

	CALS	ENGINEERING	VET	ILR
Year of Conversion	2009	2009	2009	2014
Members represented under dues	4,039	1,156	243	869
Percentage represented	8%	4%	6%	7%
Members represented after conversion (100% mailable living alumni)	50,640	31,112	4,314	11,881
Five year average dues prior to conversion		\$30,000	\$17,000	\$25,106*
Budget allocated from college funds	\$35,000	\$30,000	\$20,000	
MOU?	No	No. They have an Letter of Agreement that outlines the use of the lifetime membership dues.	Yes	

EXHIBIT A

NAPA GROUP RESEARCH



THE NAPA GROUP

Strategy, Leadership & Organizational Consulting

Alumni Association Funding Models: Summary Findings from 20 Universities

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FINAL REPORT OF FINDINGS

November, 2010

Conducted by The Napa Group and PEG, Ltd.

EXHIBIT B

PROJECT OVERVIEW

As university and alumni association funding resources become tighter and continue to change, one of the front-burner questions today is: “What is the best funding model for our alumni relations activities?” Traditional options includes dues, service fees, university or foundation funding, annual fund support, student fees, affinity relationships and more. The reality is that strategically driven practices and funding models are more important than ever.

A strategic planning project by The Napa Group for the University of Tennessee Alumni Association and a subsequent research project by PEG, Ltd., with Oakland University prompted this survey of 20 public and private institutions. In the process, we also gathered data on several trends that are impacting alumni relations programming priorities, association structuring, communications, and mission and vision. The question about the best funding model is not being considered in isolation – in fact, a number of associations have initiated and/or completed comprehensive strategic planning projects in recent years to tackle these interrelated questions and position themselves for growth and stability for the future.

During March-June 2010, we interviewed heads of alumni associations or alumni relations offices at 20 institutions:

Penn State	North Dakota State University (NDSU)
Lehigh	University of Illinois
Georgetown	Chico State
Duke	George Washington University (GWU)
Oregon State	University of Central Florida (UCF)
Tennessee (UTAA)	Rochester Institute Of Technology (RIT)
Ohio State	Oakland University
UCLA	University of Missouri
University of Virginia (UVA)	University of Kentucky
Mills College	University of Florida

SUMMARY OF KEY FINDINGS

- **The traditional independence of alumni associations at many universities is changing.** While many continue as dues-paying organizations and hold their 501c3 status, they also are strategically creating alignment with institutional leadership, development, and other parts of the advancement operation to increase the broader goal – alumni “engagement” with their institutions. “Interdependence” rather than traditional “independence” is a common theme. Silos are breaking down for the good of the whole.
- **The causes for these changes are many, including two key trends: (1) dues often no longer cover the costs of delivering effective alumni relations and (2) support from university**

budgets, though increasingly important to delivering alumni programs, is in some cases declining or holding steady at the same time that the alumni population is growing. Further, other traditional income sources, such as affinity partnerships (corporate credit card programs) are also disappearing, and alumni associations are taking a new look at more varied sources of income.

- **Perhaps most significantly, this is driving alumni relations offices toward a more strategic focus on priority-setting based on (1) creating and articulating value, (2) positioning for relevancy, and (3) ensuring ROI as defined by the interests of alumni in each institution.**
- **As a result, associations are adopting a more sophisticated market-driven focus to (1) understand what alumni need and want in their relationship with alma mater and (2) connect alumni programming more closely to institutional priorities.**
- **There is no “one size fits all” for alumni programming or funding.** Yet alumni offices are setting priorities and delivering services to their broad constituencies through a smart blend of high-tech and high-touch activities. In the process, they are considering opportunities for innovation as well as traditional activities they must “stop doing.”
- **Metrics matter.** Alumni relations is increasingly being defined as part of the “engagement funnel,” the entry point in a lifecycle of activities (beginning with students) and ideally converting engagement to giving.
- **The umbrella theme that unites all these activities is “the case for investment” – sustainable funding for alumni relations.** The common denominator for success is a thorough understanding at the university level of the importance of the role of alumni relations and the ability of the alumni relations organization to make itself relevant not only to the colleges and other parts of the university but also to the rest of the advancement team and the broader alumni body.
- **A good example of how developing the “case for investment” has paid off is the University of Tennessee Alumni Association, which undertook a year-long strategic planning project in 2009-2010.** Key wins of this comprehensive project include: greater alignment and role definition between the central association and decentralized campus alumni offices; new investments in technology at the system level for the benefit of all to enhance databases for segmented alumni audiences and affinity groups and eventually eliminate “shadow” databases; a new senior-level position for alumni and development communications and enriched collaboration with the central university Public and Government Relations office; and new short-term funding from the university administration along with a plan for achieving long-term institutional support.

