but is a process, which includes the very important element of constituent relations.

David R. Dunlop (1986) writes more extensively about the fund-raising process. Although his article is specifically about major gifts fund-raising, many of the points he makes are applicable to smaller annual gift drives as well. Dunlop outlines seven major steps in the fund-raising process: identification, information, awareness, knowledge and understanding, caring for the institution, involvement, and commitment.

Dunlop discusses a variety of activities that take potential donors

through the process to commitment, dividing these into "background

activities" and "foreground activities." He defines background activities as

"those initiatives that, although they do have an impact on individual

prospects, are conceived and carried out for groups." Foreground activities he

defines as "initiatives that are conceived, planned, and carried out for specific

individual major gift prospects" (pp. 326-27). In his list of background

activities, Dunlop includes many activities that are traditionally part of the

alumni relations program, such as class activities and organizations, alumni

clubs, club receptions and dinners, and reunions. In addition, he lists several

foreground activities that are often part of alumni relations programs, such as

use of a prospective donor's home for a college reception, testimonial

dinners, messages of congratulations for promotion or other business success,

and the presentation of awards for distinguished service. This is not to say

that the express purpose of these alumni relations activities is to cultivate

donors, but it does illustrate how traditional alumni relations activities can

impact fund-raising, and suggests the importance of alumni relations and

fund-raising officers working together.

Gary A. Ransdell (1986) looks at the relationship from the alumni

relations perspective in his article "Understanding Professional Roles and

Program Mission," where he says that the intent of alumni administration is

"to cultivate alumni to serve their institution and to cultivate the institution

to serve its alumni. The ideal opportunity for service occurs when alumni

and the institution mutually agree that they are indebted to each other" (p.

373). He recognizes the resource that alumni are for the institution, but also goes on to say, "Alumni have the collective power continually to enhance the value of their investment in a degree and in an institution" (p. 380). Ransdell believes that by continuing to support and be involved with their alma mater beyond graduation, alumni can help sustain the quality of education and the reputation of the school.

With regard to alumni relations and fund-raising, Ransdell (1986) believes that these should be two distinct yet totally compatible functions. He cites the view of J. Michael McGean, of Dartmouth College, on the relationship of alumni relations to fund-raising:

> There is no question that a strong alumni program is an invaluable contributor to successful development activities. Without a positive, well-balanced alumni effort, fund-raising would be infinitely more difficult. In the final analysis, however, the strength of an institution is measured not only in dollars, but in the degree to which people are willing to identify with it and share in its values. Alumni relations activities help further and deepen that commitment (pp. 381-82).

Ransdell writes that the number-one goal of alumni relations programming is to "create an atmosphere which encourages lifetime commitment among alumni and friends to offer financial support for and to participate in the life of the institution" (p. 383). So although he believes that alumni relations and fund-raising are two distinct functions, he clearly

recognizes an important relationship between them.

Stephen L. Barrett (1986) furthers this concept in his article "Basic Alumni Programming," where he writes, "A primary goal [of alumni programming] is to create an understanding of the needs and goals of the institution so that, when support of any kind is solicited, the individual will respond positively" (p. 417). Barrett takes this a step further, however, by including specific financial goals in his guidelines for alumni programming. He says that alumni should be given at least two opportunities to give each year, and that a goal of 30 percent alumni participation should be established. He does not think the alumni organization needs to do the soliciting, but that "the solicitation . . . should come from some institution office that works closely with the alumni office" (p. 418).

In his article in the Handbook for Alumni Administration, Stephan W. Roszell (1989) lays out specific steps by which alumni organizations can help shape the alumni resource. He suggests that alumni administrators participate in the tasks of conducting basic research on the demographics and attitudes of alumni, identifying specific segments of the alumni body that may be most interested in supporting the institution, and then informing them about and involving them in the life of the institution.

In the early 1980s, the Council for the Advancement and Support of Education (CASE) set out to create a set of criteria that could be used by institutions to evaluate their own advancement programs. The result was a booklet, Criteria for Evaluating Advancement Programs, published in 1985

and edited by Warren Heeman. Included in the criteria to evaluate alumni relations programs are the questions, "Do the association's board, staff, regional organizations, and other alumni volunteers actively support the fund-raising programs of the institution? Do 20 to 30 percent of all alumni make annual financial contributions?" (p. 3). In the fund-raising section is a related question, "Does the development program have a cooperative working relationship (regardless of organizational structure) with alumni, public relations, and publications units. . . . ?" (p. 5). These three questions again highlight the propositions that alumni relations, fund-raising and other constituent relations are interrelated, and that an important purpose of alumni relations is to support the fund-raising effort.

In a more objective light, several people have researched the potential effects that alumni relations involvement may have on alumni giving. Flora A. Caruthers (1974) did a study for her doctoral dissertation measuring the variables that distinguish alumni donors and nondonors. She surveyed 100 alumni donors and 125 nondonors from Oklahoma State University and found that participation in alumni club activities was one of eight variables typically associated with donors.

Dale F. McKee (1975) did a study of factors which affect alumni participation and support. He surveyed alumni at Indiana State University and found a positive relationship between participation in alumni activities and financial support. He found that alumni who contributed were more likely to participate, and also that those who participated were more likely to

contribute.

Richard M. Markoff (1978) did a study for his doctoral dissertation to determine if voluntary organization participation, in general, had the potential to affect financial contributions of alumni to their schools. He surveyed 160 alumni donors and 160 nondonors from the University of Toledo and found that those who were involved with their college were also more likely to be contributors.

Also in 1978, JoAnn Carlson did a doctoral study titled, The Role of Alumni in the Financial Survival of Independent Education. One of her findings from a survey distributed to 970 alumni from four private institutions was that maintaining close contact is the most significant predictor of alumni giving. In addition, she interviewed 50 donors and found that they "all were extremely positive in their feelings toward the institution, and they feel a definite personal, rather than academic, tie to the college" (p. xiii).

Many other researchers have done studies to identify characteristics of donors, in an attempt to create some sort of general "donor profile." Paul M. Gardner (1975), Mary J. Keller (1982) and Freddie D. Haddad, Jr. (1986) each studied single universities looking for common characteristics among alumni donors and nondonors. All found that participation in alumni activities was a common characteristic of donors.

Lastly, Barbara E. Brittingham and Thomas R. Pezzullo (1990) wrote a summary report of all research in the area of fund-raising in higher

education. They summarize the current knowledge on the behavior of alumni donors in this way: "Alumni donors tend to . . . have strong emotional ties to their alma maters . . . [and] participate in some alumni activities" (p. iv).

In summary, there is empirical evidence, as well as widely accepted "conventional wisdom," that alumni relations and fund-raising are strongly interrelated and that it is in the best interest of educational institutions for these two advancement functions to work closely together in the identification and cultivation of alumni donors. If this is so, why bother researching the effect of integration on alumni giving? Namely, because what is widely accepted as "right" is not always what is found in practice. As stated by Brittingham and Pezzullo (1990) in The Campus Green: Fund Raising in Higher Education, "The often recommended inclusion of admissions, athletics, alumni, communications, capital projects, fund raising, government relations, and public relations under the umbrella of advancement may be viewed as the consistent ideal of organization, but it is rarely an actuality" (p. 27).

Even though much of the work of alumni relations and fund-raising is the same (research, identification, information, and involvement), in many institutions the work is duplicated rather than shared. Stephan Roszell (1981) asks and answers the question, "If cooperation is more efficient and logical, then why is it not the rule rather than the exception on our campuses? The simple answer is, it is much easier to go one's own way than to cooperate and

allow for the other person" (p. 201).

Harvey K. Jacobson (1986) lists, "a propensity for factionalism" (p. 23) as one of several major issues in institutional advancement in his article, "Skills and Criteria for Managerial Effectiveness." He says that although the idea of a consolidated direction of advancement was suggested 25 years ago, it is still the rule today that advancement professionals tend to identify themselves with one specialty, with little or no regard for the other functions. Jacobson goes on to say, "A corollary barrier to progress is the tendency of some institutions to elevate one function to a domineering role above its sister functions" (p. 23).

The lack of cooperation between alumni relations and fund-raising departments is rooted in history and is sometimes based on the alumni professionals' fear that the alumni resource might be exploited or even destroyed by overly aggressive fund raisers (Roszell, 1989). Robert G. Forman (1984), long-time alumni administrator at the University of Michigan, expresses this fear in an article, appropriately titled, "A-L-U-M-N-I Doesn't Just Spell M-O-N-E-Y":

> University administrators and presidents are johnny-come-
> latelies in realizing the real value of an alumni relations
> program. . . . Presidents feel the pinch of money and so rush
> pell-mell into a newly initiated fund-raising activity without
> recognizing the benefits of pump-priming to maximize those
> returns. Pump-priming comes from a very considered and

patient kind of alumni relations (p. 27).

Another reason for the separation between alumni relations and fund-raising

departments is the perception by some that fund-raisers consider alumni

officers second-class citizens and do little to involve them in their

development plans. G. David Gearhart (1989a), then senior vice president for

development and university relations at Pennsylvania State University,

wrote in the Chronicle of Higher Education:

> Alumni staff members often feel they "don't get any respect"
>
> from their development counterparts, although, they believe it
>
> is they who create the relationship with the institution that
>
> ultimately translates into increased alumni giving. As one
>
> alumni director put it: "No one has ever given a dime to a place
>
> he didn't care about." On the other hand, development
>
> directors, who are responsible for reaching yearly fund-raising
>
> goals, see their alumni association counterparts as being
>
> primarily interested in holding social events (pp. B2-B3).

Nonetheless, it is still believed by most advancement professionals that

close working relationships are important and that effective and efficient

operations are essential. As summarized by alumni administrator Stephan

Roszell (1981), in "Coordination of Alumni Associations and Development

Programs,"

> As professionals in the institutional advancement field, we
>
> represent the university to the alumni. Many do not notice

34

which hat we are wearing, alumni or development; they simply know that we are working on behalf of the university. . . . The problem of limited resources that our institutions face will challenge our productivity and stimulate internal management to work toward more cost-efficient and better organized operations. . . . Productivity and efficiency through cooperation between alumni associations and development funds must flourish in the decade ahead (p. 202).

The purpose of this study is to examine whether this conventional wisdom—that to be successful in obtaining support from alumni, development and alumni relations efforts must be highly integrated—really is true in today's private universities. The following section will discuss contingency management theory and the concept of integration, as well as review other research that has been done on organizational structures and integration in higher education.

