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SECTOR SERIES 2022

Where do we
go from here?

CANADA'S NON-PROFIT SECTOR IS DIVERSE. AND YET, IT IS COMMONLY TALKED ABOUT AS A HOMOGENEOUS WHOLE.

This blunt approach to our sector is not only limiting, it also fails to adequately consider the unique characteristics and nuanced realities of the distinct sub-sectors that make it up.

In recognition of this diversity, KCI has developed a set of reports focused on each major sub-sector in Canada to explore where they go from here.

It's a timely undertaking.

Between the COVID-19 pandemic, the ever-evolving definition of who and what is charity, and the re-examination of Canadians' beliefs around issues like equity and reconciliation, it's hard to think of a time when a greater number of transformative factors have affected fundraising and philanthropy in Canada. Through this series, we examine how this convergence of factors is impacting organizations in each major sub-sector, as well as how they and their fundraising models are adapting to remain relevant in 2022 and beyond.

We would like to thank the many sector leaders from across the country who contributed through their insights to the KCI Sector Series.

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Alongside their institutions, Canada's university fundraisers faced unprecedented shifts and challenges throughout the COVID-19 pandemic. As students moved off campus and teaching and learning transitioned to online learning and virtual formats, fundraising similarly evolved toward new digital platforms to share their message and cultivate donors.

The fiscal impact of the 'new normal' on university advancement departments has been mixed. Most found fairly universal stability in their annual funds, and some even secured new donations from those eager to support students specifically through the pandemic. Those with established major gift teams tended to achieve their overall pre-pandemic targets, but those without well-developed major gifts pipelines, and those who began the pandemic without a full staff complement, saw numbers stall.

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1 / THE BIG RETHINK /

“Thinking back to a year ago, we were introducing more scenario planning to what we were doing as a team. But now it’s time to get back to more disciplined planning that is future focused and puts us on the path to drive both our advancement goals and the University forward.”

Erin Sargeant Greenwood, Vice-President Advancement & External Relations,
Saint Mary’s University

Seismic and rapid shifts to online formats, and their resultant budgetary and operational pressures, have challenged the very core of university operations, including advancement. These changes are not only operational, but fundamental – affecting case, brand and relevance.

Donors and alumni used to connecting to an institution through location and experiences are now looking to engage in a new kind of storytelling – one that uses the broad potential of digital communications to highlight mission, impact, and the role of the university in addressing societal themes that have emerged at the forefront of public consciousness.

This change has presented a unique tension for advancement leaders, as the need to completely re-think the case building blocks collides with a moment in which it has been incredibly difficult to garner the necessary mindshare of senior leaders given their focus on pandemic-related operational shifts and changes.