THEMES AND TRENDS FROM THE SURVEY

Current funding mechanisms:

- Primarily membership dues (annual and lifetime)
 - Missouri
 - Oakland
 - University of Florida
 - Penn State
 - Ohio State
 - Fees-for-services rendered
 - NDSU
 - Primarily or solely institutionally funded/in transition
 - Mills
 - Lehigh
 - RIT
 - GWU
 - Foundation-funded
 - UCF (in transition)
 - UTAA (in transition)
 - Alumni gifts
 - Illinois
 - Primarily blended sources:
 - Georgetown
 - Duke
 - Oregon State
 - UCLA
 - UVA
 - Chico State
 - Kentucky
-
- **Dues-paying alumni association are relying less on dues to fund their activities.** Certain associations have taken steps recently to change their funding models. The most recent example is the University of Illinois Alumni Association. In addition, UCF is moving from a successful dues-pay model to funding by the UCF Foundation for mutual benefit – to minimize direct competition with fundraising, become more inclusive with the rest of the university, expand foundation outreach to the entire alumni base, and increase focus on building affinity and engagement with all alumni. Other associations express the concern that emphasis on dues undervalues engagement and that alumni are confused about the differences between dues and giving as part of their association or institutional support.
 - **Certain well-established public institutions with robust alumni associations focus on engaging all alumni and conduct this outreach at the same time that they have strong success with a membership-dues structure** – including Penn State, Oregon State, Missouri, Kentucky and the University of Virginia (UVA). They believe this approach provides more stability, autonomy, and leverage. While retaining its independent status, for example, the UVA Alumni Association



collaborates with central development's Office of Engagement in several areas for mutual benefit, including regularly updating contact reports.

- **A wide range of funding sources support alumni relations, depending on the institutional history, culture, and structure** – primarily dues, institutional support, affinity programs, donations/gifts, events, and conference center income.
- **Percentages of institutional funding for alumni relations continue to vary widely.** At Mills College, the alumni relations office is funded 100% by the central administration; at Lehigh, the association (no dues) receives about 85% of its revenues from the university (with events and affinity programs supplying the rest); at Chico State, university support is 50%; at Oregon State, a dues association, university funding is less than 20%.
- **Several alumni associations have built endowments from membership dues, especially lifetime memberships, and rely on that income for operating expenses.** Increasingly they are adding dedicated fundraisers to their own operations to build their own revenue-generating programs that are different from those in the development office (such as association-funded student scholarships or overall endowment growth for various programs and needs). Others say they are considering short-term or one-time endowment campaigns to build a firm funding base for services in demand.
- **Because of reductions in funding, participants at alumni and parent events are increasingly being asked to pay nominal fees.**

Organizational Structure and Integration

- **Alumni associations typically fit in one of three categories with respect to their organization and relationship to the university – dependent, interdependent, or independent. These structures are shifting as funding resources become more critical and as associations are rebranding themselves and reevaluating their mission, vision, and value proposition for the 21st century.**
- Historically independent associations, such as Ohio State this year, are becoming more interdependent with their institutions, to strengthen their collaboration with alumni and the university, to leverage their value with the rest of the institution and its priorities, and to develop more sustainable support for their activities through additional institutional resources.
- At the same time, associations are reevaluating the mission and outcome of alumni relations. At Missouri, for example, the association's mission statement focuses on "time and talent" – "Support alumni in giving time and talent to the university." At George Washington University, the mission also encompasses "treasure" – "Encourage alumni, gather the voice of alumni, cultivate philanthropy."
- **Increasingly alumni relations and development are viewed as part of the same relationship-building spectrum, not as disconnected activities.** Once deliberately separate, there is a greater appreciation of each other's contributions to the whole and respect for the activities. In fact, the traditional terms "friendraiser" and "fundraiser" are thought to be outdated terms but the concept of not confusing alumni relations as strictly a fundraising function is recognized as very important.
- **How advancement offices distinguish the function varies.** At Lehigh, the alumni program is focused on engagement – recruiting and building – and annual fund discovery. At UCLA, at the other end of

the continuum, major gift fundraisers also make sure that donors join the alumni association, if they are not members, as part of the lifetime value of these relationships. At Penn State, there is a high correlation between association membership and giving to the university – in 2008-09, alumni contributed one-third of the total gifts to the university and of that group, 36% were members of the alumni association. In these examples, association membership is purposeful – alumni are cultivated as part of an overall collaborative strategy with development and as one of the first steps in ongoing affinity to the institution itself. This has caused these organizations to align their activities for greater collaboration and interdependence. Studies at Oregon State have shown that dues-payers make more gifts to the institution and the average amount of their gifts is higher.

- **At many institutions, the alumni association or alumni relations and development report to the same person** – for example at UCLA, Penn State, GWU, UTAA, Lehigh, Mills, and Missouri. This is seen as an opportunity to leverage a lifecycle of relationships and, ultimately, financial support to the institution.
- **Restructuring advancement offices is leading to broader collaboration among development, communications, and alumni relations and is accompanied by access to more sustained funding for alumni associations.** Sometimes this is not structural but rather built on strong internal relationships, such as at Oregon State.

