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## The First Visit: Successful or Suboptimal

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I don't know that I can count the number of times a gift officer has said that he/she/they had a good initial visit with a prospect but wasn't quite sure what to do next. Suffice to say, many, many times. I typically say that this is a common question. I follow that with the suggestion that the first visit may not have been as good as imagined. Why? One of, if not THE, main purpose of an initial visit is to give the gift officer a better idea of what might be appropriate next steps to take a prospect. To not have a better idea of next steps—and even to have proposed some as potential next interactions at the meeting's conclusion—indicates that the initial visit was not successful.

When meeting with a major gift prospect (or potential prospect in a qualifying visit), the most important task is to ask questions. It's less about what a gift officer says than it is what a gift officer asks. If a big part of what we are doing is seeking to understand a prospect and what that prospect values, then it is imperative that we ask and listen. As a mentor told me, you never learn anything with your mouth open.

If the prospect is or has been a financial supporter of the college/university, the one question the gift officer should ask without fail is, "When you send us your gift, what is it that motivates you to do so?" If the prospect is not a supporter, the gift officer should ask about the charities the prospect supports and the motivation that drives that support. (That's a good way to learn what the prospect values and is a good question to ask those who support us—helpful, supplemental information.) If that prospect isn't a donor but is engaged in other ways, asking about the motivation for that is also helpful.

If the prospect is a graduate, spending some time asking about the prospect's educational experience at the college/university is also important. Why did she/he/they choose to attend? How did the prospect decide on a major? Who were any influential faculty/staff/coaches? How/why? Is the prospect still in touch with classmates? Who? How? In short, spend some time getting a better feel for not only what the prospect did, but why? Spend time seeking to determine important people associated with the college/university. Also, be sure to ask about the prospect's impressions of the college/university at present.

With that information in hand, the gift officer should seek to determine areas of interest for the prospect. Based on the information gathered in the initial conversation and considering the current strategic priorities of the college/university, the gift officer should indicate to the prospect that the college/university will be putting emphasis on the following three or

four initiatives (among others) as it moves forward. These are areas for which the gift officer will be seeking philanthropic support, but that should not be part of the conversation at this point. It is to simply describe the three or four areas, indicating why they matter at this point and the impact they will have. After doing so, ask the prospect for her/his/their impression of/reaction to those. Do any resonate more than others?

With that having been done, it is time to open the door to hear what the prospect thinks is important. A simple, “As you think about the college/university, are there any areas that—to your way of thinking—are particularly important?” This may well open the door for the prospect to discuss a program or area within the college/university that may not be a strategic priority but is still an area where support would be welcome.

If a gift officer only discusses what is important to the college/university, a donor’s real passion may be undiscovered. If the gift officer only, in the interest of being “donor-centric”, asks the prospect about her/his/their interest, it is possible to leave undiscovered what could be an intriguing opportunity for the prospect. (“I think scholarships are important, to be sure. But I didn’t know you were considering expanding and enhancing your study-away program. I’d like to know more about that.”)

By spending time in an initial visit learning more about the prospect and also getting that prospect’s perspective on important initiatives at the college/university—whether part of the strategic plan or part of the donor’s own interests, irrespective of the plan—a gift officer will be well positioned to take welcome, important and relevant next steps.

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## Giving to Higher Ed Down in FY23

Giving to U.S. higher education institutions declined \$1.5 billion to \$58 billion in the fiscal year ending June 30, 2023 (FY23). A new survey, [CASE Insights on Voluntary Support of Education: 2023 Key Findings](#), indicates a 2.5% year-over-year decline from the \$59.5 billion reported in 2022 and a decline of 5% when adjusted for inflation. At the same time, giving to higher education remains well above total giving in 2021 (\$52.9 billion), 2020 (\$49.5 billion), and 2019 (\$49.6 billion).

