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# Explaining the Alumni Relationship and Giving Tendencies of Multigeneration Alumni Legacy Families at Marquette University

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Running head: ALUMNI LEGACY FUNDRAISING AT MARQUETTE UNIVERSITY

EXPLAINING THE ALUMNI RELATIONSHIP AND GIVING TENDENCIES OF MULTI-  
GENERATION ALUMNI LEGACY FAMILIES AT MARQUETTE UNIVERSITY

by

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### Abstract

This research examines the donative relationship legacy alumni of Marquette University have with their alma mater. As universities are relying more heavily on donations to finance portions of their budgets, university administration has invested heavily in fundraising offices to identify alumni with strong giving potential. Legacy alumni are a deeply emotionally vested group, with a high giving potential. Previous research has focused on the different determinants of alumni giving; this research focuses specifically on the different generations of legacy families at Marquette (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>) and how their donative nature differs from non-legacy constituents and from each other. Also examined is the effect university fundraising and interactions have on such groups and their donations.

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Lauren C. Edmonson, B.S., M.A.

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## TABLE OF CONTENTS

ABSTRACT.....	ii
ACKNOWLEDGEMENTS.....	iii
CHAPTER	
I.    INTRODUCTION.....	5
II.   LITERATURE REVIEW.....	7
III.  METHODS AND DATA.....	28
IV.   RESULTS.....	35
V.    CONCLUSION.....	45
VI.   REFERENCES.....	48
VII.  APPENDIX.....	51

Explaining the Alumni Relationship and Giving Tendencies of Multi-Generation Alumni  
Families at Marquette University

As government funding to the nonprofit sector continues to decline, colleges and universities are charged with the daunting task of increasing charitable donations to meet budget shortfalls. Although charitable giving has always been a constant source of funding for universities, never has there been a time where tuition and expenses have so greatly exceeded government support. As the number of financially limited applicants (especially first generation students) increases, universities are soliciting their alumni base for donations to create a bigger scholarship and resource pool to attract the best possible students and professors with the goal of improving the prestige and quality of the institution. With such inadequate government support, “universities face a choice: allow the quality of education to drop to the level of support; raise tuition to levels that the public would reject; or cultivate support among their alumni” (Thomas & Shepard, 2003). Universities have chosen to cultivate alumni support, increasing fundraising budgets and utilizing new and innovative means to reach out and engage alumni. Fundraisers and alumni officers are engaging alumni in new and meaningful ways, allowing alumni to interact directly with the students they support, creating behind the scenes interactions with university leadership, and providing cutting edge multimedia to invoke the spirit of giving among alumni, corporations and friends linked to the university.

University revenues are now greatly comprised of alumni donations, as the portion of expenses financed by donations exponentially grows. Charitable giving to

universities is used to finance annual operating budgets and daily needs, as well as, large long term capital expenditures and endowment growth (Holmes, 2009; Terry & Macy, 2007). The burgeoning market demand for a college education and the increased competition between universities has created this need for excess revenues.

Distinguished professors, new facilities and innovative curriculums all necessitate additional resources, which greatly enhance the student experience and university prestige. Additionally, universities look to improve their reputation by attracting the best and brightest students regardless of economic background which has driven the need for scholarship funding. Charitable contributions to universities fund financial aid, faculty development, capital development projects and renovations, academic, athletic and extracurricular programming, among a plethora of other university needs. Private support helps provide these resources, keeping the university market competitive (Weerts & Ronca, 2009). To obtain these resources, institutions must find ways to attain alumni wealth. Although seemingly attainable, the acquisition of major gifts requires detailed, strategic planning.

In order to generate necessary donations, fundraising offices must first identify constituents with the proclivity to give. Fundraising offices fully recognize the exigency of identifying potential donors, devoting research teams to determine best possible prospects. Research team members must make a concerted effort to distinguish between donors and non-donors, allowing gift officers to focus their time and effort on wealthy, engaged prospects that have the best potential to give, at hopefully high amounts (Weerts & Ronca, 2009). In addition to classifying the best potential donors,

fundraisers must also understand what motivates alumni giving. With a dire need of funding, understanding donor motivation becomes imperative to institutions of higher education (Okunade, Wunnava & Walsh, 1994). Defining the determinants of alumni giving and examining donor motivation comprises the vast majority of previous scholarly research. Through this research, which will be examined in the following Literature Review, fundraising offices are able to better understand their donors and the cycles of charitable giving. This comprehension helps improve and strengthen interactions with alumni, fostering a positive relationship conducive to giving. In an economic climate where funding is in high demand, fundraisers must become increasingly more creative and tactful in their efforts to secure financial donations from voluntary sources (alumni, parents of current and past students, friends of the university, corporations, foundations and other organizations (Okunade & Berl, 1997).

### **Literature Review**

There are two different approaches to empirically researching alumni giving, qualitative and quantitative approaches. Both studies seek to examine what determines an alumni donor. Of the two approaches, quantitative research is easier to facilitate, as it consists of statistical models and analysis such as regression and correlations on previously recorded data. These models and analyses help define what characteristics do or do not describe a potential donor. Although this research is valuable in determining who potential donors are, its quantitative nature does not provide insight into donor motive. This lack of insight encourages the second approach to research; qualitative studies that examine why people give and do not give to their alma maters.



This literature review will examine both types of research, as well the main topic of this project, alumni legacies and alumni legacy giving. There are five quantitative approaches to determining alumni donors: the external environment, school characteristics, alumni demographics, alumni school experiences, and alumni post school experiences.

### **External Environment**

The external environment examines how the economy and business cycle affects giving. Most studies concur that giving is highly sensitive to the business cycle and economic volatility (Weerts & Ronca, 2007; Okunade, Wunnava & Walsh, 1994). As the economy weakens in strength and the stock market decreases, people are less apt to give, as they have fewer resources available. This was evident in March 2009, as the economy entered a historic depression that greatly diminished philanthropic activities. Many institutions saw both their donations and endowments decline, and are currently in the strenuous recovery period. Conversely, prior to the stock market collapse of March 2009, donations to universities and nonprofits were at all-time highs, thanks to a thriving economy. Marquette University generated over \$130 million dollars in donations in Fiscal Year 2008, opposed to under \$40 million in Fiscal Year 2009, proving the ever reaching effects of the business cycle.

### **School Characteristics**

The second quantitative research approach, examining school characteristics, is also external to the actual donor, although it does affect a donor's inclination to give. Pertaining to the cost of schooling, alumni who took on more debt from a university were less likely to give (Terry & Macy, 2007; Monks, 2002). As the financial burden of

school increases after graduation, alumni are less likely to give, feeling less of an obligation to the school. Such alumni regarded their education as a business transaction rather than a valuable life experience (Terry & Macy, 2007). Additionally, although most research is mixed pertaining to financial aid, Terry and Macy also concluded that students who received Pell grants were likely to give less. They summated that these students never initially had the financial resources to afford a higher education, and therefore were less inclined or able to give back.

The effect that receiving financial aid has on giving is inconclusive. Some believe that financial aid plays no role in giving; while others believe it causes alumni to give more, and others to give less (Holmes, 2009; Monks, 2002; Clotfelter, 2003). The three separate arguments all have merit. For those who argue financial aid has no impact on giving, much of the data is inconclusive and shows no trend, considering that financial aid is a relatively new concept within the past few decades. Previously, higher education was considered a luxury good that not everyone could afford. Currently, the general public perceives advanced education almost as a right, and more universities want to attract the best students, regardless of economic background. Therefore, many of the studies on financial aid are still developing. The effects of financial aid on giving are not fully understood, especially given the possible longevity of alumni giving. Most argue that those who received need based aid tended to give less, as similar to the Pell Grant argument (Clotfelter, 2003). Again, those who need financial aid have fewer resources and are less able to give. However, some argue (and hope this proves true in the future) that those who receive financial aid would give more (Monks, 2002). These

groups argue that by receiving financial aid alumni will take on less debt and have a greater sense of philanthropy, since they themselves received help.

With the argument that higher alumni debt decreased the proclivity to give, it seems contradictory that the same study by Terry and Macy hypothesized that as tuition fees for a university increased, giving increased. Although this coefficient was insignificant, it was still positive. Terry and Macy argue “that more expensive institutions might signal a good educational investment that leads to higher income and institutional satisfaction.” They then contradicted this claim by proving that as the price of room and board increased, alumni were less likely to give (Terry & Macy, 2007). The authors argued that reasonably priced living expenses led to higher satisfaction with their alumni experience with less financial stress. Coupled with the idea that alumni were not only satisfied with their experience but had higher financial resources at graduation, the authors argued therefore that alumni would be more likely to give. The overarching conclusion is that if education is less of a financial burden, alumni will give more.