Programming

- **Many universities are bringing alumni relations and the annual fund together into one functional area.** Both activities are focused on messaging to the middle and entry level audiences on the development pyramid. Annual fund programs are becoming integrated into alumni relations and/or alumni associations at some public and private institutions, including Missouri, Lehigh, Georgetown, and Mills College. In part this is seen as the front end of the engagement curve that eventually leads to higher levels of giving in partnership with the development office, which typically concentrates on major gifts.
- **Career networking, both for alumni and students, frequently leads the list of programs with an increasingly higher priority for alumni relations,** given the state of the economy, the job market, and the mutual benefits of alumni networking and mentoring. Other top program priorities: recognizing and sharing successes of distinguished alumni through awards and other spotlights, regional events, social networking, athletics-related activities, community service, and student programming.
- **Student programming is gaining ground as a strategic opportunity – not only for “alumni in training” but also for early cultivation of lifetime relationships, including giving.** Ohio State calls it “investing in the future.” At UVA, for example, students receive association membership and benefits free while they are students, and then are given another seven years upon graduation to complete paying their \$450 lifetime membership in the association. This early focus has helped the association grow to 54,000 lifetime members (for a onetime fee of \$450) versus its 4000 annual members who pay \$35 a year.

Governance

- **As alumni associations conduct self-studies to benefit from governance best practices, there is also a trend toward requiring donations by alumni board members** – at any level (Georgetown) or at a minimum level (\$1000 at Oregon State and \$500 at UCF). Other associations strongly encourage but do not require giving (Chico State, Duke, Illinois, Lehigh Mills, Ohio State, NDSU, Kentucky, UVA).

Other

- **Associations are becoming more data-driven in all respects, with an eye on measuring ROI, setting priorities, and proving the value of their mission, vision, and programming.**
- **Objectives for alumni communications activities are undergoing changes as association mission, vision, strategy, and structure within the institution evolve, and the balance between print, electronic, and social media is also changing.** While we did not dig deeply into this issue, the survey found an increasing trend toward segmenting alumni marketing messages along with these overall messaging priorities: awareness of the institution, its priorities, and its successes; awareness of the association and its benefits; ways to engage with the association and the university; career and business networking activities; association-only activities; and broadcast emails/newsletters for campus, regional, and chapter events.

THREE TOP PRIORITIES OR SUCCESSES IN THE VALUE PROPOSITION

Having established the various funding mechanisms, we also asked the institutions to describe how they spent their revenues. Their responses indicate that their decision making is driven increasingly by (1) creating and articulating value, (2) positioning themselves for relevancy, and (3) ensuring ROI, although their spending priorities varied widely – from staff and operations to scholarships, reunions, communications and the magazine, travel and education, other events, student programming, and miscellaneous forms of outreach.

So we asked them to state their top two or three priorities or what they do best, which provided a clearer picture of how their funding mechanisms advanced their strategic direction. Again, there was wide variation but also some common themes among those who responded to this question:

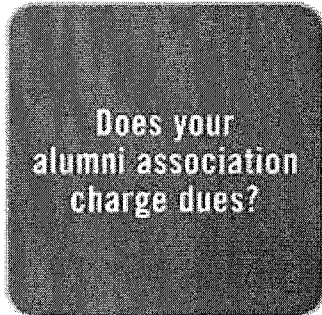
- **Chico State:** Communications, engagement, fundraising
- **Duke:** Connect Duke alums with each other and Duke students with the institution, high-caliber and meaningful programming, engagement
- **Georgetown:** Engaging more alumni, deepening relationship between alumni and alma mater, engaging alumni through specific and tailored programming
- **GWU:** Strategic communications, career services, grassroots requests
- **Illinois:** Lifecycle of affinity, advocacy, career services
- **Kentucky:** Engagement, connection with each other, support for the university
- **Lehigh:** Career networking, student/young alumni programming, traditional class-based reunions

- **Mills:** Increasing engagement overall, including annual fund participation; more successful reunion programs; educating the students about the importance of giving back
- **Missouri:** Student programs, communications, membership
- **NDSU:** Strategic communication, student engagement, services (career and grassroots requests)
- **Oakland:** Lifelong connections, contribute to association and university brand awareness, new funding resources
- **Ohio State:** Good value proposition for alumni, expand alumni engagement, voice of alumni to university
- **Oregon State:** Communications, membership program, programs of increasing value and engagement with university and each other
- **Penn State:** Membership growth that allows more programs and services, student and young alumni relationships
- **RIT:** Helping development raise \$50 million/year, staff retention for long-term relationship-building
- **Tennessee:** Engagement, legislative advocacy, volunteer leadership for university
- **UCLA:** Strategic marketing community, engagement, being seen as experts in alumni relations
- **UCF:** Consistent communications, right messaging, increasing sponsorships and affinity programs
- **UVA:** Engagement, high-value programs, volunteer training and support