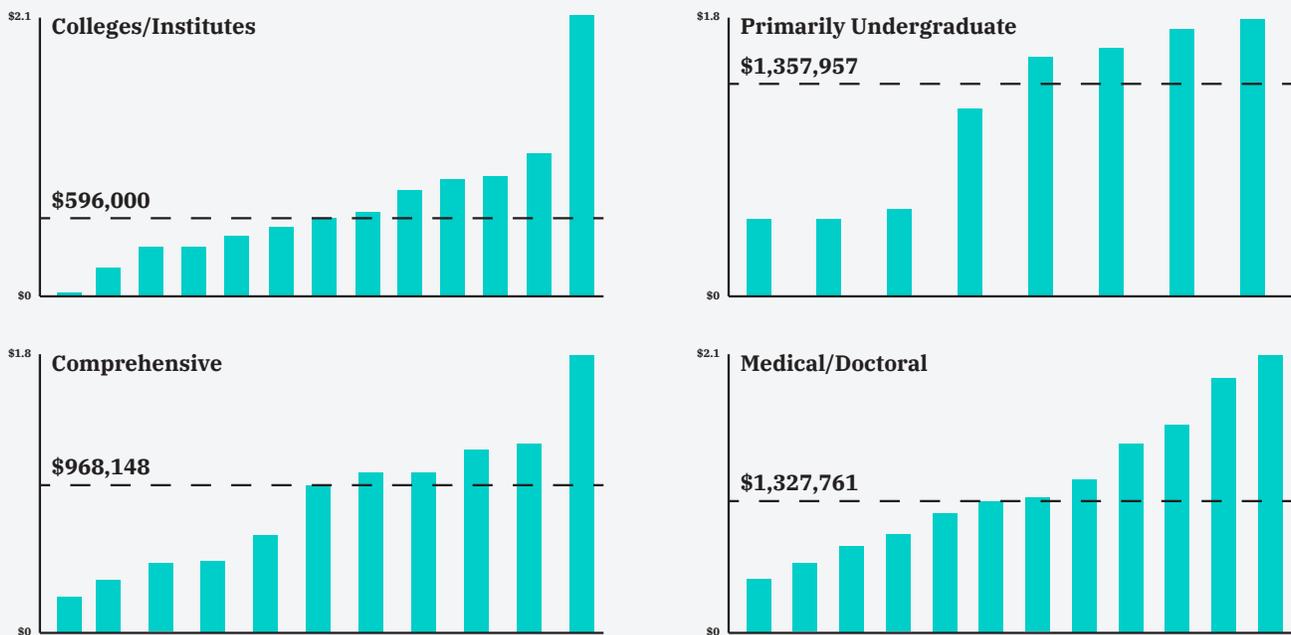
In response, many advancement departments temporarily evolved to smaller episodic and ‘micro’ campaigns focused on helping students and the university get through the crisis. However, most recognize that a fundamental shift has occurred that will permanently reshape how universities decide where to focus external funding and financial support post pandemic, something that is also refocusing efforts and conversations internally.

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FUNDS SECURED BY FUNDRAISING STAFF FTE (DOLLARS IN MILLIONS)

Based on a 2020 CASE-CCAE survey, average funds raised per FTE ranged between just under \$1M to \$1.4M annually.

2019 New Funds Secured per Fundraising Staff FTE (Dollars in Millions)



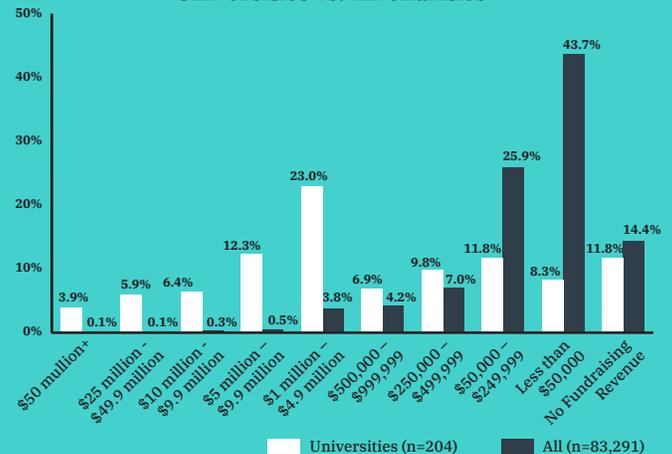
Source: CASE-CCAE Support of Education Survey, 2020

n = 44
Showing median values
What is the total Full-Time Equivalent (FTE) count of institution employees responsible for fundraising, regardless of where they report in the institution?
B.1. What was the total value of new funds secured by your institution in the survey year?

FY2020 DISTRIBUTION OF CHARITIES BY FUNDRAISING REVENUE – UNIVERSITIES VS. ALL CHARITIES

Universities are the powerhouses when it comes to fundraising in Canada with 28.5% of universities raising more than \$5M in 2020, compared with only 1% of Canadian charities overall.