A Theoretical Basis for Integration

The literature has revealed two major arguments for integration within the advancement functions: the "conventional wisdom" that integrated institutions will be more successful in gaining and maintaining constituency support, and the more practical reason of increased efficiency within the institution. This section will address the theoretical bases of these beliefs: contingency organizational theory and integration.

Contingency theory and integration address the issue of organizational

design and structure. Mescon and Khedouri (1981) define structure as "the logical relationship of management levels and functional areas arranged in such a way as to permit the effective attainment of objectives" (p. 70).

Ever since the origin of organizations, people have tried to find the perfect organizational structure. The desire to find the perfect or model organizational structure is based on the practical need to find the most efficient and effective way of using limited resources (people, time, and materials) to achieve the organization's objectives. In the current century, researchers have looked at this issue with special determination.

Shortly after World War I, researchers known as general administrative or classical theorists, wrote a good deal about organizational structures and developed the classical principles of organization design. These principles are <u>unity of command</u>, which holds that a subordinate should have only one superior; <u>span of control</u>, which guides the number of subordinates a manager can efficiently and effectively direct; and <u>division of labor</u>, the breakdown of jobs into narrow, repetitive tasks (Robbins, 1988). With the advent of these principles, especially the division of labor, the need for coordination became apparent. Mescon and Khedouri (1981) wrote: "While always required, the need for coordination becomes intense when labor is extensively divided . . . as it is in the modern organization. . . . Unless management creates formal coordinating mechanisms, people will be unable to work <u>together</u>. Without formal coordination, different levels, functional areas, and individuals might easily focus on their own interests, rather than

those of the organization as a whole" (p. 73).

As organizations became more complex and the need for efficiency and effectiveness grew more intense, researchers set out to find the model organizational structure. However, after many "model organizations" were created in one organization or industry and were found to fail under different circumstances, researchers began to discuss a new nonmodel, contingency organizational theory, which contended that organizational structure must be determined by an organization's unique internal and external environment, including the organization's own objectives and strategies, size, tasks, technology, people, customers, competitors, and sociocultural and legal factors (Mescon & Khedouri, 1981). Contingency theory asserts that each of these factors is of major importance in determining the potential success of a given organizational structure and that there is no one "model" design that fits all organizations.

In the 1960s, Paul Lawrence and Jay Lorsch, both of the Harvard Business School, conducted research on 10 businesses from three diverse industries to test the validity of contingency theory, looking for differences not only between industries and businesses, but also within subunits (departments) of the organizations. As explained by Robbins (1988): "[They] measured two dimensions of structure: what they called differentiation and integration. Differentiation refers to the degree to which managers of different functional departments vary in their goal and value orientations. Integration refers to the degree to which members of various

departments achieve unity of effort" (p. 232).

The findings of Lawrence and Lorsch confirmed their expectations, that the structure for each organization depended on how homogeneous the environment was that the firm operated in. A second discovery, and the one most important to this study, was that the most successful firms in each industry had a higher degree of integration than their low-performing counterparts (Robbins, 1988). Integration is defined by Robbins as "the degree to which members of various departments achieve unity of effort" (1988, p. 232). Effective integration is summarized by Mescon et al. (1981):

> Top management, to effectively integrate the organization, must
>
> keep in mind the organization's overall objectives and
>
> communicate to members the need to focus on *overall*
>
> objectives. It is not enough that each of the organization's
>
> subunits and people perform efficiently. Managers should view
>
> the organization as an open system. . . . if one or more subunits
>
> of an organization are not effectively integrated with the rest of
>
> the organization, the health of the organization will decrease
>
> (p. 644).

Several techniques for integration have been suggested by researchers, from rules and procedures, to committees and interdepartmental meetings. As a result of their research, Lawrence and Lorsch found conflict management to be a particularly important technique. They found that in the most successfully integrated organizations, differences were openly discussed

and conflict was actively resolved (Mescon & Khedouri, 1981).

Although most of the research and theory about management and organizational design are based on the experiences of for-profit businesses and organizations, contingency theory is pertinent to the discussion of organizational structure within higher education. In the mid-1960s, the American College Public Relations Association conducted a study, lead by John W. Leslie, of the "management . . . of programs and activities expressly designed to advance the understanding and support of institutions of higher education" (Leslie, 1969, p. xiii). One of the objectives of Leslie's study was to find out how advancement program activities were commonly organized. Although Leslie's findings revealed that many advancement programs were centralized under a single manager, 53 percent of the programs had more than one person reporting to the president. Moreover, the percentage of centralized structures varied among types of organizations. For example, 81 percent of private universities were centralized, versus only 15 percent of state colleges (Leslie, 1969). The difference was attributed to the age and size of the program, elements that are all part of the organization's "environment."

In his 1986 article, "Organizational Issues in Designing Advancement Programs," James M. Shea writes about the need to devise organizational structures specific to each particular institution. "Each college or university has its own nervous system and must develop the organization it needs. The variety of configurations found in higher education emphasizes that fact" (p. 32). An imitative approach will not suffice, writes Shea. "Resist the

temptation to shape your model after another institution's simply because it appears to have worked there. The mix of people, the setting, and the history of the institution are different; and transplants, unless perfectly typed, do not usually succeed" (p. 34).

Although they do not name it as such, both Leslie and Shea's messages are strongly rooted in contingency theory and are concerned with the effects of the internal and external environments on an organization's structure.

Dennis R. McGinnis (1980) conducted a study of successful fund-raising programs at selected state and regional universities in an attempt to construct a model fund-raising program. One of the areas he researched was the organizational structure of fund-raising and alumni offices. He found a variety of approaches, and concluded, "No best organizational structure, applicable to all state colleges and regional universities, emerges from this study. Each institution's structure depends on individual characteristics and approach" (p. 118). Unfortunately, McGinnis did not study the level of integration and cooperation in these successful programs.

Another study on organizational structure within the advancement function was done by G. David Gearhart (1989b) as a doctoral project. Gearhart tested the impact of organizational structure on the advancement functions involved in preparing and initiating capital campaigns. He studied 10 major research universities in two categories of organizational structure: a centralized structure, in which all advancement components were integrated under one vice president who reported to the president; and a decentralized

structure, in which the components reported separately and under different structures. Gearhart's study examined the impact of organizational structure on six areas of campaign preparation and initiation, using a case-study method. Among the six issues he studied were whether a centralized or decentralized structure affected the use of volunteers in a capital campaign, and whether the use of alumni clubs and alumni networking for the capital campaign was affected by organizational structure. His findings showed that organizational structure can be a determining factor in building a volunteer network, but that organizational structure has little impact on the use of alumni clubs and alumni networking for campaign organization. With regard to all six issues he studied, Gearhart concluded that a centralized organizational structure was more efficient and effective in preparing for and initiating a capital campaign. However, he did not address the concept of integration and did not measure to what extent the departments worked together effectively.

To date, no research has been found by the author empirically proving the much-espoused belief that integration of fund-raising and alumni relations positively affects the ability of colleges and universities to raise money from their alumni. In fact, no research on integration in any of the advancement functions could be found. However, as shown in the literature, the benefit of integration is a conventional wisdom shared by most practitioners and generally makes practical sense.

The following chapter will discuss the methodology for this study.

Chapter Three

Methodology

Purpose of the Study

This study was designed to determine if there is a correlation between the level of integration of an institution's alumni relations and fund-raising departments, and alumni giving. The study tested three points: (1) if the degree of integration exhibits a positive relationship to the total amount of money donated by alumni; (2) if the degree of integration exhibits a positive relationship to the percentage of alumni who donate; and (3) if the degree of integration exhibits a positive relationship to the average alumni gift size.

Subjects.

The population for this study consisted of private research and doctoral institutions which reported their voluntary giving information to the Council for Aid to Education (CFAE) for the fiscal years 1989-90 (70 schools) and 1990-91 (68 schools).

The institutions included in the study are 64 schools which provided complete information for both years regarding dollars given by alumni, total number of alumni solicited (or total number of alumni), and number of alumni donors. This information was obtained from the annual CFAE report, "Voluntary Support of Education, Volume 2: Detailed Survey Results by Institution" for the years 1990 and 1991. All 64 institutions were surveyed, so there was no sampling. However, one institution was removed from the

original list of 65 because the staff was involved in the development of the study. The list of the institutions surveyed is included in Appendix A.

The category of subjects selected for this study represents most of the larger U.S. private institutions of higher education that have sizable alumni relations and fund-raising staffs (at least five people in each department). In order to explore integration and its effects on fund-raising, the staffs involved have to be large enough to operate somewhat autonomously. In institutions with smaller staffs, a certain level of integration is assumed and the effects of integration, or lack of it, are less apparent.

Research Design

The research was conducted with written, self-administered questionnaires, which were sent to the alumni relations and fund-raising directors at each institution.

Alumni relations and fund-raising directors were surveyed to obtain perceptions and views from both sides of the development/alumni-relations relationship. Each side brought to the study a unique perspective, based on the goals of each and what each use to measure success in their own program. Also, by surveying the directors of each program, rather than the chief advancement officer, the answers provided the perspective of those who are actually managing the program day-to-day, rather than the overview of the person who primarily sees only the results.

The responses to the written questionnaires and the information about alumni giving drawn from the CFAE reports were used to answer three

research questions: whether there is a correlation between integration and alumni giving; whether institutions that are structurally integrated work together more cooperatively; and how other factors may affect a cooperative working relationship. Integration at each school was measured by the responses given to 37 questionnaire items. Organizational structure and the effect of other factors were determined by the responses given to other survey questions.

Questionnaire respondents were assured confidentiality. Information is reported only in terms of categories (high or low integration and alumni giving) and not by individual institution. Confidentiality was considered necessary to obtain candid answers, especially concerning issues that affect the relationship between an institution's alumni relations and development directors. However, in order to match an institution's responses to the alumni-giving records, each questionnaire was coded.

Instrumentation

The written questionnaire was designed to take 15 to 20 minutes to complete, and addressed four major areas:

1. Demographic information about the institution and the alumni relations and development programs, including their reporting structures. These questions provided basic information about the fund-raising and alumni relations programs, and identified factors that may have some effect on the amount of funds raised from alumni, such as age, size, and scope of programs.

2. The degree to which the alumni relations and development departments are integrated, i.e., share tasks and information, and collectively plan and participate in each other's activities. These are the most important questions of this study and were used to answer the primary research question.

3. The directors' perceptions of the effect of alumni-relations programming on fund-raising success. These items helped to identify attitudinal factors that may affect an integrated working relationship.

4. Other factors that may affect a close working relationship between alumni relations and fund-raising, such as communication with an institution's leadership, an institution's prevailing management philosophy, and methods of conflict resolution.

The questionnaire is presented in Appendix B.