The status of a university also affects alumni giving. For example, studies prove that donors give more to private, liberal arts institutions (Clotfelter, 2003; Terry & Macy, 2007). Contrary to public university alumni, studies show alumni from private and liberal arts schools feel a closer connection to their alma maters, as they were more engaged and part of a close knit community. Additionally, studies prove that as institutional selectivity increases, so does financial support (Terry & Macy, 2007); Clotfelter, 2003); Gaier, 2005). Researchers find that schools that are more selective

about who they accept are likely to be more established and successful institutions with strong reputations, which garner more donations (Terry & Macy, 2007). Historically and statistically, schools with rich, long-standing, traditions and prestige receive the largest financial contributions. Such schools are also likely to have established endowments that fund a significant portion of university budgets. The presence of an endowment, especially an established, well-funded endowment also increases alumni inclination to give (Terry & Macy, 2007). Alumni have a greater proclivity to give if they know their contributions are making a difference and others are giving as well. In fact, in their 1997 study, Okunade and Berl were able to prove that alumni were likely to give more when the number of voluntary donors was also known.

### **Alumni Demographics**

The final three approaches to determining alumni giving all concern donors, and make up the vast majority of alumni giving research. Alumni demographics, experiences in school, and experiences post school all affect donations. Pertaining to alumni demographics, all research agrees that giving increases with age and time since graduation (Okunade & Berl, 1997; Weerts & Ronca, 2007; Okunade, Wunnava & Walsh, 1994; Gaier, 2005; Bruggink & Siddiqui, 1995). Additionally, alumni who are close to retirement and those that have wills are more likely to give (Wunnava & Lauze, 2001). The obvious reasoning behind this determinant is that over the course of a lifetime alumni generate and accumulate more wealth through employment, and therefore have more to give as their age increases.

Gender results are some of the most heavily debated and researched determinants of alumni giving. As the role of a woman in the household changes (they become providers, are more educated, more powerful and more successful) their ability to affect decision making and specifically donation decisions increases. Although women tend to be more philanthropic, men still earn more, allowing them to give more (Meer & Rosen, 2009; Wunnava & Lauze, 2001; Okunade & Berl, 1997). Males are 7% less likely to donate than females (Holmes, 2009). In general, females tend to be more compassionate and understand the importance of philanthropic giving. Studies have seen an increase in women shaping the charitable giving decisions of a household. As women continue to earn more and are historically more inclined to give, they should be conscientiously solicited in the future. Similar to the mixed results on gender giving, researchers also debate how marital status affects alumni giving (Okunade & Berl, 1997; Monks, 2002). For example, in his 2009 study, researcher Holmes discovered that married individuals were “15% more likely to donate than their single counter parts” with giving likely attributed to amassed combined wealth. However, researchers Bruggink and Siddiqui found single people more inclined to give, with less familial responsibilities such as a spouse or child. Similar to this theory, the number of children or number of individuals in a household that need to be cared for is thought to decrease giving, as there are more financial demands in larger households (Okunade & Berl, 1997).

In continuing with the demographic determinants of alumni giving, most studies show that Caucasian individuals give more than any other ethnicity (Meer & Rosen,

2009; Okunade & Berl, 1997). African Americans, Hispanics and multiracial individuals are less likely to give than whites, and US citizens are more generous than non US citizens (Monks, 2002). In his 2009 study of universities (except for Historically Black Colleges), researcher Holmes found that minority groups (such as African Americans, Gay and Lesbian and International Alumni) were “less likely to donate as they felt less integrated into campus community and less attached to their alma mater upon graduation.” This claim was noted for other ethnicities as well.

Philanthropic tendencies and religious beliefs had similar, positive impacts on alumni giving (Weerts & Ronca, 2009; Okunade & Berl, 1997). A religious upbringing introduces the concept of tithing, and early on instills a philanthropic, charitable nature to most individuals. Past donors and other philanthropic donors were more likely to give as well. In addition, those who attended a private or a boarding high school were more likely to give than those who attended public high schools (Meer & Rosen, 2009). Similar to religious and philanthropic desires, attendees of private and boarding schools understand the need for monetary donations. Additionally, with the ability to attend a private, paid for high school, these alumni likely have inherited accumulated family wealth that makes them financially well off and more predisposed to give.

The final demographic determinant of alumni giving that most studies focused on was geographic location. Location can break into two aspects that affect alumni giving: distance from college and median household income by zip code (and often neighborhood). Studies found that alumni who lived in the same state (or within a 250 mile radius) as the university were more likely to give and to participate than alumni

who lived outside that radius (Gaier, 2005; Okunade & Berl, 1997; Bruggink & Siddiqui, 1995; Holmes, 2009). Most universities have alumni offices and programming that create local or on campus events that engage alumni and inspire giving. Additionally, in-state alumni are more likely to return back to campus due to proximity. They are also more exposed to and may benefit from university services or connect with other alumni that live in the area, all increasing their inclination to give. In terms of location and household income, alumni who live in wealthier neighborhoods donate more (Holmes, 2009). This is probably not causation but correlation, as alumni who can afford to live in wealthier neighborhoods would have more income to distribute. Holmes found a significantly strong correlation between giving and zip codes with wealthy median incomes (which is a tactic used often in university advancement research to identify potential donors). Again, those who live in wealthier neighborhoods normally have the financial resources to give.

### **In-School Experiences**

In-school experiences are possibly the most influential alumni giving determinant category. In-school experiences shape the majority of alumni satisfaction, which has been determined to be the best predictor of alumni giving. The overwhelmingly prevalent in-school experience that affected alumni giving in all studies was participation in an extracurricular activity (Meer & Rosen, 2009; Wunnava & Lauze, 2001; Okunade, Wunnava & Walsh, 1994; Bruggink & Siddiqui, 1995; Gaier, 2005; Clotfelter, 2001; Holmes 2009). These activities include participating or involvement in: varsity or club sports, fraternities or sororities, the performing arts, student

government, religious groups, residence hall life and any other affinity groups. Alumni who “participated in at least one formal student activity during the undergraduate experience were 87% more likely to give than those who did not participate” (Gaier, 2005). Extracurricular participation creates a positive feeling towards the university that grows in strength over time. These feelings cause alumni to reflect back encouragingly on their experiences and are more likely to give. Here the inverse is also true; those who were not involved on campus are less likely to give in the future.

Another major school experience that increased a donor’s likelihood to give was the presence of a mentor in college (Clotfelter, 2001). Like an extracurricular activity, a mentor creates an important and relational bond between the student and the university. The student has an immediate and close advocate that improves their relationship and satisfaction with the university. Graduates who indicated that “they had a high level of involvement in an internship, contact with faculty outside of class, contact with their major advisor, or contact with campus staff made higher average donations than those without these academic experiences” (Monks, 2002). All examined research corroborated these findings, showing increased donations when someone took a special interest or created a personal bond with alumni when he or she was enrolled there.

Perhaps the most researched determinant of alumni giving is major in school. This is one of the most easily identifiable attributes, as all schools have registrar records indicating what major or college alumni graduated from. Not all schools or fundraising offices have ethnic, marriage or income information- however; universities should know



exactly what school or what major their students graduated from. Findings indicate that graduates who majored in business, management, engineering, economics, finance, public policy and mathematics had higher average earnings and subsequently donated significantly more than graduates from other majors (Meer & Rosen, 2009; Okunade & Berl, 1997; Okunade, Wunnava & Walsh, 1994; Monks, 2002; Bruggink & Siddiqui, 1995; Wunnava & Lauze, 2001). These studies also concluded that graduates in majors of fine arts, nursing, education, communication and humanities were much less inclined to give and gave at lower amounts compared to their previously mentioned classmates (Okunade, Wunnava & Walsh, 1994; Bruggink & Siddiqui, 1995; Monks, 2002; Meer & Rosen, 2009). Since these majors are so easily identifiable, this should be the easiest way for development offices to both segment and solicit alumni. The final determinant of in-school alumni giving reflects a student's academic performance. Both Meer and Rosen (2009) and Gaier (2005) concluded that students who graduated with higher grade point averages gave more. These positive academic performances were associated with better job placements and increased financial success, leading to higher income devoted toward charitable contributions.