### Other Key Findings

- Institutional giving to higher education increased by 3.4% year over year to 64.7%.
- Giving by individuals—alumni and non-alumni—decreased to approximately 35.4%, reflecting a shift in giving through donor-advised funds, which increased by an estimated 4.4%.
- Despite the overall decline in total contributions, almost half of respondents—45.7%—reported that giving had increased.
- Both the number and value of gifts of \$100 million or more doubled year over year: In 2023, there were 11 such gifts totaling \$2.24 billion (3.9% of total giving) compared with 7 gifts in 2022 totaling \$1.08 billion (1.8% of total giving).

[More here.](#) (PDF)

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## Engaging NextGen Leaders Will Challenge Funders

While a majority of private foundations seek to involve the next generation (NextGen) in philanthropic activities, many cite engaging a younger demographic as their biggest challenge ahead.

The *2024 Client Survey* found that 62% of respondents plan to involve NextGen in charitable activities in 2024, but 35% expect difficulty in engaging younger family members. Other anticipated challenges include measuring impact (29%), creating a bigger impact (27%), devoting sufficient time to foundation matters (26%), and prioritizing granting opportunities (26%).

### Other key findings

- Respondents expect to seek new grantee partners (30%), collaborate with other funders (24%), and respond quickly to disasters and emergencies (18%).
- 44% of respondents anticipated giving more money to charitable causes in 2024 than they did in 2023, with 31% also planning to support more grantees, 27% planning to increase the size of individual grants, and 29% planning to increase the total number of grants they distribute.
- 16% are considering changes to their endowments in response to the markets and economy, with anticipated changes including adding funds to their endowments (22%), increasing alternative allocations (8%), exploring impact investing (8%), and increasing equity allocation (7%).

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## DAF'S: They're Not Just For December Anymore

The *2024 National Study on Donor Advised Funds* provides detailed information about DAFs that can help development professionals sharpen their DAF fundraising strategies. Researchers analyzed 57,539 individual accounts. This contrasts with most reports on DAF activity, which typically rely on aggregate 990 data from DAF-sponsoring organizations. The report was the result of voluntary participation by 111 DAF programs at community foundations and national and religiously affiliated sponsoring organizations across the country from 2014 to 2022.

### Key Takeaways

Although gifts from DAFs spike in November and December, giving is steady throughout the year, the fourth quarter accounted for 32% of annual grant dollars. However, gifts of less than \$50,000 were more prevalent at the end of the year than gifts of more than \$50,000.

More than 90% of DAF accounts have succession plans in place for when the adviser dies. Of those, 69% had designated a successor adviser, such as a family member, and 30% selected either a charity or the sponsoring organization. The remaining 1% chose a combination.

Unrestricted grants are more numerous but account for far fewer dollars. Overall, 59% of the grants from DAFs in the study were unrestricted, but they tended to be smaller. Only 29% of grant dollars were general operating support, while 71% were earmarked for specific purposes.

One-fifth of DAFs were inactive from 2020 to 2022. More than one in five accounts made no grants in the final three-year period examined in the study. Looking throughout the entire

study time frame, 67% of DAFs made no grants “within the same year they opened.”

The largest DAFs hold the lion’s share of assets. DAFs that have less than \$100,000 make up 65% of accounts, but together, they hold only 3% of all DAF assets. DAFs that hold \$10 million or more make up fewer than 1% of accounts, but they hold 60% of all DAF assets. Similarly, accounts with \$1 million to \$9.99 million account for just 6% of accounts, yet they hold 24% of all DAF assets.

DAF holders often support more than one charity. More than half of DAF holders support three or more organizations and 9% support 15 or more. The largest share of DAFs – 45% – support one or two organizations, while 24% support three to five organizations, and 11% gave to six to eight.

When it comes to targeting young, new donors, DAFs may not be the best bet. Baby boomers held roughly half of all DAFs. Generation X held just over 20%, the Silent Generation 18%, and millennials less than 10%. The oldest (Greatest Generation) and youngest (Gen Z) together accounted for 3%.

[More here.](#)

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## 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.

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## 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.

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