Prior to mailing, the questionnaire was reviewed by professionals in the advancement field and was pretested on two alumni relations directors and two development directors from institutions not included in the list of study subjects, but which met the staff-size criteria of this study.

Procedures

The written questionnaires were sent directly to the alumni relations and fund-raising directors, using names and addresses from the 1993 CASE Members' Directory. Included was a cover letter which introduced the researcher, briefly explained the purpose of the study, outlined the procedure for completing and returning the questionnaire, and assured confidentiality. The letter also asked that the directors complete the survey themselves. The

letter did not reveal that directors of alumni relations as well as fund-raising offices would receive the questionnaire. The cover letter is presented in Appendix C.

Two weeks after the original mailing, reminder calls were made to those directors that had not responded. As previously mentioned, each institution was identified by a code on the questionnaire, so that the researcher could identify which directors had responded. A second questionnaire was sent to those who requested one when the follow-up calls were made. It was important to this study to get a high level of response because of the small size of the population.

Treatment of Data

Most of the survey questions were in the form of a five-point Lichert scale or multiple choice response. A few of the demographic questions were open-ended, but required a very specific answer. For each question a frequency distribution was calculated. Where appropriate, measures of correlation were also computed, including crosstabulations and Pearson r correlation coefficients.

To answer research question 1, Pearson r correlation coefficients were calculated between responses to the 37 integration questions and the three measures of giving to determine if there was a relationship between giving and integration and,s if so, the strength and direction (positive or inverse) of that relationship.

The measures of giving (total alumni dollars, average alumni gift and

percentage of alumni donors) were calculated by using data from the CFAE reports. The total alumni dollars is the total amount raised annually from alumni. The average alumni gift is the total alumni dollars divided by the total number of alumni donors. The percentage of alumni donors is the total alumni donors divided by the number of alumni solicited (or total number of alumni, if solicited number was not provided). These figures were calculated for two years, 1989-90 and 1990-91, and then averaged.

To answer research question 2, each institution was categorized as "centralized" or "decentralized," depending on their reporting structure. Cross-tabulations and Pearson chi-squares were used to determine if there was a significant difference between the integration scores of centralized institutions and decentralized institutions.

To answer research question 3, a questions were asked about the effect of various factors on the working relationship between alumni relations and development departments. In addition, questions were asked about staff attitudes regarding working with the other department and the level of satisfaction with current integration-related conditions. Frequency distributions were calculated to examine the responses.

Operational Definitions

The operational definitions for this study are as follows:

Integration Question: A question that measures one factor in determining the level of integration in an institution. The answers to each integration question were scored from one to five, one representing the lowest level of

integration and five representing the highest level.

High Level of Integration: When the scored response to an integration question or group of integration questions is greater than 2.5.

Low Level of Integration: When the scored response to an integration question or group of integration questions is less than or equal to 2.5.

Total Alumni Dollars: The amount given by alumni to their institution annually. Data were obtained from the CFAE report, "Voluntary Support of Education Volume 2: Detailed Survey Results by Institution" for years 1990 and 1991. High total dollars are greater than the median. Low total dollars are less than or equal to the median. The median, rather than the mean, is used because of the skew created by a few large gifts.

Average Alumni Gift: The average amount alumni gave to their institution annually, calculated by dividing the total alumni dollars in a given year by the number of alumni donors. Data were obtained from the CFAE report, "Voluntary Support of Education Volume 2: Detailed Survey Results by Institution" for years 1990 and 1991. High average gifts are greater than the median average gift. Low average gifts are less than or equal to the median. The median, rather than the mean, is used because of the skew created by a few large gifts.

Percentage of Alumni Donors: The percent of alumni who are solicited and make a donation to their institution in a given year, calculated by dividing the number of alumni donors by the number of alumni solicited (or total number of alumni, if information on the number of alumni solicited was not

provided). Data were obtained from the CFAE report, "Voluntary Support of Education Volume 2: Detailed Survey Results by Institution" for years 1990 and 1991. A high percentage of alumni donors is defined as greater than the median percentage for the population. A low percentage of alumni donors is less than or equal to the median percentage for the population.

Centralized/Decentralized Reporting Structure: The reporting structure for each institution was determined by the respondents' answers on the written questionnaire to four questions about the organizational structure. If both alumni and development directors report to the same person, who then reports to the president, the institution was categorized as centralized; and if they report to different people who reported to the president, the institution was categorized as decentralized.

Chapter Four

Results and Findings

Introduction

This chapter reports the results of analysis of responses to a

questionnaire mailed in April, 1993 to alumni and development directors at

64 private research and doctoral universities. A description of the

respondents and their institutions is followed by a discussion of the data

gathered to answer the study's three primary research questions:

1. Is there a relationship between the degree of integration among alumni

relations and development departments and alumni giving?

2. Are alumni and fund-raising departments that are structurally centralized

also more integrated?

3. How do certain factors enhance or diminish a cooperative, integrated

working relationship between alumni and fund-raising departments?

Description of Respondents

As described in Chapter Three, 127 questionnaires were sent to alumni

directors and development directors at 64 private research and doctoral

universities throughout the nation. Eighty-four completed questionnaires

were returned, for a response rate of 66.1%. Tables 4.1 and 4.2 describe the

respondents.

Table 4.1

Survey Mailing Response

	Total		Development directors		Alumni directors	
	Number	Percent	Number	Percent	Number	Percent
Total surveys	127	100.0	64	100.0	63	100.0
Respondents	84	66.1	42	65.6	42	66.7
Non-respondents	43	33.9	22	34.4	21	33.3

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Table 4.2

<u>Survey Mailing Response By School</u>

	Number	Percent
Total schools	64	100.0
Responding schools	55	85.9
Development directors	12	21.8
Alumni directors	13	23.6
Both	30	54.5
Non-responding schools	9	14.1

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

<u>Demographics of Institutions</u>

Four questions were asked to determine if the institution was centralized (i.e., the development and alumni directors report to the same person) or decentralized (i.e., they report to different people). Forty-one institutions were centralized and fourteen were decentralized.

Data were also gathered from the annual Council for Aid to Education report, "Voluntary Support for Education Volume Two: Detailed Survey Results by Institution" (1991) to determine the responding institutions' 1990-91 enrollment, number of alumni of record, and market value of the endowment. The dates the schools were founded was obtained from the

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Higher Education Directory (1993) to determine the institutions' ages.

In the group of schools that responded to the survey, enrollment levels ranged from 1,846 to 47,485, with a median enrollment of 9,390. The schools' number of alumni of record ranged from 8,597 to 308,000, with a median of 59,070. More than 85% of the institutions had fewer than 20,000 students and fewer than 100,000 alumni of record (80.0%). However, the study population contains a few very large institutions, bringing the mean enrollment up to 11,426 students and the mean alumni of record to 75,675.

The market value of responding schools' endowments varied from $396,000 to $466,968,000, with a median of $265,901,000. Although most institutions had endowments valued at less than $100 million (83.6%), nine institutions with very large endowments skew the distribution and raise the mean considerably above the median to $565,919,000.

The questionnaire also included questions about the size of the alumni and development department staffs, and the number of years each has existed as a paid-staff organization. Responses are shown in Tables 4.3 and 4.4, respectively.

Table 4.3

Number of Development and Alumni Staff Members

	Development staff		Alumni staff	
	Number	Percent	Number	Percent
Total	52	100.0	53	100.0
0-9	4	7.7	25	47.2
10-24	14	26.9	19	35.8
25-49	13	25.0	7	13.2
50-99	12	23.1	2	3.8
100 or more	9	17.3	0	0.0

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

There is a notable difference in the size of development and alumni staffs. Development departments were reported to employ from 5 to 205 staff members, with a median staff size of 41; and 65.4% of these institutions reported 25 or more members on their development staff.

In contrast, alumni departments were reported to employ from two to 70 staff members, with a median staff size of 11; and 83% of the departments reported fewer than 25 people on their alumni staff.

Table 4.4

Number of Years School Has Had Paid Development and Alumni Staffs

	Development staff		Alumni staff	
	Number	Percent	Number	Percent
Total	54	100.0	54	100.0
0-5 years	1	1.9	0	0.0
6-10 years	1	1.9	3	5.5
11-25 years	15	27.7	12	22.3
More than 25 years	37	68.5	39	72.2

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

According to these data, the respondent institutions generally have well-established development and alumni programs. Only 3.8% of the development staffs and 5.5% of the alumni staffs are less than 11 years old. Furthermore, 68.5% of the development staffs and 72.2% of the alumni staffs are more than 25 years old.

Respondents were asked to provide their approximate 1992-93 development and alumni program budget figures as a further comparative measure. However, the wording of the question was not sufficiently explicit regarding what expenses should or should not be included, and consequently the responses could not be used for comparisons. For this reason,

categorization by budget will not be included in the study.

<u>Research Question 1: The Relationship Between Integration and Alumni
Giving</u>

The primary research question of this study is whether the level of
alumni giving to an institution correlates with the degree of integration
between its alumni relations and development departments.

To review, alumni giving was measured three ways: the total dollars
contributed to the institution by alumni (<u>total dollars</u>), the average alumni
gift (<u>average gift</u>) and the percentage of alumni who contributed to their alma
mater (<u>percentage of donors</u>). Schools with giving records at or below the
median were categorized as "Low" for alumni giving and those above the
median were categorized as "High." The median, rather than the mean, was
used because a few very high giving records in each of the measures skewed
the distributions. In these circumstances, the median provides a more
accurate middle point. Table 4.5 below shows the distribution of alumni
giving.

Table 4.5

Distribution of Alumni Giving from Survey Group

	Total dollars	Average gift	Percentage of donors
Range:			
High	$69,911,107	$2,788.41	60.0
Low	58,082	43.90	7.0
Median	7,127,279	486.57	26.0

Source: Council for Aid to Education, "Voluntary Support for Education" (1991, p. 10-11).

Most of the schools (84%) fell into the same grouping (high giving or low giving) for both total dollars and average gift. For example, most of the schools that were grouped as "high" for total dollars were also "high" for average gift. Average gift might be a better measure for comparison because it is an average and not as easily influenced by the size of the school. To simplify the presentation of data, therefore, this section will focus on the measures average gift and percentage of donors.

Measures of integration were taken from literature in the institutional advancement field that suggest practices which should be followed to insure an integrated working relationship between alumni relations and development departments. This study took the most common suggestions and designed 37 questions to measure to what degree the schools

implemented these practices.