### **Post-School Experiences**

Post college experiences also influence alumni giving. The strongest determinant of an alumni's capacity or ability to give is income. As expected, increases in both individual income and household income raised expected contributions (Monks, 2002; Weerts & Ronca, 2007; Wunnava & Lauze, 2001; Clotfelter, 2001; Okunade & Berl, 1997; Okunade, Wunnava & Walsh, 1994; Bruggink & Siddiqui, 1995). Alumni with

more wealth have more money to distribute, and also benefit from charitable gifts through tax deductions. Increased income is associated with certain industries of employment (similar to school majors), especially the banking and financial services industry (Holmes, 2009). Alumni working in these two sectors are among the mostly like to give, with those working in computers/technology and government/public policy coming in a close second (Holmes, 2009). Again, noted increased earnings in these sectors spur giving. Income also increases with continued education, another predictor of alumni giving. Those who continued their education with an MBA or law degree have a higher average donation than those without an advanced degree (Meer & Rosen, 2009; Clotfelter, 2003; Okunade, Wunnava & Walsh, 1994; Monks, 2002). Conversely, “those with a PhD did not give significantly more to their alma mater” (Monks, 2002). Researchers concluded that those who obtain PhDs earn less and financially have more school debt.

Interaction with an alma mater post-graduation is the final determinant of alumni giving. All studies agree that post-college interaction with universities increases alumni giving. Reunion attendance, for example, has been found to increase alumni giving by 17%, opposed to those who have not returned to campus for an event (Meer & Rosen, 2009; Holmes, 2009). Post-college visits help spark sentiments and build affinity for the institution, which creates an inclination to donate. The degree in which an alumni keeps in touch with the campus, whether it be volunteering for different events or participating in university-sponsored events, all increase alumni proclivity to give (Gaier, 2005) (Weerts and Ronca, 2009). Any interaction with the university

increases emotional attachment and creates positive sentiments towards the institution.

### **Giving Deterrents**

There are also reasons why people do not give. The antithesis of each above determinant is a possible explanation of why people do not give. There are also additional ancillary motives as why people are less inclined to give. For example, some alumni feel that a college education is simply a paid for service (Wastyn, 2009). By paying for an education at an agreed upon price, they are receiving something in return, which is the end of the transaction. The entire experience is considered a set, paid-for amount of time, after which alumni will have “completed that phase of their life and have moved on” (Wastyn, 2009). Additionally, the cost to obtain a higher education degree has skyrocketed in the past two decades. Alumni are graduating with insurmountable levels of debt, and some consider higher education too expensive to be giving gifts. Some consider college “a commodity and not a charity” (Wastyn, 2009). Many graduates refuse to give to universities because of a negative sentiment towards their school, often caused by a lack of career or life preparation. Alumni feel as though their alumni experience is defined by the job they obtain after college and how well they perform in that job (McDearmon, 2010). This performance will often determine if alumni are more inclined to give, especially if they are experiencing increased pay due to this performance.

Finally, a major deterrent to alumni giving is the misunderstanding of how donations are used at a university. Many universities fail to properly convey how funds

are used and how vital gifts are to university operations. Alumni want to know what their money is used for, who makes the giving decisions, and how ranking of priorities come to fruition (Wastyn, 2009). Universities do a poor job of communicating these items, and alumni would be more inclined to give if they understood what their gift impacted. Research also shows that they would be more inclined to give if they could choose where the gift would go and how it would be used (McDearmon, 2010). Finally, a common misconception is that small gifts do not make a difference to the university, which is untrue (Wastyn, 2009). Every gift counts and universities need to clearly convey this message. Overall, universities need to work on their fundraising communication and explain why donations are so vital to university survival.

In summary, it has been made evident that with so many different attributes influencing inclination to give it is quite difficult to predict alumni giving. Furthermore, most researchers agree that although alumni may fit a typical profile for a donor, they may not have been satisfied with their educational experience, which is often considered the most influencing factor in alumni giving. Satisfaction data is qualitative in nature, compiled in the form of short answers to questions that try to understand alumni sentiments. However, some of this research is also compiled with quantitative measures, often asking alumni to rank how satisfied they were with their alumni experiences.

### **Alumni Satisfaction**

The overwhelming consensus is that alumni satisfaction with the college experience is the most significant determinant of alumni giving. The higher the level of satisfaction

with the university experience, the more likely alumni are to give, and at higher rates and amounts (Weerts & Ronca, 2009; Monks, 2009; Gaier, 2005; Clotfelter, 2001; Wastyn, 2009). Current alumni disposition is intensely shaped during the undergraduate experience, with graduates leaving college with “an assessment of their experience and a sentiment toward their alma mater” (Gaier, 2005). This internalization of these experiences helps shape donor decision making (Wastyn, 2009). Donors who become emotionally attached during this time period establish a perception of oneness with or belonging to the university, where the individual defines him or herself as a member of the university alumni group (Weerts & Ronca, 2007). This emotional attachment increases the proclivity to give, with a positive sentiment generating generosity from alumni over time. Researcher Monks determined in his 2002 study that “those who were very satisfied or generally satisfied with their undergraduate experience gave over 2.6 times as much to their alma mater as graduates who were ambivalent, generally dissatisfied, or very dissatisfied”. Alumni who have positive experiences with their alma maters are more likely to be more generous to the university over time.

### **Legacy Alumni**

Like satisfaction, the inclination to encourage another family member to attend the same university is another indicator of positive emotional attachment and investment in the university. This is the prime focus of this study and data analysis. Research has concluded that alumni with relatives who also attended the same university were more inclined to give, and at higher levels (Wunnava & Lauze, 2001;

Okunade & Berl, 1997; Clotfelter, 2003; Holmes, 2009; Weerts & Ronca, 2007; Monks, 2002). The research determined that all family ties- children, parents, spouses, siblings, aunts, uncles, cousins, grandparents, great grandparents- all positively influenced giving. In their 2007 study, Weerts and Ronca referred to this as the investment model, where multiple generations from the same alma mater would be more likely to give due to increased investment in and emotional attachment to the university. Alumni with multiple family members attending the institution all proved to have stronger ties to the university (Holmes, 2009). They have longer, more intense experiences with the schools that are positively reinforced by their fellow alumni family members. In turn, these 'legacies' (as they are commonly known) tended to make larger donations to their alma mater and tend to be more likely than other alumni to give at all (Clotfelter, 2001; Monks, 2002; Weerts & Ronca, 2007). In his 2009 study, Holmes determined that alumni with close relatives were 6% more likely to donate than those without family connections. And that leads us to the question for this study. At Marquette University, is this true? Do legacy families really give more money? Does the level of legacy (two family members versus three family members attending) affect giving? How do university interactions with legacies (especially fundraising interactions) affect giving behaviors among such families and especially in different levels of generational families?

Legacy constituents add significant financial and emotional investment into a campus over time. A student has 'legacy' status if they had a relative who attended the same institution. Additionally, alumni can be considered 'legacies' if they also had a relative attend their alma mater. This relative can be a parent, child, spouse, sibling,

grant parent, great grandparent, cousin, aunt or uncle. It is vital to examine the history of legacy connections and how legacy status impacts both enrollment and alumni donations, as “traditionally, universities have relied on gifts from alumni, who are rewarded with ‘legacy’ preferences for their children” (Meer & Rosen, 2009). In a time where higher education has become a highly competitive industry, admission preference for legacies “has featured prominently in recent legal and policy debates” (Martin & Spenner, 2009). The results of these legal, ethical and academic debates are surprising and controversial, as most favor institutions and their legacy preferences. For example, in the 1976 precedent case *Rosenstock v. the Board of Governors of the University of North Carolina*, a federal judge held that “admissions preference for the children of alumni was not unconstitutional, since alumni provide monetary support for the University” (Meer & Rosen, 2009). Since neither race nor fundamental rights were impacted by legacy preference, the judge ruled that providing “anything more than a rational reason was not necessary” (Adams, 2008). The judge likened admissions preference for legacy students similar to states that give preference to instate students. State universities are allowed to give preference to in state students as part of their budgets are financed by residence paid tax support. The judge applied this theory to the alumni legacy donations, likening the donations to tax dollars, both of which finance a large portion of university budgets. He therefore sided with universities, allowing them to admit based on legacy status. This is not to say a student will be admitted based on legacy status alone, but the status may set apart two equally ranked candidates (if there are no other deciding factors).