FY2020 Distribution of Charities by Fundraising Revenue Universities vs. All Charities



Source: CRA, T3010 Charitable Tax Filings, FY2020

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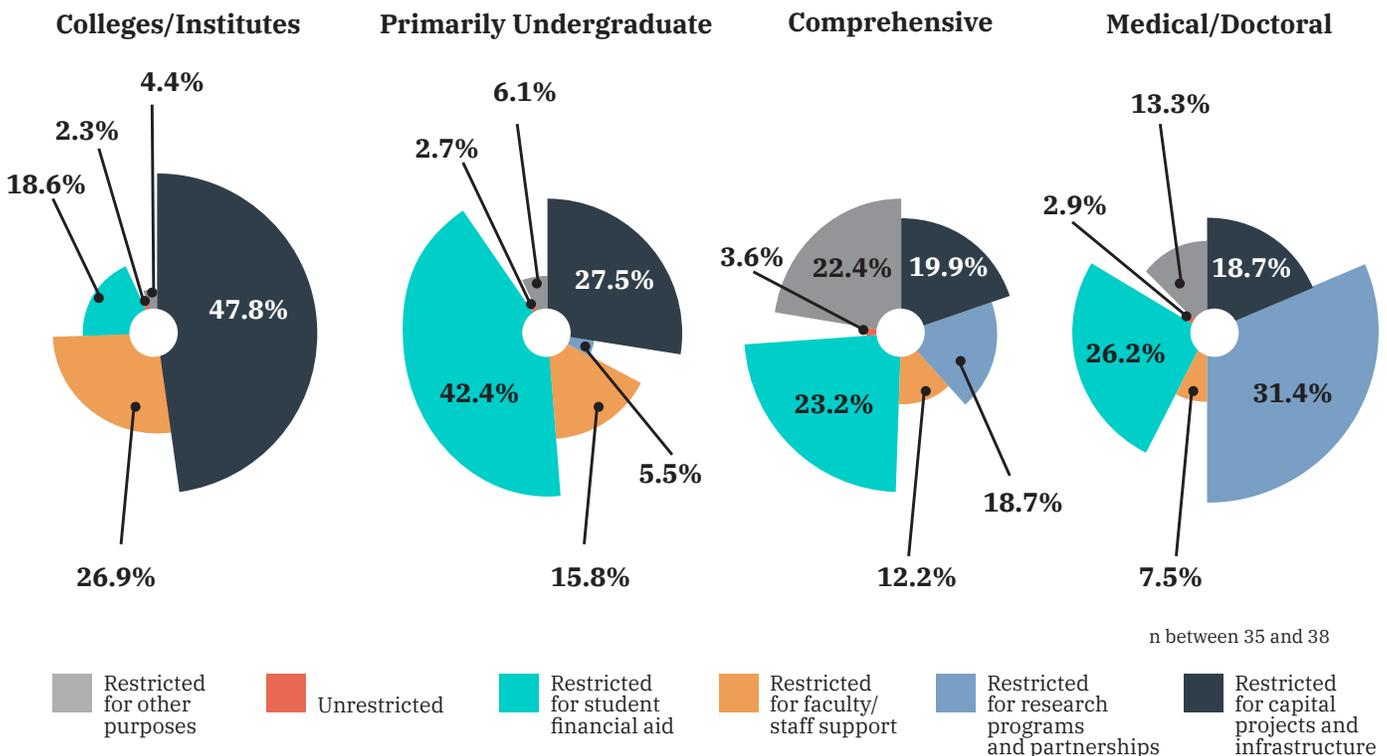
2 / EVOLVING THE TRADITIONAL UNIVERSITY CASE /

Looking ahead, university cases for support are evolving past a focus on buildings and program namings to an ethos centred around giving for collective good. Donors are interested in broad societal challenges such as reconciliation, climate change, and increased equity, diversity, and inclusion, and this is having a significant impact on what kinds of investments donors expect to make in universities today.

Framing investment opportunities centred around ‘big themes’ demands far greater institutional collaboration, cross-disciplinary storytelling and projects. Hence, bringing donors to the table in large and complex organizations striving to demonstrate a co-ordinated response necessitates a much greater role for advancement. Increasingly, advancement departments are evolving as planning and strategic partners capable of building the complex bridges needed to define and message these kinds of cases.