Eighteen of the survey's 37 integration-related questions measured collective planning, ten questions measured participation, six questions measured program collaboration and three measured communication. To review: collective planning is the degree to which alumni and development departments work together in long- and short-term program planning; participation is the degree to which the two staffs participate in each other's activities; program collaboration is the degree to which the two staffs collaborate on tasks beneficial to both departments; and communication is the degree to which the two departments share information about alumni, prospects, strategies and programming.

Table 4.6 shows the correlation coefficients for all 37 integration questions. Correlation coefficients indicate the relationship between the two variables, giving and integration. When giving and integration are both high or low, the coefficient is positive. When one is high and the other is low, the coefficient is negative and the relationship is inverse. The closer the number is to 1.0 or -1.0, the stronger the relationship.

Table 4.6

Correlation Coefficients for Integration Questions and Giving Measures

QUESTIONS	Total dollars	Average gift	Percentage of donors
Collaborate to:			
Publish calendar of activities	.13	-.12	.00
Set development program goals	-.36	-.28	-.24
Set alumni program goals	-.33	-.34	-.25
Set annual fund goals	-.42	-.35	-.34
Plan reunion giving program	-.29	-.43	-.02
Execute reunion giving program	-.18	-.29	-.06
Plan travel/appt. schedule for president	.28	.06	.13
Schedule mailings to alumni	-.25	-.36	-.01
Identify donor prospects	-.26	-.21	-.06
Identify volunteer prospects	-.18	-.21	.17
Develop solicitation strategies	-.28	-.28	-.13
Recognize "star" alumni	-.30	-.38	-.17

Table continues

QUESTIONS	Total dollars	Average gift	Percentage of donors
How often development staff helps plan:			
Reunions	-.12	-.13	.06
Continuing education programs	-.13	-.18	-.11
Regional club or chapter events	.15	-.02	-.03
Alumni recognition events	-.09	-.29	.04
Alumni tours or trips	.04	.06	.09
How often development staff attends:			
Reunions	-.01	.04	.24
Continuing education programs	-.21	-.18	-.01
Regional club or chapter events	-.06	.03	-.15
Alumni recognition events	-.02	-.08	.01
Alumni tours or trips	.16	.13	.13
How often alumni staff helps plan:			
Donor appreciation events	-.23	-.21	-.05
Donor prospect cultivation events	-.20	-.20	-.04
Fund-raising kickoff events	-.11	-.09	.02
Annual fund phon-a-thons	-.42	-.27	-.42
Donor prospect screenings	-.23	-.09	-.07

QUESTIONS	Total dollars	Average gift	Percentage of donors
How often alumni staff attends:			
Donor appreciation events	-.27	-.23	-.21
Donor prospect cultivation events	-.19	-.22	.03
Fund-raising kickoff events	.02	-.07	.11
Annual fund phon-a-thons	-.33	-.23	-.39
Donor prospect screenings	-.26	-.10	-.12
How often alumni staff files contact reports w/ development-related info	-.27	-.29	-.03
How often development staff files contact reports w/ alumni-related info	-.27	-.20	.06
How often meetings held w/ alumni and development staffs	-.18	-.24	-.09
How often alumni magazine addresses fund-raising concerns	-.30	-.30	-.30
How many fund-raising volunteers began as alumni volunteers	.13	-.01	.09

Note: Spearman r was used to calculate the coefficients.

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Although these coefficients do not establish a strong relationship between giving and integration, they also do not support the study's hypothesis that schools with high levels of alumni financial support also have highly integrated alumni relations and fund-raising efforts. No relationship was found between giving and about 65% of the integration questions. However, relationships revealed in the remaining analysis indicate that schools with high giving records were less likely to incorporate recommended practices of integration. Only one question resulted in a positive relationship between integration and giving: At schools with high total dollars, alumni and development staffs were more likely to collaborate planning the president's travel and appointment schedule.

Looking at the responses to specific questions, an inverse relationship was found between collaborative program planning and giving, especially regarding collaboration to set program and fund-raising goals. The data indicate that schools with high alumni giving did not collaborate to set goals as frequently as those schools with low alumni giving.

Table 4.7 shows that the responses from schools with high giving correspond closely to the responses from all schools in this study. However, respondents from schools with low giving indicated that they collaborate to set goals "sometimes," "usually," or "always" up to 20% more often than the two other groups. Interestingly, schools with a high percentage of donors collaborate to set goals the least, and schools with low percentage of donors collaborate the most.

Table 4.7

Responses to Question 7:   "How often do the development and alumni
relations staffs collaborate to perform the following activities?"

	Set development program goals	Set alumni program goals	Set annual fund goals
All schools:		Percentages	
Total	100.0	100.0	100.0
Never/rarely	54.5	45.5	63.0
Sometimes	20.0	30.9	13.0
Usually/always	25.5	23.6	24.0
Schools w/ high average gifts:			
Total	100.0	100.0	100.0
Never/rarely	46.4	46.4	63.0
Sometimes	32.1	28.6	18.5
Usually/always	21.4	25.0	18.5
Schools w/ low average gifts:			
Total	100.0	100.0	100.0
Never/rarely	44.4	29.6	48.2
Sometimes	25.9	48.2	22.2
Usually/always	29.6	22.2	29.6

Table continues

	Set development program goals	Set alumni program goals	Set annual fund goals
Schools w/ high percentage of donors:		Percentages	
Total	100.0	100.0	100.0
Never/rarely	67.8	50.0	67.9
Sometimes	14.3	32.1	17.9
Usually/always	17.9	17.9	14.2
Schools w/ low percentage of donors:			
Total	100.0	100.0	100.0
Never/rarely	40.7	25.9	42.3
Sometimes	25.9	44.4	23.1
Usually/always	33.3	29.6	34.6

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Another interesting relationship is found between giving and the planning and execution of reunion giving programs. Although no relationship was found between the level of integration and the Percentage of Donors, a correlation was found with the Average Gift. At 72% of the schools with a low Average Gift, the alumni and development staffs "usually" or "always" collaborate to plan the reunion giving. Only 37% from schools with high Average Gift responded the same. Furthermore, where 64% from schools with low Average Gift "usually" or "always" collaborate to execute

the reunion program, only 40% from schools with high <u>average gift</u> do.

An inverse relationship was also found between <u>average gift</u> and collaborating to schedule mailings to alumni. Thirty-two percent of the schools with a high <u>average gift</u> "rarely" or "never" collaborate to schedule mailings to alumni. However, only 14% of schools with a low <u>average gift</u> responded "rarely" or "never."

Several questions were asked about program collaboration (the degree to which alumni and development staffs collaborate on tasks beneficial to both departments). Question 71 asked, "How often do the development and alumni staffs collaborate to recognize 'star' alumni who are donor prospects?" Nearly 18% of the schools with a high <u>average gift</u> responded "never" or "rarely," and only 28.5% responded "usually" or "always." Conversely, only 3.7% of those with a low <u>average gift</u> responded "never" or "rarely," and 51.9% responded "usually" or "always." Although close to 50% of schools from both categories work together "sometimes," this data signifies that in schools with high giving, the alumni and development departments do not regularly work together to recognize key alumni prospects.

One of the few correlations found between integration practices and the <u>percentage of donors</u> was with the planning and implementation of annual fund phon-a-thons. Question 10d asked, "How often do members of the alumni relations staff participate in <u>planning</u> annual fund phon-a-thons?" Seventy-three percent of the schools with a high <u>percentage of donors</u> responded "rarely" or "never," but only 48% of schools with low percentage

responded the same. Question 11d asked, "How often do members of the alumni relations staff attend annual fund phon-a-thons?" Fifty-eight percent of the schools with a high percentage of donors and 26% of schools with low percentage of donors responded "rarely" or "never." These results indicate that in schools with a high percentage of alumni donors, development and alumni staffs are still less likely to work together, even on an alumni-oriented fund-raising activity.

These results are quite surprising because they contradict the conventional wisdom of many professionals in the field of institutional advancement. Not only did the study find only one positive relationship between integration and giving, but all other significant relationships revealed by this study are contraindicative of the conventional wisdom that schools should strive to integrate their alumni and development efforts to maximize alumni giving. Additionally, the results go against widely accepted management theories, such as those discussed in Chapter Two, which emphasize the importance of unity of effort and interdepartmental coordination.

Is it possible that the conventional wisdom is wrong and that management theories that have been tested in other situations do not apply in this instance? Perhaps, but it is also possible that other factors could have affected the study's results. Is there something about the schools with the highest giving records that affects their ability to be more fully integrated? Conversely, is there something about the schools with lowest giving records

that encourages more integration? To explore these possibilities, the data were analyzed to answer the following questions:

1. What are the characteristics of the schools that are least integrated and have high giving records?

2. What are the characteristics of the schools that are the most integrated and have low giving records?

3. What factors may explain the level of fund-raising success and the degree of integration?

First, criteria were determined for the two groups, high giving/low integration, and low giving/high integration. The criteria follow:

1. High giving was defined as those schools that had above-median giving in all three giving measures (total dollars, average gift and percentage of donors).

2. Low giving was defined as those schools that had below-median giving in all three giving measures.

Sixteen of the 55 responding schools fell into the high giving group and 13 fell into the low giving group.

To determine high and low integration, nine questions that showed the strongest correlation with giving were used to measure integration (see Table 4.6). The responses of each school to these questions were averaged to give a single integration score. Schools whose scores were 2.5 or less were determined to have low integration and schools with scores above 2.5 were determined to have high integration.

Nine schools were found to have high giving and low integration. Eleven schools had low giving and high integration. Several characteristics of these two groups of schools were then compared for significant correlations.

Table 4.8

<u>Characteristics of Schools</u>

		All schools (n=55)	Low integration (n=9)	High integration (n=11)
Age of institution (1991):	Range	27-355	100-355	27-127
	Median	121	222	72
Staff size/ development:	Range	7-205	40-200	7-65
	Median	41	100	21
Staff size/ alumni:	Range	2-70	9-50	7-65
	Median	11	20	6
Endowment (in thousands)	Range	$3,964-4,669,683	$448,138-4,669,683	$3,964-339,360
	Median	$556,787	$1,328,300	$48,365
Alumni of record	Range	8,597-308,000	17,473-231,274	8,597-79,653
	Median	59,070	80,120	42,000
Enrollment	Range	1,846-47,485	1,861-24,641	1,846-22,748
	Median	9,390	9,628	9,960

Sources: Survey data collected April through June, 1993; Council for Aid to Education,

"Voluntary Support for Education" (1991, p. 10-11) and <u>Higher Education Directory</u> (1993).

As the table shows, there are dramatic differences in many of the characteristics between the two subgroups. First, the schools with high giving and low integration are significantly older; the median age of these schools is 222 years, versus the low giving/high integration group median of 72 years. The high giving/low integration group was also found to have much larger alumni and development staffs. The staffs were three to four times larger than the schools with low giving and high integration.

