Stewardship is Everyone’s Job

Darnell Hines, Jr.
Senior Director of Alumni Engagement and Donor Relations
Northwestern Pritzker School of Law

Institutional Advancement Section of AALS Annual Conference | January 3, 2019 | New Orleans, LA
Overview

20 Staff
16,000 Alumni
$275M Campaign ($240M)
FY18: $10M total ($3.3M AF)
29 Major Gifts Closed ($100k+)
11,000 Donors
37 Donors=at Least 2 Major Gifts
2 FTEs for SDR
Defining Terms

What is Donor Relations?
What is Stewardship?
Are they Different?
Donor Relations is the comprehensive effort of any nonprofit that seeks philanthropic support to ensure that donors experience high-quality interactions with the organization that fosters long-term engagement and investment.*

Stewardship is carrying out the organization’s fiduciary duty to the donor to use the gift as the donor intended. This is accomplished by gift acceptance and management and reporting.*

*Association of Donor Relations Professionals
Donor Relations

Stewardship

Recognition Reporting Accountability Acknowledgment

Lack of Privacy Mistrust Uninformed Unappreciated

Misuse of Money
4 Pillars of Stewardship

Gift Acceptance & Management (Accountability)
- Tax Receipts
- Gift Acceptance Policies/Committees

Acknowledgement
- Personal, timely, meaningful
- Institution wide participation
- Thank you note writing sessions

Recognition
- Meaningful
- Appropriate
- Events that show impact & recognize gifts
  - Scholarship luncheons, individual interactions, skype

Reporting
- Trusting Building
- Impact
- Sound Investment Strategy/Results
**Northwestern**

**PRITZKER SCHOOL OF LAW**

### Endowment Report

**HOW TO READ YOUR ENDOWMENT REPORT**

**John Henry Wigmore Endowment**

#### Fund History
Established in 1901 by John Henry Wigmore to support the School of Law.

#### Total Giving
$250,000.00

#### Fund Performance

<table>
<thead>
<tr>
<th>Fiscal Year 2018 Financial Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value as of 9/30/2017</td>
<td>$609,871.04</td>
</tr>
<tr>
<td>Fiscal Year 2018 Gifts</td>
<td>$0.00</td>
</tr>
<tr>
<td>Payout to Spending Account</td>
<td>$(36,366.00)</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>$737,436.75</td>
</tr>
<tr>
<td>Market Value as of 9/30/18</td>
<td>$603,032.00</td>
</tr>
</tbody>
</table>

#### Spending Account Summary

| Initial Balance as of 9/1/2017     | $0.00 |
| Endowment Payout                   | $36,366.00 |
| Fiscal Year 2018 Expenditures      | $(36,366.00) |
| Income Reinvested to Principal     | $0.00 |
| Ending Balance as of 9/30/18       | $0.00 |

#### Historical Market Values

| Market Value as of 9/30/16         | $623,012.68 |
| Market Value as of 9/30/15         | $640,553.92 |

**Endowment Management**

For information on how endowment funds are invested and managed, please see the endowed document, "The Investment in Northwestern."

---

**FUND PERFORMANCE LINE DESCRIPTIONS**

1. The value of the fund at the beginning of the fiscal year, e.g., 9/1/2017.
2. Gifts deposited into the fund during the fiscal year.
3. The earnings transferred from the endowment to the department benefiting from the fund during the fiscal year. The enclosed investment brochure outlines the University’s spending guidelines.
4. The result of the market performance of the fund during the fiscal year. The enclosed investment brochure outlines the University’s investment performance.
5. The final value of the fund at the end of the fiscal year, e.g., 6/30/18.
6. The earnings available in the fund at the beginning of the fiscal year that have remained from previous fiscal years.
7. The amount transferred from the endowment to the department benefiting from the fund during the fiscal year. (Same as #3)
8. The amount spent by the benefiting department.
9. Any remaining funds that have been transferred back to the principal of the fund for reinvestment.
10. The remaining amount in the fund at the end of the fiscal year. This will be available for spending, in the following fiscal year.
11. The value of the fund for the following fiscal year.
12. The amount the fund is expected to grow for the following fiscal year.
SDR With any Budget

• Donor Relations Example ($)

• Thank You Video ($$)

• Scholarship Luncheon Follow-up ($$$)$
John A. Swartz
The Ohio State University Moritz College of Law
Alan Paberzs
DePaul University College of Law
Expectations

Donors

- Prompt Acknowledgement
- Money to be used according to intent
- Report back on the impact
- Recognition
“Let me tell you what I wish I’d known”

Giving regularly
  Recognition
  Reporting
  Acknowledging
  Relationships/Trust

Giving to priorities
  Donor Interests vs. Institutional Priorities
  Gift Acceptance Policy

Giving in usable ways

*Intentional Stewardship-Julia S. Emlen
“Let me tell you what I wish I’d known”

Giving to capacity
Feeling recognized
Agreeing to participate
Spreading the message
Bringing others along
49% men, 51% women

$200,000 > Household income and/or $1M + net worth

Women more likely to support healthcare & research

African Americans support basic needs & religious based charities
Motivations

54% Believe in mission of organization
42% Believe gift can make a difference
32% Personal satisfaction
17% Tax benefit
Why do donors stop giving

Unclear expectations

• 91% want sound business operations/trust
• 90% reasonable amount of money spent on administrations i.e. cost to raise a dollar
• 51% Gift Acknowledgement
• 28% too frequent solicitations
• 16% organization not effective and/or not good at communicating its success
• 9% asked for inappropriate amount
University of Chicago

• Pearson brothers donated $100m to form institute on global conflict (2nd biggest in UofC’s history)
• Wants $23m returned; Upset about social invitations, budget, and hiring practices-namely the institute’s director
• Dean failed to meet with the donors per gift agreement
• Status: Ongoing
The Ohio State University Moritz College of Law

- Moritz family donated $30m in 2001
- Upset about 1.3% endowment management fee about which they didn’t know
- Wants money put back into endowment
Stewardship for Everyone

Wake Forest School of Business

• Mike Farrell donated $10m to build new building
• Not an alumnus; son was a student who got seriously ill
• Credited groundskeeper and residence hall staff with excellent care
Knowledge is Key
  Know your donors/institution
  Research top donors

Build Institutional Support

Focus on the basics
  Acknowledgement
  Reporting
  Recognition
  Events
Resources

*Intentional Stewardship* by Julia S. Emlen

*Donor-Centered Fundraising* by Penelope Burk

DonorRelationsGuru.Com

Association of Donor Relations Professionals
QUESTIONS