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Dues or No Dues

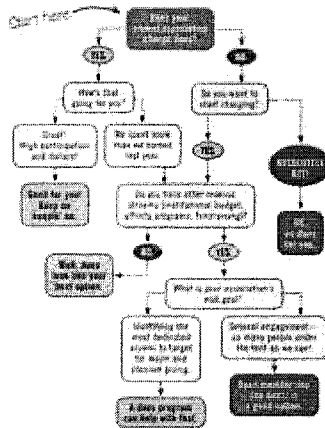
Answering three questions can help alumni professionals add—or remove—fees without fear

By Nancy Mann Jackson

Sidebar

Add a comment
What did you think about this article?

Members of The Ohio State University Alumni Association made history in 2012. For the first time in the association's more than 130-year existence, alumni became members without paying a cent. Eighty-five percent of OSUAA members voted to cease the organization's longstanding dues program, opening nearly all of its benefits programs to the institution's more than 500,000 alumni worldwide.



OSUAA joins the University of Central Florida; Rutgers, the State University of New Jersey; and the University of Illinois on the list of alumni organizations that dropped their dues programs without encountering existential crises. Why? After the Great Recession, which prompted alumni to make stricter decisions about how to spend their money, institutions scrutinized their dues programs to determine whether charging fees for membership impeded alumni engagement and fundraising efforts.

At Ohio State, graduates don't have to pay for an alumni association membership. However, if they make a minimum \$75 annual gift to any Ohio State fund, they qualify for enhanced benefits—including a print version of the alumni magazine and entry into the alumni football ticket lottery. The offer seems to

work: Alumni giving to Ohio State leapt 22 percent the year after OSUAA eliminated dues.

Does this spell doomsday for dues? Not exactly. While institutions are slowly moving away from dues-based programs, there isn't a one-size-fits-all solution. Here are three major factors that influence institutions' dues decisions—and how three universities applied them to establish very different funding structures.

EXHIBIT C

Question 1: Dependence or independence?

Identify sources of funding for alumni engagement programming.

"Whether to charge dues or not almost always comes down to the organization's revenue, or lack thereof," says John Taylor, a North Carolina-based advancement consultant.

Dues models came into vogue in the mid-20th century when many public and private institutions had strong, separate 501(c)(3) alumni associations that operated with little or no institutional investment, says Chris Marshall, vice president of the Chicago-based fundraising consultancy Grenzebach Glier and Associates. Now, he adds, fewer than 10 can claim that level of self-sufficiency, such as the Alumni Association of the University of Michigan and Texas A&M University's Association of Former Students.

Alumni organizations and the institutions that they support are moving increasingly toward an interdependent financial model, according to a joint 2010 study by The Napa Group and Performance Enhancement Group consulting companies. In this arrangement, institutions or affiliated foundations provide the alumni association some level of funding to offset the loss of dues revenue and allow open membership for all graduates. The report cites UCF—which eliminated its dues-based membership model in 2010—as an example. The UCF Foundation now provides funding and helps run the alumni association "to minimize direct competition with fundraising, become more inclusive with the rest of the university, [and] expand foundation outreach to the entire alumni base," the Napa/PEG study says.

A hybrid model: Sam Houston State University

Fee: Alumni dues include life (\$1,000 per individual) or annual (\$35) memberships. Young alumni can purchase discounted life memberships (\$400) within two years of graduation.

Alumni participation: Approximately 10 percent

When Frank Holmes became Sam Houston State University's vice president of university advancement in 2003, his superiors asked him to expand and enhance alumni outreach and programming. There was just one hitch.

"The reality was that no increase in institutional funds would be available," Holmes recalls. "Our revenues had to be generated by private resources."

The alumni office, which is part of the Texas university's advancement division, had always offered a dues program. But alumni didn't have to pay for many benefits, such as career services, and the dues option wasn't aggressively marketed to graduates. To expand the alumni programs, the institution needed to recruit many more than its existing 1,200 members.

During the next decade, the alumni office increased membership marketing through email and direct mail, a phonathon, ads in the university magazine, and a student alumni association and at events, such as tables at every home football game. While alumni could participate in certain programs for free, paying members received enhanced benefits, including invitations to an exclusive gala and free entry to tailgate parties.

In 10 years, membership has grown to more than 11,000 supporters, 2,200 of whom are life members. Although that number is only about 10 percent of SHSU's alumni body, Holmes is pleased with the progress. The influx of funds has helped support several projects, including a new alumni center, an increase in alumni events and meetings from 25 to 250, and growth in the office's endowment fund—from \$380,000 in 2003 to \$3 million in 2013.