There was also a tremendous difference in the endowment between the two groups of schools. The largest endowment in the low giving/high integration group was smaller than the smallest endowment in the high giving/low integration group.

The median alumni of record in the high giving/low integration group was nearly twice the size of the low giving/high integration group. There was very little difference in student enrollment between the two groups.

In summary, Table 4.8 illustrates that on average, those schools with high giving and low integration are significantly older, with more alumni of record, larger staffs, and larger endowments than those schools with low giving and high integration.

As an additional note, eight of the nine schools in the high giving/low integration group were reported by the Council For Aid to Education in 1991 (p. 22) to be among the nation's top 20 schools in alumni support.

What do these data mean to this study? Primarily, the data show that

there are significant <u>institutional</u> differences between the groups on each end of the giving/integration scale. The following two sections will introduce how these differences might explain the inverse relationship found in this study between giving and integration.

<u>How Institutional Characteristics Impact Giving</u>

Over the past 20 years, researchers established a concept they call "fund-raising potential" as a variable in evaluating fund-raising effectiveness. This concept addresses the fact that certain characteristics impact an institution's ability to raise money no matter what the school does to encourage gifts. Thus, schools' potential for raising money is partly determined by factors unrelated to fund-raising practices. Factors that have been tested by researchers include characteristics measured in this study, such as the size and age of a school, the number of fund-raising staff, and the market value of endowments.

A study by Loessin, Duronio, and Borton (1987) tested whether fund-raising outcomes for four donor groups were affected by a number of institutional characteristics. The study found that the characteristic most highly correlated with alumni gifts was the market value of the endowment. The size and age of the institution also had a high correlation with alumni gifts, especially when measured by alumni of record. The size of the fund-raising staff also affected alumni gifts, but enrollment was not found to be an important factor.

Research by Pickett (1986) concluded that an institution's endowment

value and its number of alumni are related to its gift income and fund-raising potential: Those schools with larger endowments and more alumni receive more gift income and have a greater potential for fund-raising. A study by L. Leslie and Ramey (1988) found that alumni were more likely to give to older and larger schools.

To test for a relationship in this study's survey population, data on the schools' age, endowment, enrollment, alumni of record, and staff size were correlated with their giving records. Just as in previous research, strong correlations were found between total alumni giving and age, endowment, alumni of record, enrollment, and staff size. Although the previously mentioned studies did not test for correlations with average alumni gift or percentage of alumni donors, correlations were found in this study between average gift, age, endowment, and staff size, and between percentage of donors, age, and staff size. Table 4.9 shows the correlation coefficients.

Table 4.9

Correlation Coefficients for Institutional Characteristics and Giving

	Age	Endow-ment	Enroll-ment	Alumni of record	Develop. staff size	Alumni staff size
Total dollars	.63	.73	.38	.61	.78	.80
Average gift	.27	.38	-.02	.13	.32	.47
Percent. donors	.43	.20	-.12	.02	.39	.31

Sources: Survey data collected April through June, 1993; Council for Aid to Education,

"Voluntary Support for Education" (1991, p. 10-11) and Higher Education Directory (1993).

Looking at these findings, the findings of previous studies, and the concept of fund-raising potential, it is apparent that there are distinct characteristics in the high giving/low integration and low giving/high integration groups that are affecting their fund-raising abilities, beyond the level of integration.

How Institutional Characteristics Impact Integration

No previous research has been found that explores the relationship of institutional characteristics to integration. In fact, as mentioned in Chapter Two, no other research on integration in institutions of higher education could be found, so there is no proven conclusion about the relationship

between size, age, staffing, endowment, and departmental integration. To better understand the inverse relationship found between giving and integration in this study, it was hypothesized that these characteristics not only impact alumni giving (as discussed in the previous section), but that they also affect the degree to which schools integrate their alumni and development departments.

To test for such a relationship, correlation coefficients were run with the data from this study. Integration was measured by averaging the scores for nine questions that showed the strongest correlation with giving (see Table 4.6). (The questions used were 7b, 7c, 7d, 7e, 7f, 7h, 7l, 10d and 11d. See sample survey in Appendix B.)

Table 4.10 shows the correlation coefficients for institutional characteristics and integration for all 55 schools in the study.

Table 4.10

Correlation Coefficients for Institutional Characteristics and Integration

	Age	Endow-ment	Enroll-ment	Alumni of record	Develop. staff size	Alumni staff size
Integration	-.49	-.45	-.19	-.30	-.20	-.21

Sources: Survey data collected April through June, 1993; Council for Aid to Education, "Voluntary Support for Education" (1991, p. 10-11) and Higher Education Directory (1993).

Fairly strong inverse correlations are found between integration and a school's age, endowment, and alumni of record. Little correlation was found with enrollment or staff size. The results are even more dramatic, however, when these correlations are examined using a subgroup of the schools that have consistently high or consistently low giving records. To do this, data were correlated from 29 schools which had high or low overall giving. (High giving was defined as those schools that had above-median giving in all three giving measures [total dollars, average gift and percentage of donors] and low giving was defined as those schools that had at- or below-median giving in all three giving measures.) The results are shown in Table 4.11.

Table 4.11

Correlation Coefficients for Institutional Characteristics and Integration: High and Low Giving Subgroup

	Age	Endow- ment	Enroll- ment	Alumni of record	Develop. staff size	Alumni staff size
Integration	-.66	-.55	-.06	-.30	-.30	-.40

Sources: Survey data collected April through June, 1993; Council for Aid to Education, "Voluntary Support for Education" (1991, p. 10-11) and Higher Education Directory (1993).

By focusing on the data from those schools with consistently high or low giving, and excluding those with mixed fund-raising results, a clearer picture of the relationship between giving and integration emerges. Strong

correlations are again found among age, endowment, and alumni of record, but strong correlations are also found between integration and staff size. What does all of this mean?

First, consider the effect of institutional age on integration. Considering that most younger schools have smaller alumni relations and development departments, and older schools usually have larger staffs (which is true of this study's population), it is hypothesized that smaller alumni relations and development staffs are less specialized and more dependent on each other to assist in program planning and implementation. Conversely, larger staffs are more autonomous, less dependent on each other, and less likely to work together on program planning and implementation. In other words, the age of a school influences the size of the staff and the size of the staff impacts the level of integration. In support of this hypothesis, it was found that the average integration score (average of questions 7b, 7c, 7d, 7e, 7f, 7h, 7l, 10d and 11d) among schools with small development staffs (less than or equal to the median) was 3.57 (on a scale of 1.0 to 5.0) compared to 2.69 for those schools with large development staffs. Furthermore, the average integration score of schools with small alumni staffs was 3.38 compared to 2.70 for those with large alumni staffs. These data confirm the correlation coefficients shown in Table 4.11.

Next, consider the measure "market value of endowment." Throughout the previously cited studies about giving, endowment is used as a measure of an institution's wealth. Moreover, because an endowment is an

accumulation of resources not needed for current operations, it is also considered a measure of past fund-raising success. In their study, L. Leslie and Ramey (1988) wrote, "[endowment] indicated the history, as opposed to current efforts, of an institution in establishing and maintaining useful philanthropic contact." So, endowment not only represents an institution's wealth and past fund-raising success, but also suggests a measure of fund-raising tradition.

Viewing the market value of endowment as a measure of past fund-raising success and tradition, the relationship to integration can be explained. At schools with well established and sophisticated fund-raising and alumni programs, development and alumni staffs are more likely to work autonomously, and traditions will be more ensconced regarding the responsibilities of each department. Each department is likely to have clearly defined ideas about how to accomplish its goals, based on how things have been done before. In such situations, bringing autonomous departments together to share responsibility and decision-making would be difficult and may not be viewed by staff as desirable. In addition, as discussed in Chapter Two, there is often a history of rivalry between alumni relations and development departments, which may continue to influence the working relationship in older and more established schools.

The effect of institutional size on integration is less clear. Because no relationship was found between integration and enrollment, which is the clearest indicator of a school's size, the strong correlation between integration

and alumni of record may reflect the schools' age rather than its size.

How Institutional Characteristics Impact Study Results

This study showed that the institutional characteristics of age,

endowment, alumni of record, and staff size have an impact on both alumni

giving and integration of alumni and development departments. In order to

accurately measure the relationship between giving and integration, then, the

study population should be somewhat homogeneous. This group, however,

varied widely in institutional characteristics.

The category of private doctoral and research schools was selected for

this study because it represents most of the large U.S. private institutions of

higher education that have sizable alumni relations and fund-raising staffs. It

was believed that in order to measure integration, the schools had to have at

least five staff members in each department for them to operate somewhat

autonomously. Although this group of large, complex institutions proved to

be a rich source of information, their complexity and varied characteristics

has also made it difficult to formulate simple, straightforward conclusions.

Research Question 2: Relationship Between Organizational Structure and Integration

The second focus of this study was to determine if structurally

centralized schools, in which the heads of the development and alumni

departments both report to the same person, are more integrated than

structurally decentralized schools. To make this determination, the type of

organizational structure was crosstabulated with responses to the integration

questions.   Table 4.12 shows the result of the cross-tabulations, revealing a

strong relationship between organizational structure and integration.

Table 4.12

Centralized vs. Decentralized Schools: Percentage Responding "Never" or "Rarely"

QUESTION	Centralized	Decentralized
Collaborate to:	Percentage	
Set development program goals	34.1	78.6
Set alumni program goals	26.8	71.4
Set annual fund goals	47.5	78.6
Plan reunion giving	10.3	38.5
Execute reunion giving	10.5	50.0
Schedule mailings	14.6	50.0
Identify donor prospects	12.2	42.9
Frequency of development staff helping plan:		
Reunions	25.0	64.3
Alumni recognition events	24.4	53.8
Frequency that alumni staff attends fund-raising kickoff events	2.5	21.4
Frequency of staff meetings attended by alumni and development staffs	12.2	50.0
Frequency that alumni magazine addresses fund-raising issues	12.5	38.5

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Differences between centralized and decentralized schools were found in the responses to 12 of the 37 integration-related questions. In all cases, the centralized institutions were shown to be more integrated. Seven of the 12 questions measured planning, indicating that this is the weakest area of integration in decentralized schools.

Differences were not found between the characteristics of the two groups (size, age, and endowment), so the difference in integration cannot be attributed to these factors. Interestingly, there was also no difference between the groups in alumni giving. Although the centralized institutions were often found to be more integrated than the decentralized schools, their giving records were not significantly different. This again points to a conclusion that factors other than integration have a greater effect on alumni giving.