GIFT DESIGNATION AT UNIVERSITIES

2019 Purposes of Funds Secured



Source: CASE-CCAE Support of Education Survey, 2020

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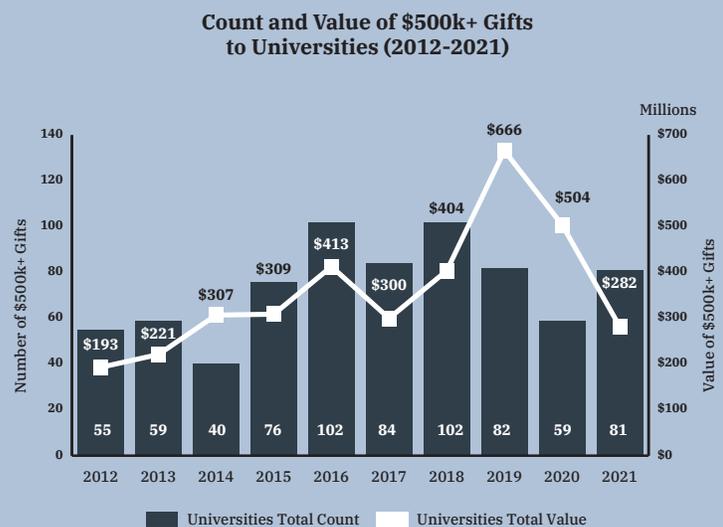
3 / DONORS AS 'THINKING PARTNERS' AND COLLABORATORS /

Today, when meeting immediate human needs has risen to the forefront, donors expect to be able to bring more than money to the table and are increasingly emerging as integral thinking partners who want to contribute knowledge and expertise to the problem at hand. This focus on co-creating the solution to the problem itself, not just the size and designation of the donation, is creating a shift in how success is measured in university fundraising. In the past, when capital and comprehensive campaigns ran for many years, success was almost exclusively measured by cumulative dollars raised. Today, it's also measured in impacts and what 'big ideas' the university is able to advance and address, something that makes tracking and stewardship both more essential as well as more complex.

Emerging from the pandemic, expect to see growing donor interest centred around groundbreaking research, programs in equity and mental health, climate solutions, and support of non-traditional students. With that, measurement will evolve to include much broader consideration of what constitutes a great return on investment in university fundraising.

The types of conversations universities are having with their major donors is also evolving, with planned and blended gifts (combination of major and planned gifts) increasingly becoming the norm. Campaigns are often now including distinct goals for securing expectancies in their stated campaign targets and most major gift fundraisers are beginning to be measured on their ability to secure these types of gifts.

COUNT AND VALUE OF \$500K+ GIFTS TO UNIVERSITIES



Source: KCI

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4 / A NEW ROLE FOR ADVANCEMENT /

“*At SFU, action on climate is important to our donors. Given that climate research and programming is widespread across a number of faculties and programs, engaging a big donor in this area will require significant internal collaboration. Increasingly, advancement is playing a larger role in helping to make that happen.*

Wanda Dekleva, Executive Director
Advancement, Simon Fraser University

Throughout the pandemic, budget and operational pressures dominated executive table discussions. Given these budget realities, some advancement leaders found themselves being forced to re-make a case

for Advancement, justifying its cost, value, and importance to the university in the face of its need for fiscal restraint and adjustment.

As we move beyond pandemic, however, and university branding trends more and more toward storytelling that draws a direct line between institutions and societal issues, advancement will no doubt once again emerge top of mind and its role and relevance coming back into clearer focus.

The role that Advancement and its leadership play in the university is also leading to the need to redefine its value to the institutions. Multi-dimensional priority setting around society's most intractable problems demands complex cross-functional planning and a layering in of external perspectives and major donors. Fostering effective planning, managing cross-disciplinary investments, 'languaging' and promoting impacts, and bringing disparate parts of the university into conversation will demand advancement leaders who can act as conveners, coordinators, and catalysts for collaboration. Hence, fundraising and communications staff skilled in facilitation, storytelling and making the case both inside and outside organizations will be essential in springboarding university branding to a whole new level and relevance.

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5 / EDUCATING LEADERS TOP OF MIND /

“Even in the boldest and most ambitious of campaigns, building communities of professionalism and people who can deliver at the faculty level is increasingly fundamental to success.”