The emphasis on legacies is important for two reasons: legacies help foster loyalty and tradition and also have higher emotional attachments to the university, both of which inspire future giving. Legacies help maintain a sense of tradition; they take from the experiences of their alumni relatives and arrive on campus with a greater appreciation of traditions and institutional loyalty (Martin & Spenner, 2009). Additionally, the high rate of monetary support by legacies and their relatives is viewed as “crucial to elite schools’ financial success” (Martin & Spenner, 2009). These two aspects justify university decisions to favor legacy applicants, especially when universities rely so heavily on alumni support. For example, alumni provide over 30% of private donations to higher education; yet if they were to neglect this legacy aspect, it could have serious financial implications for institutions (Golden, 2003). In his 2003 study, researcher Golden reports of a 1962 Princeton alumni, Richard Hokin, who stopped giving to his alma mater “after it turned away his two daughters several years ago.” Alumni can act adversely if their students are rejected from admission, and vice versa, which was the basis of a 2009 Meer and Rosen study.

In 2009, researchers Meer and Rosen examined the child cycle of alumni giving. In this research they studied giving among alumni who not only had children, but also had children applying to the same institution they attended. The presence of children alone in an alumni giving model increases the probability of giving by over 13 percentage points (Meer & Rosen, 2009). This percentage dramatically increases as their children approach the college decision age. If an alumni’s child is applying to their alma mater, “alumni believe that donations enhance the probability that their children



will be admitted to their alma mater” (Meer & Rosen, 2009). Although institutions make no promise of reciprocity (though they may favor them more highly in the admissions process), alumni still tend to give more while their children are going through the admissions process. The research concluded that “the probability of giving increases by 34 percentage points for an alumnus whose 18 year old child is accepted” (Meer & Rosen, 2009). Alumni believe their giving will help influence an admissions decision, and if granted acceptance, their satisfaction with the decision is reflected in reciprocal giving. However, after this acceptance, giving falls off. Although this may seem like the end of a transaction, decreased giving may be attributed to funds being directed to other priorities, such as tuition. Meer and Rosen also found the exact opposite to be true; parents of unsuccessful applicants giving dropped off dramatically, to levels and probabilities lower than those who had no children at all (Meer & Rosen, 2009). The decline in giving was far greater when the applicant child of an alumnus was rejected. This was the first research to prove via data every fundraising office’s hunch—alumni giving is influenced by admissions decisions. As Sheldon Steinbach, general counsel of the American Council of Education concluded, “without legacy preference, there would be a significant decrease in giving from a core body of traditional support-families in which at least a second generation has gone to the institution” (Golden, 2003).

Elite universities are not remiss from commenting on the phenomena of legacy giving and legacy admissions. University of Pennsylvania, Princeton, and Stanford all stress the need to honor legacy admissions and understand the financial importance of

alumni giving. University of Pennsylvania is particularly candid on the topic of legacy students, acknowledging that admitting legacy students fosters alumni relations. Dean of Admissions Lee Stetson has conceded that admitting legacy students “fosters more loyalty to Penn, keeps an ongoing interest in Penn among family members, helps us in our efforts to raise money and continues to create a wonderful family atmosphere” (Heintz, 2007). Penn President Amy Gutmann also agrees, stating that “alumni are an important part of the mission that sustains us over time...our alumni are loyal to us, and we are loyal in return (Heintz, 2007). Academic powerhouse and fellow Ivy League university Princeton also acknowledges the dependency on alumni generosity, knowing the extreme importance of alumni to the financial well-being of the university (Meer & Rosen, 2009). Stanford administration shares similar sentiments, concurring how vital legacy admissions are to the future of the university. Howard Wolf, Stanford class of 1980, Vice President for Alumni Affairs and President of the Stanford Alumni Association sees “only advantages to Stanford of our current legacy admissions policy... the transfer of intergeneration loyalty, and the relationships between the university and its graduates that support this loyalty, are supremely important to Stanford and its future” (Kapur, 2008). These institutions place great emphasis on shared loyalty between alumni and the university. By loyally (and financially) supporting the institution, alumni are reciprocated with favored admissions decisions. Loyalty among admitted students is expected, fostering familial ties between alumni and the universities.

Duke and Harvard explicitly showcase their favoritism to alumni children.

Harvard Admissions Dean William Fitzsimmons has acknowledged that Harvard has

“legitimate institutional goals” for favoring alumni children (Golden, 2003). He states, that alumni “bring a special kind of loyalty and enthusiasm for life at the college that make a real difference in the college climate, making Harvard a happier place... when their sons and daughters apply, we review their applications with great care and will give a ‘tip’ in the admissions process to them” (Golden, 2003). Fitzsimmons focuses on the intangibles (emotional attachment and loyalty) of accepting legacy applicants, with knowledge that tangible returns (family donations) are the end goal. Duke is even more candid with its preference of alumni, as it has a documented history of admissions preferences for children of wealthy alumni, with emphasized attention to relatives who are likely to make large future donations (Martin and Spenner, 2009). Duke does this with a direct end goal of growing its endowment. Finally, the University of Virginia also emphasizes legacy preference, especially in a down economy. UVA President John Blackburn openly stated that, “In light of very deep budget cuts from the state, our private support, particularly from alumni, is crucial to maintaining the quality of the institution. The legacy preference helps ensure support by recognizing financial contributions and service on university committees and task forces” (Golden, 2003). These examples all confirm that universities recognize and use legacy admissions to their advantage. Not only are they creating a more emotionally invested and loyal community, they are also pleasing their donors and reaping benefits with such reciprocity. As higher educational consultant Sally Rubenstone said, “Allotting preference to legacy students is a college’s way of saying, ‘thank you for the money we expect you will give us’ or simply, ‘thank you for the time and effort you’ve put in for

your alma mater” (Heintz, 2007). These cases exemplify the important role legacy alumni play in the overall direction of the university.

There is only one study that strictly focuses on the impact legacy status has on giving. In their 2009 study, researchers Meer and Rosen agree that the “probability of making a gift increases with the number of relatives who attended the college, as does the amount of the gift.” The overwhelming conclusion is that the presence of an alumni family member will greatly increase an alumnus’s giving to that same institution.

Alumni with a spouse who attended Anon U (as called in the study) were 12.3% more likely to make a gift in a given year than those without alumni spouses (Meer & Rosen, 2009). Alumni with a child attending Anon U’s giving increased by 12.9%, with a child-in-law by 3.99%, and with a niece or nephew by 7.4% (Meer & Rosen, 2009). Overall, they saw a positive increase in alumni giving with family members of the younger generation (children, children-in-law, nieces and nephews) opposed to alumni with family members of the older generations (parents, parents-in-law, aunts and uncles), which proves their earlier study that giving is inspired by having a child or younger family member apply to their alma mater (Meer & Rosen, 2009). The researchers greatly support the notion of legacy preference, acknowledging that “without legacy preference, there would be a significant decrease in giving from a core body of traditional support – families in which at least a second generation has gone to the institution” (Meer & Rosen, 2009). Legacy families add significant financial and emotional investment to their alma maters and should be one of a university’s greatest assets, as financial commitments will only grow with additional members’ and

generations' common affiliation (Meer & Rosen, 2009). Any fundraiser will support this statement; however, it is incredibly important to prove this statistically with data.

As the research agrees, legacy families are emotionally attached and have lengthy connections with their university and are more likely to give money. This study will examine the effects and importance that legacy status has on giving at Marquette University. More specifically, this study will look at how giving differs among different iterations of legacy groups. It will also observe the affects that fundraising and university interactions have on each different legacy group. This researcher hypothesizes that giving will differ between legacy and non-legacy groups, with legacy alumni giving more than there non-legacy counter parts. Additionally, it is hypothesized that giving will differ between the different iterations of legacy groups, with giving increasing with more ties to the university. And finally, it is hypothesized that university and fundraising interactions will positively impact giving. It will be near impossible to predict how each interaction will affect giving among each group, especially since no research has been done thus far on this topic. It is predicted, however, that different interactions will have different effects on different groups based on the length of time they have been affiliated with the school.

