



September 14, 2023



from the desk of
Jaci A. Thiede
Partner

The ROI of Cultivating Your Own Professional Relationships

Cultivating donor relationships is at the core of successful fundraising. Different kinds of donors (i.e., Annual Fund, Major Gift, Principal Gift, etc.) warrant different levels of investment to cultivate and connect them to an institution. At the end of a campaign (or a fiscal year), you should be able to calculate the return on investment (ROI) based on your total expenditures and overall fundraising results. This gives you one way to evaluate if the effort (and resources) you and your team are putting into cultivating donors is yielding the results you need to be successful.

That's a high-level look at the ROI of cultivating donor relationships. **But how often do you allow yourself time to cultivate your own professional relationships?** My guess is not often enough. Yet professional relationships are some of the very best resources we have at our disposal.

During the 26 years I served in institutional roles in higher education advancement, there never seemed to be enough time to get to what needed to be done. When time was short and I saw a peer or networking meeting on my calendar, it was very tempting to reschedule the meeting. Yet, every single time I participated in such a meeting (in-person or virtual), I walked away feeling smarter, deeply inspired and markedly saner than I did before the meeting.

With that in mind, I encourage you to be intentional about how you are cultivating your own professional relationships. When is the last time you:

- Called your mentor or a former colleague?
- Gathered with peers at similar institutions?
- Checked in on someone who used to report to you?

While I hope your answer is “yesterday” or “last week”, my point is that the time you invest in cultivating these mutually beneficial relationships should be a priority. And this applies to those just starting out as well as seasoned veterans.

One of the very best things about the Advancement field is how willing we are to

share good ideas and successful programs with each other. Advancement professionals do what they do to make the world a better place and so we love helping each other out. But how can we help each other if we don't connect with each other?

At the beginning of January 2023, there was a **[New York Times article about the power of the 8-minute phone call.](#)** The basic premise was that even busy people can spare eight minutes for a phone call. I agree and think the time you spend connecting with your professional network, whether it is eight minutes or more, will be time well invested. What might that ROI look like for you? Below are a few possible outcomes:

- Getting candidate referrals or recruitment ideas for a job search you are conducting.
- Thinking differently about your organizational structure.
- Hearing about different ways to quantify and analyze productivity and success.
- Discovering a new idea or program you might bring to your team.
- Evaluating the benefit of NOT doing something anymore.
- Shoring up a reference you might need down the line.
- *Learning that you are not alone in the professional challenges you face.

*This validation might be the most important benefit of all. It's so easy to fall into the trap of thinking that professional challenges or frustrations only apply to your institution. Learning that my peers faced similar challenges at their institutions has always been invaluable to me... as was the brainstorming we did to think through ways to overcome those challenges.

Time will always be a finite resource. But the resources that come from your professional network are limitless. So double down and commit to intentionally investing time to cultivate your professional relationships. Your ROI will be something you can tap into for years and years to come.

Please welcome Jaci to our team.

[Read all about our new Partner here.](#)

Our Team

Are Nonprofit Salaries Keeping Up With Inflation?

The median pay for fundraisers grew 6.4% in 2022 – shy of the 8% increase in the cost-of-living last year. According to *Candid's* annual pay report, median compensation for top officials climbed 3.2% in 2021 to \$129,000, up from \$125,000 in 2020. Inflation, meanwhile, climbed 4.7% that year. This ends a long run when pay ran ahead of inflation. From 2017 to 2021, median compensation was up 6% when adjusted for growth in the cost of living over the four years.

Other findings from Candid's report:

- Median executive compensation at the largest groups – those with annual revenues of more than \$50 million – was \$293,000. At the smallest organizations, whose revenues were under \$250,000, median pay was \$43,000.
- Executives in the Northeast earned the highest salaries – a median of \$140,000. Those in the Midwest earned the least, a median of \$111,000.
- Pay for women executives continued its decade-long creep upward. For every dollar men made, women made a median 67 cents in 2011 and 73 cents in 2021.
- Another trend that continued: Women represented the majority of CEOs at smaller organizations but less than one-third of CEOs at the largest groups.

[More here.](#) COP 8-8

Is it Time to Embrace A.I.?