Michael den Haan, Vice President,
External Relations, Lakehead University

With fundraising in universities so deeply dependent on institutional leadership, educating about advancement and fundraising internally is an essential building block for success. A continuing rotation of deans, faculty, and leadership means there are always varying levels of understanding about how advancement works, and faculty development officers vary in role and skill level.

Universities will continue their trend toward building and developing a ‘culture of philanthropy’ internally, and shoring up fundraising capacity at all levels of the institution, especially within the faculties themselves, is a top priority in building capacity post pandemic.

Integration with faculties continues to be a key trend at Canadian universities and most now have decentralized staff models. Even among the few that have foundations, fundraisers are most often linked directly to faculties. Having said that, strong central teams and systems to support decentralized staff continue to be critically important factors for success. Areas that tend to be centralized include stewardship, increasingly supported by strong reporting and financial tracking staff, as well as the prospect research, analytics and technical support functions.

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6 / FOCUSING ON SUPPORT FOR TEAMS AND RECRUITMENT /

“*As leaders, we are trying to enforce activity metrics and reach performance targets with a humane desire for balance.*”

Ann Brandt, Assistant Vice President, Development, Wilfrid Laurier University

Competition for outstanding fundraising talent has been a perennial challenge in universities, but it is especially so as we emerge from the pandemic. The past two years have been stressful for fundraising staff teams, as leaders continue to try to strike the right balance between supporting physical and mental well-being and the relentless and ongoing need for results and productivity. Some staff teams are reporting 15 to 20 per cent turnover.

The need to focus on developing teams will only intensify as these shortages converge with a concurrent demand for more sophisticated, highly skilled fundraisers capable of facilitating cross-functional conversations. Leaders wonder where they will find people with the skills, experience and resilience to hit the ground running, and navigate a whole new set of demands.

Staff retention is top-of-mind for managers, and universities are using a number of strategies to keep strong performers. These include internal secondments and promotions to encourage development and progression, as well as to allow staff to find roles that align with their strengths and interests. And as with most organizations, remote and flexible work options are being offered to support both retention and in some cases acquisition of staff with particular skills.

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7 / POST COVID-19: ADVANCEMENT'S INNOVATION OPPORTUNITY? /

“*I think it's time for us to change the narrative on philanthropy to emphasize that it can provide the opportunity to advance big ideas and big change.*

Sherry Booth, Associate Vice President,
Philanthropy and Alumni Engagement,
Trent University

Increasing complexity will demand enhanced integration of the fundraising function into all aspects of the institution, as advancement leaders work to meet the demands of donors and facilitate change within their organizations.

Hybrid working environments, digital stewardship and events, and more personalization for donors are here to stay, as is a continued focus on diversity at all levels of the organization. As universities will look to innovate cases around 'big ideas', 'big themes' and broad societal impacts, the role of advancement leaders will be more critical than ever in facilitating complex conversations.

This is truly a 'reset moment' for university fundraising. With more agile, more adaptive approaches to external relations, increasing personalization around asks, and university brands that demonstrate social relevance, there is tremendous need and potential for advancement departments to evolve, grow, and help author a new chapter in the evolution of modern universities.

About KCI

We are Canada's leading consultants to the non-profit sector with professionals across the country in fundraising, strategy, research & analytics, and executive search.

Our core purpose is to inspire and enable organizations to raise money, to make the dream of better communities and improved lives a reality. And through our nearly 40 years of experience, we've helped thousands of organizations craft their strategies, build their teams, and raise billions of dollars in the education, health, social service, arts & culture and religious sectors.

In doing that work, we firmly place our focus on values and people... both ours and yours. We are proudly and resolutely guided by our core values: the highest integrity in all our actions; commitment to excellence and innovation in everything we undertake; openness to new ideas; and collaborative and respectful relationships with our colleagues and our clients. We hire to these values and live them every day. And because we know the future won't look like the past, we hold capacity building, knowledge sharing and insight creation at our core.

We have made it our business to know What's Next.



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