### **Data and Method**

This data was taken from Marquette University's Raiser's Edge Fundraising database. The database contains 291,022 records, all of which were used in the aggregation of this data. First and foremost, the data was separated into five different groups. One hundred and five thousand three hundred (105, 300) non-alumni

constituents were identified (henceforth will be referred to as NA), consists of organizations and individuals that have not received a degree from the university. In the remaining four groups, each constituent is an alumnus of Marquette, having received a degree from the university. The first group, Generation 1 (G1), includes 122,377 alumni that did not have a parent or child also attend Marquette. They are the sole alumni from their family to attend Marquette (to the best of our knowledge). The second group, Generation 2 (G2), includes 12,977 alumni that also had a parent or child attend Marquette. These alumni, plus either their alumni child or alumni parent will be included in this G2 group. The third group, Generation 3 (G3) includes 2,518 alumni that not only had a parent or child attend Marquette, but also had a grandchild or grandparent attend Marquette. As described in G2, all three iterations of alumni are included in this group. Finally, in accordance with the previous groups, the fourth group, Generation 4 (G4) includes 315 alumni that also had parent or child attend Marquette, as well as a grandchild or grandparent, and a great grandparent or great grandchild. Again, all four iterations are included in this group. These groups and notations were determined by a series of queries performed in Microsoft Access out of the Raiser's Edge data warehouse. These groups and legacy status was not identified in the Marquette database prior to this research, a major accomplishment in itself.

### **Limitations**

Please note that if a husband and wife couple fell into the same generational group, their giving and actions were only considered once. However, if they fell into two separate generational groups, they were considered separately. The reason behind

this decision was to be able to compare group to group, without double counting within the individual group. Additionally, this data contains all alumni, living or dead. This better represents the actual size of the legacy pool, although it does skew giving and actions among the earliest alumni. Currently with such an emphasis on alumni giving and the importance of donations in funding school budgets and endowments, more university resources are currently devoted to fundraising. Therefore, older (or possibly deceased) alumni were solicited less and may or may not have lower giving totals or actions. However, to omit deceased constituents would also omit those who died recently who may have given substantial amounts. Therefore, it was decided to keep both living and deceased alumni in the data with a declaration of this decision.

Additionally, some major donors have giving attributed to them that are also attributed to a separate, donor linked trust. Trusts are considered non alumni in this study. Again, it would seem that this data should be removed because it is double counted, but the data does not allow us to determine every trust that has a donor linked to them. Again, the main concern in this study is to show if legacy families give more and are more inclined to give, whether the generational groups studied have different giving patterns, and how university fundraising or alumni office interactions affect giving. The few multiple trust/donor giving may skew the data slightly, but hopefully not at the expense that removing all individual trusts, foundations or corporations would. Finally, there are some truly transformational, million dollar gifts that greatly skew the average giving totals. These will be adjusted for in the Kruskal-Wallis and Mann-Whitney tests that will be described below.

### **Descriptive Statistics**

The dependent variable in this study is total lifetime donation. It is expected that giving will vary with each group, as well as with different levels and types of university interactions (explained below). Giving over each constituents' lifetime was aggregated into a total, Life Time Giving (LTG). Gifts were totaled since the inception of gift processing, and December 31<sup>st</sup>, 2010. This total includes all cash gifts in hand: cash (a cash gift), pay-cash (a cash payment on a pledge), matching gift pay-cash (a cash payment on a matching gift pledge), stock/property, pay-stock/property (on a pay-stock/property pledge), matching gift pay-stock/property (on a pay-stock/property matching pledge) gift-in-kind, pay-gift-in-kind, matching gift pay-gift-in-kind, recurring gift and recurring gift pay-cash, also known as receipts, as well as any pledge or matching gift pledge to the University (write offs, as well as matching gift write offs were also included to remove any pledge that was never going to be realized). If a pledge had already been partially paid, then both the payment and the remaining pledge balance were combined to calculate the final giving total. The following descriptive statistics for each group's lifetime giving and the population, as a whole, can be found in **Figure 1**: mean, median, mode, standard deviation, variance, range, minimum and maximum.

As stated, besides determining giving within the groups themselves, the main goal of this study is to explain how university interactions with non-alumni and alumni (specifically legacy alumni) affect giving. Therefore, the following action types were selected and aggregated for this project. The action types included in the Raiser's Edge



data base are: Event, Advocacy, Email, Phone Call, Mailing, Task/Other and Meeting.

Each action type was summated for each individual in the study. It is important to understand the context of these actions. A constituent could have attended a University sponsored function, called an event. Since the implementation of Raiser's Edge in February 2008, over 1,544 events have taken place through Marquette. A meeting is considered the most significant and impactful action, implying a face-to-face meeting between a donor and a university employee. A vast majority of these meetings involve a university fundraiser or alumni staff member and an alumni (or non-alum). A phone call is also a very meaningful action, where a university employee (again, normally a fundraiser or alumni staff member) engages in meaningful conversation with an alumni or non-alumni via phone. An email is an action similar to a phone call, but via the internet and in 'writing.' The majority of Task/Other actions represent previous actions that were converted from a former data base, prior to 2/1/2008. Although it would have been beneficial to know the nature or actual type of these actions, there is no way to do so, so we must rely heavily on the other actions to hold their own weight. Finally, Advocacy is not considered a very meaningful or strong action type, as there are very few of these actions. An advocacy action type generally means that a fundraiser will act as a champion for a constituent (which is sometimes done in admissions decisions or other issues pertaining to the university). Again, the following descriptive statistics for actions of the overall population and each group can be found in **Figures 2-8**: mean, median, mode, standard deviation, variance, range, minimum and maximum.

### **Krusal-Wallis Test**

There are two main goals of this study: to determine if and how legacy status of alumni affects giving and how university interactions with their constituents affect giving. To first explore whether legacy status affects giving, a non-parametric, one-way independent ANOVA test, the Kruskal-Wallis test was performed. A Kruskal-Wallis test accounts for non-normally distributed data, where the sample size of groups,  $n$ , (in this case, the different generational groups) differ (Field, 2009). The goal of the Kruskal-Wallis test is to compare independent means among groups and to conclude if they differ. The results from the Kruskal-Wallis Test can be found in **Figures 9 and 10** and are discussed below in the results section. Notice how the Kruskal-Wallis test only tells whether a difference exists, and not “exactly where the differences lie” (Field, 2009). To test where the differences exist, post hoc tests must be used.

### **Mann-Whitney Test**

The test used to compare the differences between the means of each groups is the Mann-Whitney test. But first, in order to test for the proper significance level of each group comparison, the number of errors has to be reduced using the Bonferroni correction (Field, 2009). The Bonferroni correction takes the normal critical value of significance for each test, .05, and divides it by the number of test performed (Field, 2009). In this study, there will be 10 tests performed (as show in Figure 10) comparing each generation group with each other. With 10 tests, the level of significance will decrease to .005. Therefore, a p value less than .005 will indicate a statistically significant difference. Anything higher than .005 will indicate groups acting similarly.

The results of each Mann-Whitney test are located in **Figure 11**. They are further discussed in the results section below.

### Regression Analysis

The previous two tests were used to determine how legacy status affects donations. They were done to prove the importance of this study. The following multi-linear regression models were generated to better understand how university interactions with alumni and non-alumni affect giving. For each generational group, a multi-linear regression was constructed using the different action types as predictor variables and total lifetime giving as a dependent variable. The form of the model is:

$$Y_i \text{ (lifetime giving)} = b_o + b_i(\text{event}) + b_{ii}(\text{advocacy}) + b_{iii}(\text{email}) + b_{iv}(\text{phone call}) + b_v(\text{mailing}) + b_{vi}(\text{task/other}) + b_{vii}(\text{meeting}) + e_i$$

The r-squared values, Durbin-Watson, standardized beta coefficients and their respective significance values (Sig.) for each generational model are listed in **Figures 14-22**. The r-squared value determines how well the variables fit the model. It determines “the amount of variation in the outcome variable that is accounted for by the model” (Field, 2009). The r-squared value explains how much of the dependent variable can be explained by the independent variables. So in this case, the r-squared value identifies how much of lifetime giving can be explained by the different actions in the different generational groups. The Durbin-Watson value “tests for serial correlations between errors in regression models... it tests whether adjacent residuals are correlated, which is useful in assessing the assumption of independent errors” (Field, 2009). The value can range between 0-4, with a value of 0-2 indicating a positive correlation, a value of 2

uncorrelated, and a value greater than 2 as a negative correlation between adjacent residuals (Field, 2009). The beta coefficients represent the gradient of the regression model. A positive beta coefficient represents a positive relationship between the independent variable and the dependent variable, and a negative beta coefficient represents a negative relationship between the independent variable and the dependent variable (Field, 2009). In these models, this means that for example, a positive event coefficient will mean a positive effect on lifetime giving. These coefficients are only considered statistically significant predictor if their Sig. values are less than .05. If the Sig. value is greater than .05, it is not a predictor. The values for each of these indicators are discussed in the results section below.