"People support things in which they have an investment," Holmes says. "As members joined, it gave us more resources to provide better programs and communications, which stimulated our membership growth."

The dues program has also boosted development operations by highlighting which alumni are most interested in SHSU's advancement. Increases in philanthropy have correlated with alumni membership growth; in 2003 SHSU had only 3,500 donors, but in 2013 it received gifts from more than 11,000.

"A strong alumni program generates greater philanthropic support for the university," Holmes says. "Corporations and foundations are often interested in knowing the extent to which alumni give back. If an institution's alumni won't support it, why should the company?"

Question 2: Inclusive or exclusive?

Determine whether to engage the masses or entice the eager.

Is the purpose of the association to serve members as an exclusive club, asks Janis Johnson, a senior partner with the California-based consultancy The Napa Group, or does it serve all alumni?

The average alumni dues participation rate hovers around 20 percent, says GG+A's Marshall. Presidents, chancellors, and alumni directors, however, are questioning whether dues programs provide the best way to leverage the largest group of graduates. That sentiment may be the primary force driving institutions toward forms of open membership—where all graduates receive programming and services regardless of whether they pay dues or make a gift to the institution.

The challenge? Many alumni organizations are responsible for supporting annual giving initiatives and identifying potential donors among graduates. Dues programs can assist in those endeavors.

"By charging dues, you've labeled the most engaged and zealous people in your alumni population so you can target them," Marshall says. "There's a benefit to knowing who has already raised their hand to show they're engaged with your institution."

A nondues model: University of North Carolina at Charlotte

Fee: No dues. A green-level perks program is free for all graduates; gold-level enrollment, which includes enhanced benefits, is \$49 per year.

Alumni participation: 2,000 enrollees in its first year

Forgive University of North Carolina at Charlotte alumni if they have a split personality. Until about 30 years ago, many North Carolinians viewed UNC Charlotte as a commuter school, and graduates had little connection to the transient campus community. Decades later, UNC Charlotte has a thriving residential student body and recently added that super glue of campus pride: a football team.

The UNC Charlotte alumni office is riding that wave of excitement and building stronger bonds between its enthusiastic campus community and its somewhat disengaged alumni body. Charging dues, however, didn't seem like a good starting point, says Lynne Wester, director of alumni programs and engagement.

UNC Charlotte has accurate records for fewer than half of its 100,000 graduates, the majority of whom live in Charlotte and its three surrounding counties. Wester has three tasks: Acquire valid information for as many graduates as possible, introduce them to today's UNC Charlotte, and increase the university's visibility within the metro area.

Enter the 49er Perks program, which provides alumni with discounts to several vendors on and around UNC Charlotte's campus. Graduates can register online as green-level members at no charge. Gold-level members pay \$49 for increased

benefits, including reduced prices on alumni office events, such as football tailgate parties and homecoming registration. Wester's office receives most of its funding from the university, but proceeds from the perks program are used to enhance the office's budget and support a need-based scholarship program for students.

"There are hundreds of nondues-based alumni associations out there that provide great service to their graduates," Wester says of UNC Charlotte's choice to pursue an open membership model. "We feel like engagement shouldn't come at a cost to our alumni."

So why offer the \$49 option at all? First, it helps Wester identify enthusiastic graduates who may be great volunteer leaders for future alumni programs and services. Second, it shines a spotlight on potential gift targets that she can share with her development colleagues as UNC Charlotte continues to grow its advancement operation.

So far, the results look positive. As of March 1, more than 2,000 alumni had enrolled in the inaugural green and gold perks programs. Wester's already aiming for a 10 percent increase in fiscal year 2015.

Question 3: Does a dues model work?

Gauge the program's performance.

If a dues structure is thriving, it's probably a sustainable enterprise. Marshall says 30 percent alumni participation is a fair benchmark, plus revenues in the hundreds of thousands or even millions of dollars for large institutions. But such cases are rare, and sometimes the numbers can be deceiving.

"I had a client that clung to a dues program that had a great participation rate," he says. "But when I dug deeper into the demographics, I found a problem. Older alumni—those who graduated in the 1970s or earlier—were participating at about 30 percent. The youngest alumni from the 2000s forward were participating at a rate of less than 2 percent. The model simply wasn't sustainable."

But even when hard numbers strongly suggest the need to eliminate a dues program, Taylor reminds his clients to remember the many graduates who have already joined.

"All of a sudden, they've paid for nothing?" he says. "It becomes a public relations issue, and you need to make plans to address that population of constituents."

OSUAA tackled that tricky situation by eliminating the life membership on the July 1, 2012, changeover date but grandfathering all benefits for graduates and other constituents who had joined prior to June 30.

A traditional dues model: University of Virginia

Fee: Alumni dues cover life (\$550 per individual) and annual (\$45) memberships. Undergraduates may purchase a student life membership at a discount (\$400).