Additional differences found between centralized and decentralized institutions will be discussed in the next section.

Research Question 3: Factors that Affect Integration

The last research question in this study is: How do certain factors affect a cooperative, integrated working relationship between alumni and fund-raising departments? To help formulate an answer, the questionnaire included questions about the effects of several factors that were selected from professional advancement literature advocating integration of alumni and development departments.

Question 16 asked, "Do you believe the following factors had a positive, negative, or no effect on the working relationship between development and

alumni relations departments at your institution?" Results are presented in Table 4.13.

Table 4.13

Responses to Question 16: "Do you believe the following factors had a positive, negative or no effect on the working relationship between development and alumni relations departments at your institution?"

Question 16	a	b	c	d	e	f	g
Percentage	100	100	100	100	100	100	100
Total	(52)	(52)	(52)	(52)	(53)	(53)	(52)
Very negative	3.8	0.0	1.9	1.9	1.9	1.9	3.8
Somewhat negative	21.2	28.8	11.6	21.1	13.2	17.0	13.5
No effect	9.6	17.3	17.3	17.3	43.4	34.0	30.7
Somewhat positive	51.9	36.5	48.1	46.2	28.3	32.0	26.9
Very positive	13.5	17.3	21.2	13.5	13.2	15.0	23.1

Note: Column headings: (a) organizational structure; (b) lines of communication; (c) attitude of alumni staff; (d) attitude of development staff; (e) conflict resolution; (f) president's management style or practices; (g) chief advancement officer's management style or practices.

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Looking at these seven factors, the majority of respondents felt that they have a mostly positive effect on the working relationship between alumni and development departments at their institution. Highlights of the results follow:

1. Organizational structure was found by most respondents to have some effect on the working relationship between alumni and development departments. Only 9.6% of the respondents indicated that this factor had "no effect." In addition, significant differences were found in the responses from centralized and decentralized institutions. A cross-tabulation comparison is shown in Table 4.14.

Table 4.14

Centralized vs. Decentralized Schools: Effect of Organizational Structure on Working Relationships Between Alumni and Development Departments

	Decentralized		Centralized	
	Number	Percent	Number	Percent
Very negative	1	8.0	1	2.6
Somewhat negative	4	30.8	3	7.7
No effect	3	23.1	4	10.2
Somewhat positive	3	23.1	18	46.2
Very positive	2	15.4	13	33.3

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Whereas 38.8% of those from decentralized institutions found the organizational structure to have a somewhat or very negative effect on the working relationship, only 10.3% from centralized institutions came to the same conclusion. Conversely, nearly 80% of those from centralized institutions found the organizational structure to have a somewhat or very positive effect and less than 50% of those from decentralized schools agreed.

2. Lines of communication were found to be somewhat problematic, with nearly one third of the respondents saying that they have a somewhat negative effect on the working relationship. Interestingly, however, no one indicated that they had a "very negative" effect.

To further measure respondents' satisfaction with their institutions' lines of communication, question 15 asked, "How satisfied or dissatisfied are you with the flow of information between the development and the alumni relations departments?" Table 4.15 shows the frequency distribution of responses.

Table 4.15

Satisfaction with Flow of Information

	Number	Percent
Total	55	100.0
Very dissatisfied	5	9.1
Somewhat dissatisfied	15	27.3
Neither	8	14.5
Somewhat satisfied	18	32.7
Very satisfied	9	16.4

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Almost half of the study respondents (49.1%) are somewhat or very satisfied with the flow of information between the development and alumni departments. However, there is a fairly large group (36.4%) who are somewhat or very dissatisfied. The data were further analyzed to test for significant differences between the responses from centralized and decentralized institutions. Significant differences were found. Table 4.16 illustrates the results.

Table 4.16

Centralized vs. Decentralized Schools: Satisfaction with Flow of Information

	Decentralized		Centralized	
	Number	Percent	Number	Percent
Very dissatisfied	1	7.1	1	2.4
Somewhat dissatisfied	7	50.0	10	24.4
Neither	2	14.3	5	12.2
Somewhat satisfied	2	14.3	13	31.7
Very satisfied	2	14.3	12	29.3

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

A majority of respondents (57.1%) from decentralized institutions are very or somewhat dissatisfied with the flow of information between departments, whereas a majority of respondents from centralized institutions (61%) are somewhat or very satisfied.

3. Although most respondents felt the development and alumni staffs had a positive effect on their working relationship, the attitude of the development staff was found to have a greater negative effect than the alumni staff's attitude. Twenty-three percent responded that the development staff had a somewhat or very negative effect, where alumni staffs were found to have a somewhat or very negative effect at only 13.5%

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of the schools.

4. The three factors that were found to have the least effect on the working relationship were conflict resolution (43.4% selected "no effect"), the president's management style or practices (34%), and the chief advancement officer's management style or practices (30.7%).

In addition to asking how specific factors affect the working relationship between alumni and development staffs, the study also sought to measure the respondents' general attitudes about the alumni department's role in fund-raising. Question 18 asked, "How effective or ineffective would you rate the alumni staff at communicating to alumni the importance of financially supporting your institution?" Table 4.17 shows the frequency distribution of responses to the question.

Table 4.17

Alumni Staff Effectiveness in Communicating Importance of Financial

Support

	Number	Percent
Total	52	100.0
Very ineffective	0	0.0
Somewhat ineffective	10	19.3
Neither	15	28.8
Somewhat effective	21	40.4
Very effective	6	11.5

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

The results show that at most institutions, respondents feel that the alumni staffs are somewhat or very effective at communicating to alumni the importance of their financial contributions to the alma mater. Interestingly, at 28.8% of the institutions the respondents feel they are neither effective or ineffective, implying that in nearly one third of the institutions, the alumni staffs do not play a large role in communicating this message.

A percentage cross tabulation was also compiled to test the difference in the way alumni and development directors answered this question.

Table 4.18

<u>Alumni Staff Effectiveness by Department</u>

	Alumni		Development	
	Number	Percent	Number	Percent
Total	40	100.0	41	100.0
Very ineffective	0	0.0	3	7.3
Somewhat ineffective	5	12.5	10	24.4
Neither	6	15.0	5	12.2
Somewhat effective	18	45.0	17	41.5
Very effective	11	27.5	6	14.6

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Although there was no significant difference in the responses by alumni directors and development directors, alumni directors rated their staffs' performance slightly better than development directors did. Nearly 75% of alumni directors felt that their staffs were somewhat or very effective at communicating the importance of alumni financial support, but only 56.1% of development directors agreed. Conversely, 31.7% of development directors responded that their alumni staffs were very or somewhat ineffective, where only 12.5% of alumni directors rated their staffs similarly. The major differences occur in the extreme categories of very ineffective and

very effective. No alumni directors rate their staffs as very ineffective, and only 14.6% of development directors rate the alumni staffs as very effective.

To further measure attitudes toward the role of the alumni relations program in fund-raising, question 21 asked, "How important or unimportant do you believe your institution's current alumni relations program is to the success of the following fund-raising programs?" Tables 4.19-4.22 present the responses to questions concerning the contribution of alumni relations activity to development programs overall, to major gifts, and to annual fund efforts.

Table 4.19

Importance of Alumni Relations Program to the Total Development Program

	Number	Percent
Total	54	100.0
Very unimportant	0	0.0
Somewhat unimportant	2	3.7
Neither	6	11.1
Somewhat important	24	44.4
Very important	22	40.7

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Table 4.20

Importance of Alumni Relations Program to Major Gifts Fund-raising

	Number	Percent
Total	53	100.0
Very unimportant	3	5.7
Somewhat unimportant	8	15.1
Neither	9	17.0
Somewhat important	26	49.1
Very important	7	13.2

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Table 4.21

Importance of Alumni Relations Program to the Annual Fund

	Number	Percent
Total	54	100.0
Very unimportant	0	0.0
Somewhat unimportant	0	0.0
Neither	2	3.7
Somewhat important	22	40.8
Very important	30	55.6

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

Table 4.22

Importance of Alumni Relations Program to the Capital Campaign

	Number	Percent
Total	51	100.0
Very unimportant	0	0.0
Somewhat unimportant	2	3.9
Neither	10	19.6
Somewhat important	26	51.0
Very important	13	25.5

Source: Survey data collected April through June, 1993. Instrument in Appendix B.

The majority of respondents believed that their institution's alumni relations program was important to each of the four fund-raising programs. In fact, the alumni program was rated very important to the total fund-raising program at 40.7% of the institutions, and to the annual fund at 55.6% of the institutions. Major gifts fund-raising got the lowest rating, with respondents from 20.8% of the institutions rating the alumni program at somewhat or very unimportant to major gift fund-raising success.

The answers given by alumni and development directors did not differ significantly. The majority of both groups felt that the alumni program was somewhat or very important to each of the fund-raising programs.

Chapter Summary

Analysis of the data gathered from 84 alumni and development directors who responded to a written survey in Spring, 1993 presented interesting and unexpected results. Testing the "conventional wisdom" held by many advancement professionals, the data in this study did not support the hypothesis that those schools that have high levels of alumni financial support also have highly integrated alumni relations and fund-raising efforts. In fact, in the group studied, the schools with high giving records were less integrated than those with low giving records. Although no statistical relationship was found between giving and about 65% of the integration-measuring questions, several inverse correlations were found.

Further analysis, however, disclosed institutional characteristics that appeared to influence fund-raising success and level of integration. It was hypothesized that factors related to a school's age, size of endowment, and staff size affect their abilities to raise funds from alumni and to integrate the alumni and development departments. It was concluded, therefore, that in order to isolate and test the relationship between alumni giving and departmental integration, a study group with greater similarities in institutional characteristics should be researched.

This chapter also reviewed analysis regarding the relationship between organizational structure and integration and found that those schools that have a centralized structure were consistently more integrated than decentralized schools. Respondents from centralized schools also found the

organizational structure to have a greater positive effect on the working relationship between the alumni and development departments and were more satisfied with the lines of communication than were respondents from decentralized schools.

Lastly, the study found that most alumni and development directors believe that their alumni relations programs are important to the success of fund-raising programs, especially the annual fund.

Final conclusions and recommendations based on this research will be presented in Chapter Five.

Chapter Five

Summary and Conclusions

Review of the Problem

Obtaining financial support from alumni has become increasingly important to institutions of higher education. As competition has increased for government, corporate and foundation funding, alumni have become a significant source of ongoing discretionary and operating funds. Therefore, finding the most effective and efficient ways of managing the institutional relationship with alumni has become a major focus within the field of institutional advancement. This relationship is especially important to the alumni relations and development segments of advancement, since they are both directly involved with the alumni constituency.