## **Results**

### **Lifetime Giving Among Groups**

Figure 1 presents the general descriptive statistics for each generational group's lifetime giving. The most important statistic to note here is the mean, or average, lifetime giving for each group. According to the hypothesis, this researcher believes that due to an increased instilled emotional relationship with the university, legacy alumni will give more than non-legacy alumni. This is proven to be true by mean lifetime giving. The average giving over a lifetime for non-alumni constituents is \$5,847 and \$2,077 for a single generation alumni donor. At face value with no statistical significance, these two averages, as well as the overall average of \$4,634, are lower than the averages of two generation families (\$17,612), three generation families (\$11,040) and four generation families (\$6,890). However, there have been a few transformational, multi-million

dollar gifts that have skewed these totals. These skewed lifetime giving totals can be seen in the range and maximum values in the descriptive statistics. For example, each generation has an extreme maximum that is not representative of the overall population: Non-Alumni, 50,000,000; Generation 1, \$30,422,750; Generation 2, \$70,534,954; Generation 3, \$1,939,677; and Generation 4, \$649,668. Because of these outliers, we cannot safely rest on average mean alone to predict the best generational group of givers. Therefore, one must proceed to a Kruskal-Wallis test.

As previously discussed, a Kruskal-Wallis test compares independent means among groups of different sample sizes to see if a difference between each group's means exists statistically. It takes into account outliers by converting the data into ranks. The distribution of these ranks among the various groups then determines the value of the test statistic (Kinnear and Gray, 2009). If the test statistic is less than .05, then it is significant, indicating both a difference in the means and the validity of the means. With a significance value of .000 (less than .05) the Kruskal-Wallis test proves that differences among the groups do exist, the mean values for each group are statistically significant and that G2 (\$17,612), G3 (\$11,040) and G4 (\$6,890) alumni (legacy alumni) give more than G1(\$2,077) or non-alumni (\$5,847). The mean levels of giving are significantly different and the differences in generational groups do significantly affect giving. The distributions of the means are not the same. To test where the mean differences and similarities lie among the different generational groups, one must proceed to the Mann-Whitney test.

As described in the methods section, a Mann-Whitney test is used to compare the differences of means between each group. As figured through the Bonferroni correction, any two compared groups with a p value less than .005 indicates a statistically significant difference in giving tendencies. Any two compared groups with a p value greater than .005 indicates a statistically significant similarity in giving tendencies. Nine out of the ten Mann-Whitney tests completed had p values less than .005, indicating that in comparison to each other, these groups all behave differently in giving. Eight out of nine of these groups had p values well below .001, with many approaching .000, except for one. Groups G3 and G4 had a p-value of .002, which did not hit the .005 level of significance, but was significantly higher than any of the other p-values, all of which were too miniscule to note.. This p value indicates that although generational groups G3 and G4 (third and fourth generational legacy families) do act differently; they do so in a similar manner. This proves that legacy alumni do give in ways which are different than non-legacy alumni. This claim is corroborated by the final Mann-Whitney test between G2 and G4, which had a p-value of .962. This high p-value above .005 statistically proves that generational groups G2 and G4 behave similarly, proving that legacy alumni give more than non-alumni legacy families. Although we would like to claim that as the amount of generations increase giving increases, this was not proved. However, we do learn that being part of a legacy family is a good indicator of giving, and that legacy alumni give more than non-legacy alumni.

This is statistically proven when we examine all legacy alumni versus all non-legacy alumni in an additional Mann-Whitney test, in Figures 12 & 13. When comparing

raw means, legacy alumni have an average lifetime giving of \$16,352, compared to \$3,821 for non-legacy constituents. These numbers have no validity when compared against each other unless they pass the Mann-Whitney test. With a significance of .000 (less than .005) these means are significant and can be used when compared against each other. This means that on average, legacy alumni give 327% more than non-legacy constituents.

### **Actions**

These statistical tests help prove that legacy alumni members are a valued constituency and do give more. Most fundraisers believe this to be true and support such a statement, but these statistical tests give actual proof that legacy status does impact giving. The claim can now be a fact based on statistical evidence. So perhaps even more important for a fundraising office is to see how we can affect legacy giving through university interactions, or actions, as called in this study. Figures 2-8 summarize all the different actions (phone call, meeting, mailing, email, advocacy, task/other, event) for each generational group. The reason for choosing actions as the predictor of giving in this study is important; it is the one determinant of alumni giving that universities and advancement offices can control. Advancement offices cannot control any of the previously mentioned determinants of alumni giving, especially those related to demographics, in school experiences, post graduate experiences, and alumni satisfaction with their educational experience. They can however, control the number of interactions and quality of interactions (which would be a great subject of further

study, though seemingly daunting) with alumni. The second half of this study focuses on how fundraising actions affect giving, specifically among legacy families.

Figure 7 represents the percentage of alumni contacted through each action type. As noted, the G3 alumni group has the highest percentage of interactions with the university within each action type. Of the 2,518 G3 alumni, 15% have been contacted via phone call, 24% in a face to face meeting, 11% via a mailing, 8% via email, 27% through a previous action/task/other, and 35% have attended an event. This outdistanced them from any other group among action types (phone, 5%; meeting, 5%; mailing, 3%; email, 2%; task/other, 4%; event, 8%). These numbers, however, fail to carry any implications. They may be beneficial compared to benchmarks from a different university or as time series data, over time in the future. Therefore, one must proceed to a regression analysis to determine just how these interactions affect giving.

For each generational group regression, it is important to first look at the  $R^2$ , which explains how well the data fits the model. In other words, how much of the dependent variable (lifetime giving) is explained by the independent variable (actions). The remaining balance of giving is assumed to derive for the various alumni giving determinants defined previously in the literature review. First, we examined the non-legacy groups. The  $R^2$  value from G1 was .063, meaning that 6% of the giving in the G1 group is explained by university actions. The  $R^2$  values for Non-Alumni was .103, meaning that 10% of the giving in this group is explained by university interactions. It is of note that the  $R^2$  value for non-alumni is larger than G1 alumni. This means that the university must interact more with non-alumni to incite giving as non-alumni have no



educational connection to the university (opposed to the degree earning G1 group).

This non-alumni group includes parents, basketball season ticket holders, employees, and general friends of the university. They never received an education from Marquette and have none of the in school experiences or satisfactions that alumni did. In terms of parents, parents may have been satisfied with the level of education their children received. Season ticket holders may give to both support the university and improve their seats. Employees may give because they believe in the university and want to support its mission and programming. Other friends of the university may give because they have some outside connection to university or believe in the work it does in the community or the importance of educating students for the future. Whatever the reason may be, if the university wants to see returns on this group, they must have interactions with them. This is not as important for G1, or single generation alumni, who have an established alumni experience and other determinants and reasons to give.

The  $R^2$  value for G2 was .155, meaning that 15% of the giving in the G2 group is explained by university interactions. The  $R^2$  value for G3 was .205, meaning that 20% of the giving in group G3 is explained by the listed university actions. And finally, the  $R^2$  value for the G4 group was .743, meaning that a whopping 74% of the giving in group G4 was attributed to legacy-university interactions. These  $R^2$  values can be looked at from many angles. First, as the generational lineage increases, so does the amount of giving that is explained by university interaction. So for G1 (6%), G2 (15%), and G3 (20%), it is not crucial that they have significant amounts of university

interaction (although any  $R^2$  value over 10% is considered a good bench mark). They still have other determinants that help define their giving. The percentage does increase as the legacy lineage increase, but it is still a low percent of giving explained by university interaction. G4 had an  $R^2$  value of .743, meaning that 74% of giving by this group is due to (or explained) by university interactions. As the generational lineage increases, other determinants of giving are not as important, and it is extremely important that these donors are essentially nurtured and cultivated at a high level by the university. To further explain, G4 alumni have donated significantly to the university through numerous lines of tuition, and desire personal interaction to drive them to give. The good fit of the G4 model has major implications for fundraising offices. It is imperative to develop meaningful relationships with multi-generational legacy families. With such a rich tradition tied to the university, they need to be cultivated and stewarded in thoughtful, genuine ways to inspire giving. Theoretically, with the ability to pay for a college education for four generations, they have the income, ability and acquired family wealth. By sending multiple generations to the same institution, they have a palpable satisfaction with their experience. They are engaged, satisfied, and have the capacity to give. They just need to be approached, and approached in the right way when it comes to soliciting gifts.

