



Patricia King Jackson A S S O C I A T E S

ENDOWMENTS, ALUMNI FUNDRAISING AND ALUMNI GOVERNANCE IN K-12 DAY SCHOOLS

It is common wisdom within the K-12 day school fundraising community to believe in the *80:20 Rule*: 80 percent of fundraising support for a day school comes from parents and 20 percent comes from alumni. For years, day school fundraisers directed their resources accordingly and, not surprisingly, day school governance was skewed toward the parents who provided most of the fundraising investment. Also, for years, fundraising at day schools has tended to be directed toward immediate needs, mostly capital building projects, with the result that day schools have markedly smaller endowments than their boarding school counterparts.

But, is this *80:20 Rule* immutable? I made a bet with my luncheon tablemates at the January 2010 CASE/NAIS Conference last month that those independent day schools with the largest endowments would also be the largest fundraisers, raising more than 20 percent of their funds from alumni and having substantial representation of alumni on their Boards of Trustees. Case in point:

From the Council for Aid to Education web site, using their Data Miner Program, I found the 15 independent K-12 day schools (not including boarding/day schools) with the largest endowments (using 2009 Fair Market Values). These schools, arrayed on the attached Table, all have endowments in excess of \$50 million.

Ten of these fifteen schools were also among the top fundraisers, achieving average revenue of more than \$7 million per year for the past three years. The other five schools raised consistently between \$3 million and \$5 million annually.

The fifteen schools raised an average of \$2 million annually from alumni (over the past three years). The top schools raised over one-half of their revenue from alumni!

Ten of the fifteen schools with the largest endowments are governed by Boards of Trustees with alumni representation of forty percent or more of the total Board. Alumni represent 48 percent (or more) of the governing boards at eight of the schools. At two schools alumni count for over 75 percent of the Trustee slots. At none of the fifteen schools do alumni account for fewer than 20 percent of the Trustee places.

In order to check my theory about alumni revenue and alumni representation, I took a quick look at those schools that were most dependent on giving from parents – for 80 percent or more of their fundraising revenue. No school on this list had more than 20 percent alumni representation on its Board of Trustees.

Business

- *For-profit*
- *Registered in Maryland*

Service Market

- *Mid-Atlantic states*
- *Independent Schools*
- *Liberal Arts Colleges*
- *Urban charter schools*
- *Nonprofits with educational focus*

Service Expertise

- *Development program reviews*
- *Goal feasibility assessments*
- *Campaign planning*
- *Campaign counsel*
- *Organizational design and planning for fundraising*
- *Board development*
- *Staff and volunteer training*
- *Benchmarking*

Experience

- *Over 35 years of fundraising experience*
- *Track record of building programs*
- *Consulting experience with large and small firms*
- *Every client gets personalized attention of firm's principal*

Additional Information

- *Published articles/book chapters on education fundraising*
- *Trustee and speaker with CASE*
- *Increased annual gift cash flow of Sidwell Friends School from \$2-\$10 million*

Largest Endowments (from 2010 CAE)

So, is alumni representation on a school's governing board the result of a strong alumni program and fundraising investment? Or is it the cause? Probably it is both a cause and a result. But if your goal is to create a strong alumni program, a school would do well to consider alumni for positions on its governing board for the following reasons:

-A strong alumni presence on the governing board says to all alumni that they have a stake in the future of the institution.

-Alumni representation on the Board of Trustees reminds all alumni of their responsibility to be engaged constructively in their institution's welfare.

-Alumni Trustees are natural advocates for alumni programs and networks and are willing to allocate resources to promote alumni as key stakeholders in the institution.

Endowment Rank	School	Endowment (FMV)	3-yr. average fundraising	Alumni % on BOT
1	Punahou School (Honolulu, HI)	\$164,000,000	\$15,283,926	75%
2	Lakeside School (Seattle, WA)	\$150,525,983	\$19,526,751	48%
3	The Brearley School	\$101,000,000	\$10,618,347	24%
4	Woodward Academy (GA)	\$90,300,658	\$7,084,516	54%
5	Brunswick School (CT)	\$82,401,031	\$12,937,004	23%
6	St. Mark's School of Texas	\$81,613,563	\$13,301,445	26%
7	The Chapin School	\$75,088,000	\$15,540,939	33%
8	The Kinkaid School	\$74,848,152	\$5,425,476	20%
9	Gilman School (MD)	\$73,233,861	\$7,936,781	73%
10	Mary Institute & Saint Louis Country Day School	\$62,275,000	\$3,401,986	57%
11	Collegiate School	\$61,726,911	\$4,044,942	48%
12	University School (Ohio)	\$54,685,000	\$3,491,873	77%
13	Pingry School (Martinsville, NJ)	\$53,561,635	\$4,120,407	43%
14	Hopkins School (CT)	\$51,055,632	\$7,971,354	50%
15	Lovett School (Atlanta, GA)	\$50,853,327	\$9,758,864	46%

-Alumni Trustees represent lifetime loyalty to the institution and the importance not only of outright support, but of bequests and other types of planned gifts to the institution.

-Alumni perspectives are longer than parent time horizons and they are more apt to engage in long-range and strategic decision-making on behalf of the institution.

-Alumni give to endowment.

If your school wants to build a large endowment and if you want a strong well-rounded fundraising program that maximizes revenue, seek a balance in your governing board, with a substantial representation of alumni to balance current parents.

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