Public interest in A.I. has exploded in recent months, thanks to the power – and potential – of expansive new tools like [ChatGPT](#), which can write and process commands in a way that mimics the complexity of human thought. Yet A.I. has been quietly transforming nonprofit operations for years, driven largely by an influx of corporate philanthropy from major tech companies. While not all nonprofits have been as eager to adopt the new technology, experts agree that A.I. is here to stay – and that organizations ought to start thinking about their next steps.

“The barriers to access are coming down and will continue to come down” for A.I. tools, says **Brigitte Gosselink**, director of product impact at *Google.org*, the philanthropic arm of tech giant Google, which has given over \$100 million in cash grants and 160,000 hours in pro bono consulting to a total of more than 150 organizations for A.I.-related projects over the past several years.

The organizations that *Google.org* supports say their A.I. projects have helped achieve their goals in a third of the time and half the cost, according to surveys Google has conducted. A study by Stanford University and the National Bureau of Economic Research found that A.I. increased workers’ productivity by 14%; another released by MIT researchers in March found that ChatGPT improved workers’ efficiency by 37%.

“You don’t need to be all the way there. You don’t need to be programming a robot or developing some profound new algorithm,” says Gosselink. “Most of what we’re doing here is really thinking about how to have more data-driven insights.” COP, 8-25

[Our LinkedIn](#)

Know & Tell Highlights

In 2022, U.S. foundations showed the largest year-over-year decreases in their investment returns since 2008, an annual report from the *Council on Foundations and the Commonfund Institute* finds. According to the report, private foundations reported a 12.0% decline in 2022 (down from a 16.3% increase in 2021). Similarly, community foundations reported a return of -13.3% (down from 14.8% in 2021). The largest foundations fared the best, as private foundations with assets of more than \$500 million reported a return of -9.1%, a majority of other categories realizing losses in the -12.0% range, and community foundations with assets under \$101 million reporting a 14.0% decrease.

National Philanthropic Trust awarded \$4.64 billion in grants through donor-advised funds (DAFs) during fiscal year (FY) 2023, representing a 362% increase from FY18. The number of grants totaled 107,464, representing a 4% year-over-year increase and a 162% increase since FY18. However, the total is down 16% year-over-year from the \$5.53 billion NPT awarded in FY22. In all, 36,535 charitable organizations received donor-recommended grants in FY23, representing a 5% increase from FY22 and a 118% increase from FY18.

Vanguard Charitable announced that its donors awarded a record \$2.1 billion during fiscal year 2023, an 11% year-over-year increase. Through their donor-advised funds (DAFs), Vanguard donors distributed more than 195,000 grants to over 53,000 nonprofits, with an average grant of \$10,792, a 17% year-over-year increase. Recurring grants—18.9% of all individual grants—totaled \$114 million (or 5.4% of giving through Vanguard), an 11% year-over-year increase. Since its inception in 1997, Vanguard Charitable has awarded more than \$16 billion to nonprofit organizations.

Giving by US foundations could see an uptick this year based on estimates in the latest quarterly report by **FoundationMark**. The company, which tracks grant makers' investments, estimates giving in 2023 could reach \$90 billion. That's slightly higher than the 2022 preliminary giving level, based on the tax filings available so far. FoundationMark estimates foundations in general have underperformed by 1.4% per year over the past five years compared with market averages. Foundation assets declined in the first nine months of 2022, dropping by more than \$250 billion, before rebounding in the most recent three quarters. The rebound in assets could enable an increase in giving, assuming stock markets stay roughly at current levels or increase.

[Our Facebook](#)

We Know Colleges & Universities

For more than 35 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with so many large and small college and universities; both public and private institutions, across the country. These schools that help mold today's young adults into tomorrow's leaders. Take a look at our list of higher education clients, past and present.

[Our Client Partners](#)

A Fresh Approach to Fundraising

Our services aren't cookie cutter. We don't operate with a boilerplate, merely changing names and locations. We craft each and every service we provide to match your organization's unique needs, wants and abilities. We work hard and expect you to do the same. Together we can help you transform your institution, your fundraising, and the community you serve.

Whether your need is in Capital Campaign, Annual Fund Campaign, Major Gifts, Leadership Annual Giving, Planned Giving or all of the above, we take a fresh approach to nonprofit fundraising.

[Our Services](#)



Alexander·Haas

TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

www.fundraisingcounsel.com
info@alexanderhaas.com

Piedmont Place | 3520 Piedmont Place NE, Suite 450 |
Atlanta GA 30305-1512 | 404.525.7575