The second major component to the regression analysis is examining which action types affect donations for each generational group. Each coefficient in each group had to be checked for statistical significance, as describe in the methods section. Since one is only concerned with how actions affect giving within each group, the results

for the coefficients will be examined group by group. If a coefficient is determined to be statistically significant, its effect is then considered, with a negative coefficient indicating a negative effect on giving, and a positive coefficient indicating a positive effect on giving.

For non-alumni, all actions, phone calls, meetings, mailings, emails, task/others and event attendance were statistically significant and affected giving. Again, this can be related back to the  $R^2$  conclusion that this group has no educational relationship to Marquette, and it is imperative that the university interacts with them. Meetings, mailings, emails and previous actions all had a positive effect on giving, while as phone calls and event attendance increased, giving decreased. These coefficients were all fairly small, ranging in size from .009 (meeting) to .286 (email). With an  $R^2$  of 10%, actions are not necessarily the greatest predictor of giving in this group, but the coefficients are significant and actions do have some minor impact. Personal touches such as in-person meetings, special fundraising mailings and emails all positively affect giving. They are direct methods that create meaningful conversation between the non-alumni and the university to create engagement and hopefully inspire giving. Phone calls may have had a negative effect because phone calls are normally used to secure a meeting between a constituent and a fundraiser. This constituency might be thrown off by a phone call from a university not their own, and might be less inclined to pick up, give, or even meet with a fundraiser (The 'why me' effect). If many of these phone calls were declines to meet, giving would therefore not improve. Additionally, a phone call is

not the most direct way to solicit for donations. In-person meetings are much more meaningful and important.

For G1 alumni, phone calls, meetings, mailings, task/others and events were all statistically significant and affected giving. Email was found to be statistically insignificant, and therefore not a predictor of giving. In a group this large, people were not emailed enough for email actions to actually effect giving. In this group, phone calls, meetings, mailings and task/others (mostly previous events) positively impacted giving. Again, there is a notion that any sort of action is a good action. The more the university interacts with alumni, the better. Daily, Marquette aims to create a stronger tie to the university to influence giving. The coefficients were again small, ranging from .027(meeting) to .085 (phone call) which again resorts back to the small  $R^2$  value and fit of the model. These actions are not the only things determining alumni giving in this group. With a group so large, it would be impossible to pinpoint one specific predictor of alumni giving. As shown in the critical literature review, giving is a complex science made up of many variables. Thankfully, with a smaller group size it is easier to draw conclusions in the legacy groups.

The results for the final three groups are most important to this study, as they have implications of how to best interact with legacy alumni. In G2, all actions- phone calls, meetings, mailings, emails, task/others and events were statistically significant and affected giving. Phone calls and mailings were the only two actions to positively affect giving, but did so with strong coefficients of .210 and .353, respectively. These coefficients mean that for every increase in one standard deviation for the independent

variables (action types); giving will increase by the coefficient listed. So we can say that for every increase in one phone call to alumni, giving will increase by .210. For each one mailing to an alumni, giving increases by .353. In this group, meetings, emails, task/others and event attendance all had negative effects on giving. The fact that meetings had a negative impact on giving is surprising and troubling, considering meetings should always positively impact giving. This phenomenon could be attributed to the size of the group. With an N of 20,000, it is possible we are not having quality meetings with alumni. Perhaps the sample size is too big to actually have any traction with alumni. Event attendance is a little more understandable, as not all events are directed and targeted as fundraising events. Some pertain to the school or programming and do not necessarily indicate wealth or an inclination to give.

In the G3 group, only four action types were statistically significant predictors of giving: phone calls, mailings, task/others and event attendance. Meetings and emails were found to be not statistically significant. It is important to note that this is the first time that the university has begun to identify and recognize the importance of legacy families at Marquette. Prior to this study, we had no formal legacy programming or legacy implementation. As stated in the data section above, this study helped spur the identification of legacy alumni in our database, as well as solicitation and legacy specific programming. So prior to this study, we had yet to strategically focus on legacy alumni groups. This may be why meetings were not even a significant predictor of giving. However, phone calls (.111), mailings (.240), previous meetings (.171), and event attendance (.058) all helped positively predict giving. These strong coefficients prove

once again just how important it is to engage in meaningful actions with legacy constituents. Their giving totals reflect this sentiment.

In the final G4 group, mailings were not considered statistically significant. However, phone calls, meetings, emails, task/others and events all were statistically significant and affected giving. Meetings and emails surprisingly had had negative effects on giving. One would expect a meeting to create a positive relationship between the legacy alumni and fundraiser, thereby facilitating giving. This relationship would allow fundraisers to properly convey their message of why funding is needed. However, a majority of the fourth generation group is deceased, and has never previously been identified and therefore never targeted or appropriately approached. Previously, Marquette had not yet been able to identify alumni as legacies in the database and therefore had not been able to contact them appropriately. Since the technical identification of alumni legacies, there has been a concerted effort to increase visits with legacy alumni. There have been talks of pooled funds and possibly alumni scholarships. It would be most beneficial to allow this program to develop for two years, and reproduce these statistics, tests, and discussions. This study could be the benchmark for improved efforts made among Marquette University legacy alumni.

### **Conclusion/Implications**

This study was able to prove the impact legacy families have at Marquette and how their cultivation can lead to increased giving. The 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> generation legacy groups on average give more than their non-legacy counterparts, and each group behaves differently. This fact needs to be recognized and utilized by fundraisers.

Legacy alumni are more inclined to give and have greater wealth potential, making them a prime prospect pool. Fundraising departments must be relentlessly aware of who are legacy alumni. In addition, the way that fundraisers and the university interact with these donors should also be done strategically to maximize total donations. Certain legacy groups respond to certain university interactions, and this fact should be considered when working with 2<sup>nd</sup> versus 3<sup>rd</sup> versus 4<sup>th</sup> generation alumni. Most impressively, this study found how imperative interacting with this legacy constituency is, as proven by the high R<sup>2</sup> values. Overall, each individual group is positively affected by more university or fundraising interactions, but some groups do need special attention. It would be interesting in further studies to qualitatively examine how engagement and wealth capacity among legacy families impact donations. These legacy groups have an obvious affinity for their university especially if they are willing to send generations of people they care about dearly to their alma mater. Their emotional attachment is high, and they highly value education. Furthermore, one would expect these legacy families to have accumulated family wealth. Some of these families have members who were in school in the 1800s, meaning they were employed in positions which valued college degrees. One would expect there to be accumulated family wealth over time that was also transferred between generations. Again, this would be an excellent topic for further research.

In conclusion, legacy alumni are engaged and have the wealth capacity to give. What they need is effective fundraisers who are well versed in effectively communicating the needs of the university. Fundraisers and universities can interact all

they want with this constituency, but the interactions must be quality interactions and have a specific goal and purpose. These groups need to be targeted with the right materials and communication to inspire their giving. Effective university fundraisers understand the needs of the university and are able to translate the needs to the donors. They need to be able to figure out what defines a donor and what is important to them, and translate the needs of the university to appeal to the donor. Without this translation of need to donor interest, the connection and gift is lost. So much money is spent on trying to cultivate donors in ineffective, convoluted ways. Donors respond to need, and the more this need can resonate with their college experience and something they believe in, the better. With years of emotional attachment and accumulated wealth, legacy alumni are prime targets for fundraising donations. They must be targeted in a way that is thoughtful and resonates with what they believe in to create a mutually beneficial relationship for both the donor and the university.