Alumni participation: More than 72,000 University of Virginia graduates are active members, representing 32 percent of the institution's entire alumni body.

What makes the University of Virginia's Alumni Association membership program so successful? The vast majority—more than 90 percent—are life, not annual, members. A big reason: The alumni association has a presence at orientation and convocation, where each first-year student receives a Jefferson nickel. The nickels are funded by an endowment created by alumnus Harry Bruns to remind students of their ties to the United States' third president and the university.

"It's not like as our students walk out with diploma in hand, they're just finding out about the alumni association," says Patti Daves, director of membership, marketing, and affinity programs at the UVa Alumni Association. "We meet many of these students before they ever walk into a classroom."

Daves reports that as of early March nearly half the Class of 2017 had become student life members of the association. Student life members receive a discount on the life membership fee and can defer payments until after graduation. They immediately enjoy life membership benefits, such as bookstore discounts and invitations to special alumni events. Overall, nearly 70 percent of the alumni association's life members joined through the student membership program.

A typical devil's-advocate question: Will young alumni disengage quickly after they, or their parents, pay off their student life memberships? That hasn't been a significant problem at UVa, says Daves. Alumni association members typically make up about 50 percent of the graduates who return for the university's annual reunions.

Life members also give generously to the institution and the alumni association. Although they're not solicited for the annual fund until they've paid their memberships in full, life members provide a targeted pool for Daves and her advancement colleagues. Nearly three quarters of members have made at least one gift to the association or university beyond their membership dues. In its most recent annual fund drive, the UVa Alumni Association received gifts from 3,207 donors, 2,468 of whom are life members.

Dues and Don'ts: Fee Lessons from the University of Colorado

Two years ago, CURRENTS shared the University of Colorado Boulder's new approach to alumni association dues ("Increasing the Harvest"). The Forever Buffs program replaced annual and life-member dues with a one-time fee that all students pay during their first year. We checked in with the article's author—Tori Peglar, assistant director of marketing and communications—for an update on the program.

What has been the response from alumni?

There's a renewed sense of pride. When we speak with alumni, there's no longer the guilt response: "I love Colorado, but I don't pay dues." Now our alumni are proud to identify themselves. They call and say, "Hi! I'm a Forever Buff, and I'd like to know more about the travel program." They're not just people who graduated from the university; they're part of a continuum from graduation through retirement.

How has the program affected students?

A lot of what drove our dues-based organization was the membership campaign. When we eliminated those staff positions, we created new ones focused on outreach and meaningful programming for students. We're now inviting current students to participate in alumni programs. Recently, when a professor brought a group of 25 students to London for a summer program, we held a special alumni event to bring together the students and our graduates. We're hosting meetings and programs where alumni share advice about internships, graduate school, and relocation for jobs. These are things we couldn't do before.

In the article you wrote that the shift to nondues membership hadn't affected alumni giving patterns. Has that changed?

That's kind of the golden question: If we drop our membership program, will annual fund donations increase? We haven't seen a jump in annual giving or in our recent "Creating Futures" campaign, in which alumni participation is about 7.5 percent. However, we discontinued the dues program in 2008, right when the economy was crashing, so other factors may be in play.

How do you measure the program's results aside from giving?

A major part of our new strategic plan is understanding the alumni who are participating in events and programs, and in the coming year we'll take a more sophisticated approach to tracking those numbers. What percentage of attendees

used to be dues-paying members? How many are first-time participants? To date we haven't had the tools to track this, but our new constituent relationship management system will help us look at these developments.

Do you see any changes for the program going forward?

We are seeking other sources of revenue because when we initiated the \$70 Forever Buffs fee, we didn't take inflation into account. With our board of regents sensitive to the many fees that students pay, we're not inclined to increase that number right now. We have staff members in charge of business development and bringing in funding through sponsorships. We're also investigating how we might involve graduate students, who don't currently pay the Forever Buffs fee, in the program.

—Kristin Simonetti

About the Author

Nancy Mann Jackson

Nancy Mann Jackson is a freelance writer who also writes for *Associations Now*, *AARP Bulletin*, *Entrepreneur*, and *CNNMoney.com*.