Most of the literature written about alumni giving advocates a close working relationship between a school's alumni relations and development departments. The conventional wisdom is that in order to be successful in raising funds from alumni, schools must integrate the functions and activities of these two key departments. The literature suggests several ways to accomplish this unity of effort.

Prior to this study, however, the effects of integrated working relationships had not been statistically analyzed to test for correlation with actual alumni giving. The purpose of this study was to conduct such a test. Based on the conventional wisdom, this study hypothesized that schools which have high levels of alumni financial support would also have highly

integrated alumni relations and development departments.

In addition, the study examined the effect of organizational structure on integration, and explored how certain factors affected the working relationship between alumni relations and development departments.

<u>Discussion of the Findings</u>

Due to the complexity of the research issue and the institutions involved, the study did not reveal definitive, categorical results regarding patterns of alumni giving and integration. However, the results did shed light on the subject of integration and on the factors that may impact a school's ability to fully integrate its alumni relations and development departments.

    <u>Integration and alumni giving</u>.

Contrary to expectations, the study did not find a positive relationship between alumni giving and integration at these institutions. Nearly all of the correlations found were inverse, indicating that most schools in the study with high alumni giving did not have highly integrated alumni relations and development departments. Moreover, the schools with low alumni giving were <u>more</u> highly integrated.

Further investigation, however, revealed institutional characteristics that could affect both alumni giving and integration and, thus, impact the study's results. It was found that schools with consistently high giving and low integration were more likely to be older, with larger alumni and development staffs, and more well established and sophisticated alumni and

development programs (measured by endowment) than those schools with low giving and high integration. In this and previous studies, organizational age, staff size, and endowment are characteristics that consistently have been found to have a positive effect on alumni giving (Loessin, Duronio and Borton, 1987; Pickett, 1986; Leslie and Ramey, 1988).

In addition, these same characteristics were found to negatively affect the degree to which the schools integrated their alumni relations and development departments. While age, staff size, and endowment often positively affect alumni giving, they also could negatively affect integration. In other words, the same characteristics that would enable a school to raise more money from its alumni could also limit its desire to integrate. If integration is viewed as a way of enhancing performance by doing more with less, it makes sense that newer, smaller, poorer schools would take advantage of this organizational tactic. The older, larger, wealthier schools that are successful at raising money from their alumni may not see an advantage to changing the way they operate.

These results are rooted in contingency organizational theory. As noted in Chapter Two, contingency theory asserts that an organization's unique internal and external environment shapes the relationship between functional areas in such a way as to permit the effective attainment of objectives (Mescon & Khedouri, 1981). In other words, the way an organization's departments relate to each other depends on the organization's attributes and characteristics. In relation to this study, contingency theory

proposes that the schools' characteristics could largely impact their ability to raise money from their alumni and their desire to integrate their departments.

Organizational structure.

The second major finding in the study was that centralized institutions were consistently more integrated than decentralized institutions. The weakest area of integration for decentralized schools was collective planning. Respondents from decentralized schools often believed that the organizational structure had a negative effect on the working relationship between alumni relations and development departments, and they were more likely to be dissatisfied with the flow of information between the two departments. Interestingly, no significant differences in alumni giving were found between centralized and decentralized schools.

Factors that affect integration.

Lines of communication were problematic for many respondents, especially for those at decentralized schools. Nearly one third of all respondents said that lines of communication had a somewhat negative effect on the working relationship between alumni relations and development departments. And, although all respondents reported sharing an alumni/donor database, almost half responded that they were somewhat or very dissatisfied with the flow of information between departments.

For the majority of respondents, staff attitudes had a positive effect on the working relationship between alumni and development departments.

Although a struggle between alumni and development staffs for recognition and power is often discussed in the literature, this did not seem to be a major problem at these schools. In addition, most respondents felt that the schools' upper management (chief advancement officer and president) had a positive impact on their working relationship, although one third responded that they had no effect. This implies that at many schools, department heads, rather than upper management, are most directly responsible for managing interdepartmental relationships.

The alumni staff was found by most respondents to be effective at communicating to alumni the importance of their financial support. However, nearly one third said they were neither effective or ineffective, implying that the alumni staff at many schools are not expected to communicate this message. Not surprisingly, alumni directors rated their staffs higher than the development directors did.

Finally, alumni relations programs were considered by the majority of the respondents to be important to the development effort. The alumni program was said to be most important to the annual fund and least important to major gifts fund-raising. More than half of the respondents felt that their alumni staff was somewhat or very effective in communicating the importance of financial support to the alumni. Interestingly, nearly one third said that they were neither effective nor ineffective, implying that the alumni staff does not play a major role in communicating this message at many schools.

Conclusions

Although the study did not result in a positive statistical correlation between integration and alumni giving, neither does it make a strong case against departmental integration. First, it is not clear that this study provided a good indication of the effect of integration on alumni giving. Because it was shown that the schools surveyed varied widely in several important institutional characteristics, it is likely that the effect of these characteristics on the giving and integration variables overshadowed their relationship to each other. Although the study illuminated important issues about integration, it did not resolve the initial research question, which was how the level of integration between alumni and development departments affected alumni giving.

Second, what was made clear by the responding alumni and development directors was the importance they placed on the contribution of alumni programs to fund-raising efforts. This response indicates that even in schools that do not practice integration as defined in this study, the development and alumni directors do recognize that they share an important constituency and that the alumni program has a significant impact on the school's ability to raise funds from its alumni. This fact alone suggests that these departments should not work in isolation. The question remains, how should these departments work together?

Returning to contingency organizational theory, the answer to this study's research question may be that the effect of departmental integration

depends on the individual institution and its own unique attributes and characteristics. For example, a school that has five development staff and three alumni staff will work together much differently than one that has twenty or more in each department. Returning to James M. Shea's (1986) article, "Organizational Issues in Designing Advancement Programs,"

> Resist the temptation to shape your model after another
>
> institution's simply because it appears to have worked there.
>
> The mix of people, the setting and the history of the institution
>
> are different; and transplants, unless perfectly typed, do not
>
> usually succeed (p. 34).

So, although "integration" as a concept may be important, what it actually looks like in practice will be different at each institution.

Organizational structure was found to have a significant impact on the level of departmental integration. Not only were centralized schools more highly integrated than decentralized schools, but development and alumni directors at centralized schools also seemed to be happier with their working relationship. Furthermore, directors at centralized schools found the organizational structure to have a more positive influence on their working relationship than those at decentralized schools, and those at centralized schools were much more satisfied with the flow of information between their departments than their counterparts at decentralized schools.

Although differences in alumni giving were not found between centralized and decentralized schools, staff satisfaction and increased

cooperation seem to be compelling reasons to advocate a centralized organizational structure for the advancement program. In those cases when this structure is not possible, alumni and development departments should make special efforts to develop cooperative working relationships within their own organizational structures.

Alumni, like all donors today, are becoming more sophisticated and selective about the organizations they support. They require more information and input about how their money is being spent and they want to feel that the organizations they support are being effectively managed. In higher education, this requires an active and carefully managed relationship between alumni and their institution. To make this happen, the alumni/development relationship must also be carefully managed.

As this study has suggested, there are many ways to manage the alumni/development relationship. To what degree alumni relations and development departments are functionally integrated is influenced by many factors. Perhaps the degree of integration is not revealed solely by a checklist comparison of activities, but instead is defined by the unique attributes and characteristics of particular schools. The goal should be to create environments which foster cooperation, sharing, and open communication, along with a willingness to recognize the importance of both types of departments in fostering fruitful relationships with alumni.

Recommendations for Further Research

Although this study attempted to statistically analyze the effect of departmental integration on alumni giving, the results were inconclusive. Private Research and Doctoral institutions were chosen for this study in the hope of finding a study population that had enough staff members to isolate the effect of departmental integration on alumni giving. However, because this category includes the largest and most complex private universitities in the country, many outside variables influenced the results, limiting their usefulness.

Because differences in institutional characteristics influence the variables _giving_ and _integration_, further analysis is needed, using more homogeneous study groups. Groups studied should not only be of similar age, staff size, and institutional endowment, as discussed earlier, but should also be similar in the types of degree programs offered. For example, schools which offer profession-oriented graduate programs, such as medicine, law and management, will have different alumni profiles (and, thus, different alumni giving patterns) than those which offer primarily education or social science degrees.

Other issues not addressed by this study are the various subtle ways that schools may accomplish integration. As noted earlier, this study looked at specific tasks and formal integration methods recommended in the professional literature. However, it may be enlightening to conduct a series of phone or personal interviews with development and alumni directors to

determine how they actually work with their counterparts. Such a study might determine if the traditional, tangible measures of integration, such as collective planning and program collaboration, are as important as the more elusive determinants, such as attitude and leadership.

Although this study did not prove that integration has a positive effect on alumni giving, the accumulated wisdom of practitioners cannot be easily disregarded. Many experienced advancement professionals see great benefits in integration. One major claim is that the benefits of integration go beyond the bottom-line effect on giving. Collaboration and teamwork are ideas that make practical sense and have been shown to increase job satisfaction among staff members. In addition, with cost-cutting measures being taken in many schools, advancement managers are looking for ways to maximize efficiency when forced to work with smaller staffs. For these reasons alone, it would be difficult to convince those who believe in the importance of integration that it is not a worthwhile effort.

As the importance of alumni giving increases, and interest in managing the alumni/development relationship continues to grow, one can hope that continued investigation into integration will lead to better strategies for meeting the needs of alumni and their alma mater.

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Appendix A

List of Schools Surveyed

American University
Andrews University
Baylor University
Biola University
Boston College
Boston University
Brandeis University
Brown University
California Institute of Technology
Carnegie-Mellon University
University of Chicago
Claremont University Center and
  Graduate School
Clark University
Clarkson University
Columbia University
Columbia University Teachers
  College
Cornell University
Dartmouth College
University of Denver
Drake University
Drexel University
Duke University
Duquesne University
Emory University
Florida Institute of Technology
George Washington University
Georgetown University
Harvard University
Hofstra University
Illinois Institute of Technology
John Hopkins University
Lehigh University
Loma Linda University
Loyola University of Chicago
Marquette University
Massachusetts Institute of
  Technology
University of Miami
Mississippi College

New School for Social Research
New York University
Northeastern University
Northwestern University
University of Notre Dame
Nova University
University of Pennsylvania
Pepperdine University
Polytechnic University
Princeton University
Rensselaer Polytechnic Institute
Rice University
University of Rochester
University of San Francisco
University of Southern California
Southern Methodist University
Stanford University
Stevens Institute of Technology
Syracuse University
Texas Christian University
Tufts University
Tulane University of Louisiana
University of Tulsa
Vanderbilt University
Washington University
Yale University
Yeshiva University

Appendix B

Questionnaire

DEFINITIONS

To complete this survey accurately, you need to know when a question refers to:

Development – it means the program and staff whose primary function and purpose is to raise money for the institution. The questions refer to the "central development" operations, not individual schools' fund raising programs.