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## Appendix

Figure 1  
Lifetime Giving

Statistic	Generation 1	Generation 2	Generation 3	Generation 4	Non Alumni	Overall
N	122377	12977	2518	315	105300	243487
Mean	2077.491308	17612.75293	11040.32042	6890.915937	5847.301294	4634.698527
Median	0	85	185	75	0	0
Mode	0	0	0	0	0	0
Std. Deviation	103725.648	772952.7387	77746.33402	41267.94208	289047.9436	271030.0659
Variance	1.08E+10	5.98E+11	6.04E+09	1.70E+09	8.36E+10	7.35E+10
Range	30422750	70534954.08	1939677	640668.3	50000000	70534954.08
Minimum	0	0	0	0	0	0
Maximum	30422750	70534954.08	1939677	640668.3	50000000	70534954.08

Figures 2-9

## Actions

Generation 1	122377						
Statistic	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
N (above 0)	4251	8137	3397	2726	2	10163	15871
% Contacted	3.47%	6.65%	2.78%	2.23%	0.00%	8.30%	12.97%
Mean	0.06	0.15	0.05	0.05	0	0.16	0.34
Median	0	0	0	0	0	0	0
Mode	0	0	0	0	0	0	0
Std. Deviation	0.467	0.942	0.509	0.705	0.004	0.837	1.708
Variance	0.218	0.888	0.259	0.497	0	0.7	2.917
Range	31	41	40	95	1	53	99
Minimum	0	0	0	0	0	0	0
Maximum	31	41	40	95	1	53	99

Generation 2	12977						
Statistic	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
N (above 0)	1345	2237	1002	777	1	2581	3467
% Contacted	10.36%	17.24%	7.72%	5.99%	0.01%	19.89%	26.72%
Mean	0.23	0.54	0.18	0.15	0	0.49	1.07
Median	0	0	0	0	0	0	0
Mode	0	0	0	0	0	0	0
Std. Deviation	1.018	2.118	1.132	1.262	0.009	1.716	3.834
Variance	1.037	4.487	1.28	1.594	0	2.944	14.7
Range	39	42	45	102	1	35	99
Minimum	0	0	0	0	0	0	0
Maximum	39	42	45	102	1	35	99

Generation 3	2518						
Statistic	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
N (above 0)	379	596	265	208	0	682	879
% Contacted	15.05%	23.67%	10.52%	8.26%	0.00%	27.08%	34.91%
Mean	0.35	0.87	0.24	0.22	0	0.73	1.57
Median	0	0	0	0	0	0	0
Mode	0	0	0	0	0	0	0
Std. Deviation	1.199	2.735	1.17	1.983	0	2.159	4.806
Variance	1.438	7.48	1.368	3.933	0	4.662	23.095
Range	20	36	29	90	0	40	99
Minimum	0	0	0	0	0	0	0
Maximum	20	36	29	90	0	40	99

Generation 4	315						
Statistic	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
N (above 0)	30	58	20	18	0	73	83
% Contacted	9.52%	18.41%	6.35%	5.71%	0.00%	23.17%	26.35%
Mean	0.23	0.57	0.15	0.1	0	0.52	1.2
Median	0	0	0	0	0	0	0
Mode	0	0	0	0	0	0	0
Std. Deviation	0.936	1.838	0.848	0.465	0	1.461	4.192
Variance	0.876	3.38	0.72	0.216	0	2.136	17.573
Range	9	15	11	4	0	15	52
Minimum	0	0	0	0	0	0	0
Maximum	9	15	11	4	0	15	52

NonAlumni	105300						
Statistic	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
N (above 0)	911	2161	874	547	0	3128	6778
% Contacted	0.87%	2.05%	0.83%	0.52%	0.00%	2.97%	6.44%
Mean	0.02	0.05	0.01	0.01	0	0.06	0.21
Median	0	0	0	0	0	0	0
Mode	0	0	0	0	0	0	0
Std. Deviation	0.297	0.607	0.251	0.224	0	0.667	1.838
Variance	0.088	0.368	0.063	0.05	0	0.445	3.379
Range	27	63	38	28	0	81	99
Minimum	0	0	0	0	0	0	0
Maximum	27	63	38	28	0	81	99

Percent Contacted	N	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
Generation 1	122377	3.47%	6.65%	2.78%	2.23%	0.00%	8.30%	12.97%
Generation 2	12977	10.36%	17.24%	7.72%	5.99%	0.01%	19.89%	26.72%
Generation 3	2518	15.05%	23.67%	10.52%	8.26%	0.00%	27.08%	34.91%
Generation 4	315	9.52%	18.41%	6.35%	5.71%	0.00%	23.17%	26.35%
NonAlumni	105300	0.87%	2.05%	0.83%	0.52%	0.00%	2.97%	6.44%

All	243487						
Statistic	Phone Call	Meeting	Mailing	Email	Advocacy	Task/Other	Event
Mean	0.06	0.14	0.04	0.04	0	0.14	0.34
Median	0	0	0	0	0	0	0
Mode	0	0	0	0	0	0	0
Std. Deviation	0.471	0.972	0.492	0.632	0.004	0.875	2.006
Variance	0.222	0.944	0.242	0.399	0	0.765	4.024
Range	39	63	45	102	1	81	99
Minimum	0	0	0	0	0	0	0
Maximum	39	63	45	102	1	81	99

Figures 9 &amp; 10

## Kruskal-Wallis Test Results

Generation	N	Mean Rank	Mean	Std. Deviation
1	122,377	121,135.22	2,077	289,047
2	12,977	157,666.93	17,612	13,725
3	2,518	168,860.10	11,040	772,952
4	315	155,301.88	6,890	77,746
NA	105,300	116,797.37	5,847	41,267

Test Statistics	
Chi-Square	6530.21
df	4
Asymp. Sig.	0.000
Monte Carlo Sig.	0

## Figures 11-13

## Mann-Whitney Test Results

## Intergroup Testing

Test	P <.005?	Mann-Whitney	p =	Mean Ranks
G1 vs. G2	Yes	599,000,000	<.0001	65,757 vs. 85,781
G1 vs. G3	Yes	94,273,793	<.001	61,959 vs. 86,196
G1 vs. G4	Yes	13,916,169	<.001	61,302 vs. 78,356
G1 vs. NA	Yes	6,217,552,249	<.001	115,682 vs. 111,696
G2 vs. G3	Yes	14,523,385	<.001	7,608 vs. 8,468
G2 vs. G4	No	2,040,788	0.962	6,646 vs. 6,636
G2 vs. NA	Yes	450,195,712	<.001	77,097 vs. 56,925
G3 vs. G4	Yes	353,976	0.002	1,433 v. 41,281
G3 vs. NA	Yes	75,590,482	<.001	76,539 vs. 53,368
G4 vs. NA	Yes	11,326,526	<.001	69,500 vs. 52,758

## Legacy vs. Non-Legacy

Legacy?	N	Mean Rank	Sum of Ranks	Actual Mean
LTG Non-Legacy	227,677	119128.98	2.71E+10	3,821.01
Legacy	15,810	159402.5	2.52E+09	16,352.36

Test Statistics	LTG
Mann-Whitney	1.20E+09
Wilcoxon W	2.71E+10
Z	-78.65
Asymp. Sig. (2-tailed)	0.000

## Figures 14-23

## Model Summaries for Each Generation

## Standardized Beta Coefficients (SBC) for each Generation and Variable

## Generation 1

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.250	.063	.063	2.000

	SBC	t	Sig.
(Constant)		-4.762	.000
Phone Call	.085	23.986	.000
Meeting	.027	6.365	.000
Mailing	.123	33.529	.000
Email	-.005	-1.518	.129
Advocacy	.078	27.533	.000
Task/Other	.054	13.757	.000
Event	-.023	-7.159	.000

## Generation 2

Model	R	R Square	R Square	Watson
2	.393	.155	.154	1.962

	SBC	t	Sig.
(Constant)		-3.577	.000
Phone Call	.210	19.981	.000
Meeting	-.102	-7.308	.000
Mailing	.353	32.809	.000
Email	-.061	-6.568	.000
Advocacy	.003	.427	.669
Task/Other	-.034	-2.516	.012
Event	-.025	-2.555	.011

## Generation 3

Model	R	R Square	Adjusted R Square	Durbin-Watson
3	.453	.205	.203	2.028

	SBC	t	Sig.
(Constant)		-.626	.531
Phone Call	.111	4.794	.000
Meeting	-.001	-.038	.970
Mailing	.240	9.767	.000
Email	-.037	-1.900	.058
Task/Other	.171	5.922	.000
Event	.058	2.544	.011

## Generation 4

Model	R	R Square	Adjusted R Square	Durbin-Watson
4	.862	.743	.738	1.780

	SBC	t	Sig.
(Constant)		-1.832	.068
Phone Call	.202	3.967	.000
Meeting	-.457	-7.336	.000
Mailing	-.002	-.043	.966
Email	-.146	-3.628	.000
Task/Other	.229	4.466	.000
Event	.933	20.347	.000



## Non-Alumni

Model	R	R Square	Adjusted R Square	Durbin-Watson
NA	.321	.103	.103	1.989

	SBC	t	Sig.
(Constant)		1.132	.258
Phone Call	-.022	-5.153	.000
Meeting	.009	2.123	.034
Mailing	.051	14.058	.000
Email	.286	86.674	.000
Task/Other	.059	14.831	.000
Event	-.033	-10.497	.000

Marquette University

This is to certify that I have examined  
the professional project by

**Lauren Edmonson**

and have found that it is complete  
and satisfactory in all respects

This project has been approved by:

---

**Ronald C. Benner**, Project Director  
College of Professional Studies

Approved on

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