Comments

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Trends and Best Practices in Alumni Associations

- 1. Alumni organizations are focusing their efforts on market-related activities that have greatest impact, increasingly relying on market information and data to segment programs and create value-centric relationships with their alumni.** The result is a shift toward lifetime relationships through a lifecycle model of programs and services. Associations are asking the strategic questions – Where is our greatest value? What should be our priorities? What do we “stop doing? How do we increase our relevance to our alumni and to the university?
- 2. Alumni engagement through lifecycle interests focuses on a continuum of involvement with the university, beginning as soon as a student enrolls (if not before) and extending through life, with programs provided for all age groups, in local clubs and top-tier regions.** Through market research, other feedback from alumni, and ROI analysis, associations are making selected program investments for each life stage. Studies show that nurturing this bond, starting with young alumni, leads to consistent and increased philanthropic support over time. Technology is a prime facilitator.
- 3. As alumni seek meaningful relationships with their universities, alumni organizations are positioning themselves as “portals” between alumni and alma mater, through programming and communications.** As an entry point for alumni into the university, the association’s website typically provides news and information about the university, multiple options for engaging alumni with each other (including social media), access to affinity programs and activities that interest alumni throughout their careers and lives, events on campus and regionally, career services, connections to state legislatures for advocacy work, and ways to give back to the university through involvement and donations. Best practices coordinate the association’s website with the institution’s brand and an “enabler” of services to alumni and their ongoing connection to the institution.
- 4. Information and data management and analytics are becoming critical success factors for alumni associations as they segment programs and become more market-focused.** Shifts to centralized systems that provide key core services and outcomes reduce costs, improve efficiencies, and facilitate high-value alumni programming and communications.
- 5. Alumni surveyed nationally consistently report that the reputation of alma mater and the increasing equity of their diplomas are key motivators for connectivity.** They seek to connect through career, social, and business networking provided by alumni associations. They are interested in learning more about their institution’s academic strengths, how it educates graduates for careers, exciting developments in student-faculty collaborations and research, and opportunities to be exposed to new things and be prepared for a complex and changing world.

6. Declining resources are forcing alumni organizations to thinking differently about alumni engagement. High-touch regional activities in top-tier markets, high-tech activities in smaller and/or remote areas, new technologies to communicate, and revitalized, well-managed alumni volunteer programs are leading these activities. By identifying top-tier regional markets and creating a “regional sales approach,” alumni relations and fundraising development offices are focusing and coordinating their activities, resources, and desired outcomes for both maximum impact and efficiency in target cities across the U.S. and internationally. Their joint efforts are sometimes placed under an “office of engagement,” and increasingly parents are included in these programs. Important to extending the work of the association is strong volunteer leadership and training. ROI analysis drives priorities for regional selection, association budgeting, and high-yield programs.

7. Both private and public universities are recognizing the need for private support and reevaluating membership models as state and federal resources decline and educational costs rise. The right model typically emerges from an association’s strategic plan goals, long-term thinking, buy-in from all institutional and association levels internally and externally, and alumni feedback through surveys. Trends include universal membership, which emphasizes engagement rather than dollars through free services and stratified benefits based on additional levels of support, in an inclusive environment, beginning with student membership. Student fee models begin fostering lifetime commitment. Some institutions have moved to university- or advancement-funded association models (without membership fees). Emerging hybrid models include those that bring in additional revenue through sponsorships and entrepreneurial efforts.

These realities have led to strengthened relationships between alumni organizations and university development offices. Numerous studies and institutional experiences have demonstrated the promise of alumni associations as growth engines for overall institutional support, both during and between fundraising campaigns. The annual fund is often the first step to engaged and involved alumni. Some institutions have merged alumni relations and annual fund staffs, adding support, for example, to reunion volunteers, instituting giving campaigns at each five-year reunion interval, creating “road shows” to develop relationships with students and young alumni, and investing in technology to facilitate these relationships. Others have created these mutual synergies through coordinated messaging and other structural approaches.

8. Boards of Governors (or other association governing boards) are reconsidering their roles, membership, committees, and structures to be more aligned with the association’s strategic goals and objectives. They are implementing best practice expertise from such groups as the Association of Governing Boards and BoardSource. Many boards are becoming smaller, base membership on valued talents and skills, and intentionally represent the diversity of the alumni base. They expect Executive Committees to lead and guide policy development, standing committees to engage in priority association responsibilities, and advisory councils to provide broader input on the spectrum of alumni interests.



Cornell University
College of Veterinary Medicine

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE CORNELL UNIVERSITY COLLEGE OF VETERINARY MEDICINE AND
THE VETERINARY ALUMNI ASSOCIATION EXECUTIVE BOARD**

This memorandum of understanding is a good-faith agreement between the Cornell University College of Veterinary Medicine (CU-CVM) and the Cornell University College of Veterinary Medicine Alumni Association Executive Board (AAEB) for the purpose of replacing annual and lifetime membership dues in the Alumni Association (AA) with a reliable source of funding provided by the College.

Objective of Alumni Association:

The objective of this Association shall be to promote the interests of the Cornell University College of Veterinary Medicine and its alumni. It will aid in the preparation and development of veterinary students as well as the continued development of veterinary alumni. The Association shall be operated exclusively for the educational and /or charitable purposes that advance the interest of the College of Veterinary Medicine.