Alumni or Alumni Relations – it means the program and staff whose primary function is to develop and maintain relationships with alumni. Includes the staff who facilitate alumni associations, clubs and chapters. Does not include annual fund program and staff.

Questions 1-5 provide information about where your department fits into the organizational structure of the advancement function at your institution.

1) What is your job title? _____

2) What is the job title of the person you report to (your "boss")? _____

3) What is the title of the person(s) your boss reports to? _____

4) Which of the following departments report to: *(Mark appropriate departments.)*
   You?   Your Boss?

   ____   ____   Development

   ____   ____   Alumni Relations

   ____   ____   Public Relations/University Communications

   ____   ____   Government Relations

   ____   ____   Admissions

   ____   ____   University Publications

5) Have there been any changes in this administrative structure since fiscal year 1990–91? *(Check one response.)*

   _____ No

   _____ Yes If yes, please describe the changes:

The following section asks questions about the level of interaction and collaboration between your institution's development and alumni relations departments.

6) Do the development and alumni relations departments share a database which includes both alumni and donor information? *(check one response)*

_____ Yes   _____ No

7) How often do the development and alumni relations staffs collaborate to perform the following activities? *(Circle your responses; select "N/A" if neither department performs this activity.)*

	Always	Usually	Sometimes	Rarely	Never	N/A
a. To publish calendars of activities	A	U	S	R	N	N/A
b. To set development program goals	A	U	S	R	N	N/A
c. To set alumni program goals	A	U	S	R	N	N/A
d. To set annual fund goals	A	U	S	R	N	N/A
e. To plan reunion giving program	A	U	S	R	N	N/A
f. To execute reunion giving program	A	U	S	R	N.	N/A
g. To plan travel and appointment schedule for the president	A	U	S	R	N	N/A
h. To schedule mailings to alumni	A	U	S	R	N	N/A
i. To identify donor prospects	A	U	S	R	N	N/A
j. To identify volunteer prospects	A	U	S	R	N	N/A
k. To develop solicitation strategies for specific alumni	A	U	S	R	N	N/A
l. To recognize "star" alumni who are donor prospects	A	U	S	R	N	N/A

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8) How often do members of the <u>development</u> <u>staff</u> participate in *planning* the following alumni relations activities? *(Circle your responses; select "N/A" if activity is not done at your institution.)*

	<u>Always</u>	<u>Usually</u>	<u>Sometimes</u>	<u>Rarely</u>	<u>Never</u>	<u>N/A</u>
a. Reunions	A	U	S	R	N	N/A
b. Continuing Education Programs	A	U	S	R	N	N/A
c. Regional Club or Chapter Events	A	U	S	R	N	N/A
d. Alumni Recognition Events	A	U	S	R	N	N/A
e. Alumni Tours or Trips	A	U	S	R	N	N/A

9) How often do members of the <u>development</u> <u>staff</u> *attend* the following alumni relations activities? *(Circle your responses; select "N/A" if activity is not done at your institution.)*

	<u>Always</u>	<u>Usually</u>	<u>Sometimes</u>	<u>Rarely</u>	<u>Never</u>	<u>N/A</u>
a. Reunions	A	U	S	R	N	N/A
b. Continuing Education Programs	A	U	S	R	N	N/A
c. Regional Club or Chapter Events	A	U	S	R	N	N/A
d. Alumni Recognition Events	A	U	S	R	N	N/A
e. Alumni Tours or Trips	A	U	S	R	N	N/A

10) How often do members of the <u>alumni relations</u> <u>staff</u> participate in *planning* the following development activities? *(Circle your responses; select "N/A" if activity is not done at your institution.)*

	<u>Always</u>	<u>Usually</u>	<u>Sometimes</u>	<u>Rarely</u>	<u>Never</u>	<u>N/A</u>
a. Donor Appreciation Events	A	U	S	R	N	N/A
b. Donor Prospect Cultivation Events	A	U	S	R	N	N/A
c. Fundraising Kickoff Events	A	U	S	R	N	N/A
d. Annual Fund Phon-a-thons	A	U	S	R	N	N/A
e. Donor Prospect Screenings	A	U	S	R	N	N/A

11) How often do members of the alumni relations staff *attend* the following development activities? *(Circle your responses; select "N/A" if activity is not done at your institution.)*

	Always	Usually	Sometimes	Rarely	Never	N/A
a. Donor Appreciation Events	A	U	S	R	N	N/A
b. Donor Prospect Cultivation Events	A	U	S	R	N	N/A
c. Fund-raising Kickoff Events	A	U	S	R	N	N/A
d. Annual Fund Phon–a–thons	A	U	S	R	N	N/A
e. Donor Prospect Screenings	A	U	S	R	N	N/A

12) How often does the alumni relations staff file contact reports that address development–related issues (such as gift potential, funding interests, donor history) following events or personal visits with alumni? *(Circle one response.)*

Always   Usually   Sometimes   Rarely   Never

13) How often does the development staff file contact reports that address alumni relations–related issues (such as volunteer potential and school interests) following events or personal visits with alumni? *(Circle one response.)*

Always   Usually   Sometimes   Rarely   Never

14) How often are there general staff meetings which are attended by both alumni relations and development staff? *(Mark one response.)*

_____ Once per week or more

_____ 1–3 times per month

_____ 1–2 times per quarter

_____ 1–3 times per year

_____ Never

15) How satisfied or dissatisfied are you with the flow of information between the development and the alumni relations departments? *(Circle one response.)*

| Very Satisfied | Somewhat Satisfied | Neither Satisfied nor Dissatisfied | Somewhat Dissatisfied | Very Dissatisfied |

16) Do you believe the following factors have positive, negative, or no effect on the working relationship between the development and alumni relations departments at your institution? *(Circle your responses.)*

	Very Positive	Somewhat Positive	No Effect	Somewhat Negative	Very Negative
a. The current organizational structure	VP	SP	NE	SN	VN
b. The current lines of communication	VP	SP	NE	SN	VN
c. The general attitude of the alumni staff	VP	SP	NE	SN	VN
d. The general attitude of the development staff	VP	SP	NE	SN	VN
e. The way in which conflicts are resolved	VP	SP	NE	SN	VN
f. The president's management style or practices	VP	SP	NE	SN	VN
g. The chief advancement officer's management style or practices	VP	SP	NE	SN	VN

The following section asks questions about the level of involvement the alumni relations department has in fund raising at your institution.

17) How often does your institution's alumni magazine or newsletter address fund-raising concerns, such as fund-raising priorities, accomplishments, goals, current status of programs, etc.? *(Circle one response.)*

In all issues   In most issues   In some issues   In few issues   Never

18) How effective or ineffective would you rate the alumni staff at communicating to alumni the importance of financially supporting your institution? *(Circle one response.)*

Very Effective   Somewhat Effective   Neither Effective nor Ineffective   Somewhat Ineffective   Very Ineffective

19) How many of your institution's fund-raising volunteers would you estimate began as alumni relations volunteers? *(Circle one response.)*

All   Most   Some   Few   None   Don't Know

20) What percentage of alumni who are <u>active</u> in your institution's alumni relations program would you estimate are:

a. Annual fund donors? _____%   b. Major gift donors? _____%

21) How important or unimportant do you believe your institution's current alumni relations program is to the success of the following fund-raising programs? *(Circle your responses.)*

	Very Important	Somewhat Important	Neither Important nor Unimportant	Somewhat Unimportant	Very Unimportant
a. The total development program	VI	SI	N	SU	VU
b. Major gifts fundraising	VI	SI	N	SU	VU
c. The annual fund	VI	SI	N	SU	VU
d. The capital campaign	VI	SI	N	SU	VU

The last section asks for demographic and financial information about your institution. The information will be used to group institutions and will not be reported individually. All responses are confidential.

22) Approximately how many years has your institution had a paid development staff? *(Check one response.)*

_____ 0–5 years _____ 6–10 years _____ 11–25 years _____ More than 25 years

23) Approximately how many years has your institution had a paid alumni staff? *(Check one response.)*

_____ 0–5 years _____ 6–10 years _____ 11–25 years _____ More than 25 years

24) How many staff members are employed by: *(Enter number of staff members.)*

  a. The development department? _____

  b. The alumni relations department or association? _____

25) What is your institution's approximate 1992–93 development budget? $ _____

26) What is your institution's approximate 1992–93 alumni program budget? $ _____

27) Who manages your annual fund? *(Mark one answer only.)*

_____ Development department

_____ Alumni Relations department or association

_____ Other *Please name:* _____

28) What is the capital campaign "posture" of your institution? *(Check appropriate response and fill in campaign goals.)*

_____ Preparing for a capital campaign for $ _____ in 19_____

_____ Involved in a capital campaign for $ _____ through 19_____

_____ Not involved in a capital campaign

Appendix C

<u>Questionnaire Cover Letter</u>

April 5, 1993

Name
Title
University
Address
City, State Zip

Dear _____:

I am a graduate student at the University of San Francisco completing a master's degree in Nonprofit Administration. I am conducting a research project on the relationship between alumni relations and fund raising and am writing to request your assistance in my study.

As you know, conventional wisdom and advancement literature advocates a close relationship between alumni relations and fund raising staffs. However, to date there has been little empirical evidence which demonstrates the actual effect on alumni giving. And, in times of tightening budgets this type of concrete information is important, which is why I have selected this topic for my study.

You are one of only 63 alumni directors/development directors from institutions throughout the country who have been asked to participate in this study. Because the number being surveyed is small, your participation is crucial to the success of the study. I would like to encourage you to take 20 minutes from your busy schedule (and have a cup of tea on me*) to complete the enclosed survey. It is important that you fill out the survey yourself because, as director of the alumni program/director of the development program, only you can provide the insight and broad view necessary for my study.

All responses will remain confidential and results will be shown in summary form only—no individual institution data will be reported. The coding on your survey helps me to determine who has returned the survey. **Please return the survey in the enclosed stamped envelope before April 26, 1993.**

To receive a summary of the study results, send back the enclosed card. If you have any questions about the survey or the study, call me at (415) 666–3242. Thank you so much for participating.

Sincerely,

Susan M. Todaro

[*Note: <u>Included with the letter and questionnaire was an herbal tea bag.</u>]

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