Rationale for Dues Elimination:

The decision to replace membership dues of the AA with an annual allocation from the College Annual Fund is based on the following factors:

- Low percentage of dues-paying membership among 4,500 alumni,
- Confusion among alumni regarding the relationship of dues with Annual Fund gifts,
- Disproportionate expense of soliciting, collecting and tracking dues payments as it relates to the annual revenue from dues, and
- Cost effectiveness of raising Annual Fund dollars versus Association dues.

With the elimination of the dues requirement, there will be no distinction between dues (active) and non-paying (non-active) members and *all* veterinary alumni will hold membership in the College's Alumni Association. This more inclusive environment may provide greater opportunity for engaging more alumni and encouraging them to be active participants in the life of the College.

Funding and Terms:

The Veterinary Alumni Association will discontinue seeking annual (\$25) and lifetime (\$500) membership dues. Funding for the AA annual operating budget will be provided by a transfer from the CU-CVM Annual Fund to the Alumni Association Agency Account at the beginning of each fiscal-year (July 1). *Based on approval of the Dean of the College and the Alumni Association Executive Board at the June 9, 2012 meeting of the Alumni Association Executive Board, this agreement has been renewed for a 2-year period – fiscal year 2013 (2012-2013) and fiscal year 2014 (2013-2014).* This will begin with a \$20,000 transfer on July 1, 2012 (fiscal-year 2013), with an equal amount to be transferred on July 1, 2013 (fiscal-year 2014). The agreement and amount of the transfer will be re-evaluated for fiscal-year 2015 based upon mutual agreement of the Dean of the College and the Alumni Association Executive Board.

The Alumni Association Executive Board will have the authority to allocate these funds for Alumni Association activities, events and programs in support of the College and its alumni.

Both CU-CVM and the AAEB wish to ensure that the College's relationship with its alumni is a strong and positive lifelong partnership, benefiting both the alumni and the College.

By affixing the appropriate signatures to this document, the Cornell University College of Veterinary Medicine and the College's Alumni Association Executive Board indicates its agreement to the terms outlined in the Memorandum of Understanding.

Signed the 29 day of JUNE, 2012

Acceptance

JONATHAN E. MAY

Printed name - President of the College's Alumni Association

[Signature]
Signature - President of the College's Alumni Association

Michael Kotikoff

Printed name - Dean of the College of Veterinary Medicine

[Signature]
Signature - Dean of the College of Veterinary Medicine

April 9, 2010

Name
Add
Add

Dear (first name for all)

You and I are part of an extraordinary group of individuals – graduates of the Cornell University College of Veterinary Medicine. The Veterinary Alumni Association, to which we all belong, helps us connect with one another, current students and the College.

On behalf of the Executive Board of the Alumni Association I would like to share with you some of our recent discussions. We will be revisiting our mission as we look to create greater avenues for alumni engagement both with our veterinary students as well as with alumni across the country:

- We are developing communication and networking opportunities for veterinary students and alumni to assist students as they explore career opportunities and seek professional guidance.
- We are expanding the size and breadth of our Executive Board to mirror our diverse alumni population, whether it be industry specific, geographic or demographic.
- Finally, we wish to strengthen our Veterinary Alumni Association through greater engagement of more alumni in meaningful activities that serve alumni, the College and the profession.

I am also pleased to share with you another recent decision of the Executive Board. As you know, our Alumni Association has solicited dues on an annual basis and received generous lifetime contributions from 400 alumni, which are invested in and managed by the Cornell University Foundation for the ultimate benefit of the College of Veterinary Medicine. As part of our review process, the Executive Board has voted to follow the lead of other college alumni associations at Cornell and at a great many American colleges and universities and dispense with the collection of annual dues.

We will focus our efforts on developing programs that are relevant to the professional development needs of alumni, encouraging interactions among alumni, students and faculty and fundraising for programs identified as priorities at the College. We have the full endorsement of Dean Kotlikoff and I have, in fact, signed a memorandum of understanding with the Dean which goes into effect this coming fiscal year outlining that a set amount from the College's Annual Fund will be earmarked specifically to underwrite our strategic programs.

As one of a select group of alumni who chose to become a lifetime member of the Alumni Association, we are deeply indebted to you for your special commitment to the work of the College. Your membership is part of the university's investment portfolio, where earnings continue to be re-invested until a time when we may be able to establish an endowed scholarship in the name of the Alumni Association. I hope that you will consider making a gift.

I hope this exciting news encourages you to become more involved with the College through our Association. If you are interested in becoming more involved with our Association, please contact Lyn LaBar in the College's Office of Alumni Affairs and Development at 607.253.4230 or cel75@cornell.edu.

In addition, please feel free to contact me or any member of our Executive Board. A listing of current members can be found at www.vet.cornell.edu/alumni/aassociation.htm. We welcome your help, questions and feedback.

Very truly yours,

Jonathan E. May, DVM '80
President, Veterinary Alumni Association