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Colleges Weigh 'Yes We Can' Approach to Fund Raising

By MARC PARRY

Washington

Rich Mintz thinks college fund raising needs serious help.

Bureaucracies are byzantine, messages leave alumni cold, and methods of delivering them are ineffective.

"Frankly," says Mr. Mintz, a bushy-haired fund-raising consultant who once aspired to be a medieval scholar, "I think that a lot of institutions have probably simply given up on getting anything valuable out of their alumni under 40."

His attitude could come across as off-putting, but Mr. Mintz boasts a unique calling card: The company he works for built the new-media arsenal that helped catapult Barack Obama into the White House.

Now the strategic-consulting and technology firm, Blue State Digital, is courting colleges. Some are welcoming the political rainmaker inside their wrought-iron gates. The University of Florida has signed on, swayed by Blue State's promise of sharper outreach and new-media tools to motivate a broader group of donors. The Brennan Center for Justice at New York University's School of Law has also used Blue State. The Washington-based company is in talks with several universities out West, including the California Institute of Technology.

But some skeptics question whether what works in the digital war room of a political campaign can translate into the academic arena. (Try this one: A new roof for our state-college gym? *Yes we can!*)

The world of college fund raising has grappled for years with declining alumni-participation rates. As technology shifts beneath fund raisers' feet, and young alumni evade their reach, institutions are looking at new strategies beyond the old tactics of direct-mail appeals and student phone banks.

The Obama campaign's mass rollout of Blue State's technology "increased the general public's comfort level with the kinds of tools that are going to benefit higher ed when it comes to engagement and giving online," says Andrew Shaindlin, executive director of the Caltech Alumni Association.

"They did us a favor," he says, "because instead of trying to explain to people what a lot of these tools are, now we can actually talk about how to use them."

Sometimes alumni drive the conversation, says Robert A. Burdenski, an annual-giving consultant in Chicago who speaks to colleges on what the 2008 presidential e-campaign means for their yearly appeals. Many colleges have alumni who joined Mr. Obama's online community as campaign volunteers. Those alumni, Mr. Burdenski says, are asking, "If the Obama people can figure this out, why can't we figure this out in the university fund-raising office?"

The University of Florida came up with a simple answer. It hired the Obama people.

One of the country's largest universities, with more than 51,000 students, Florida signed on last year for what Mr. Mintz calls Blue State's first "full-service university relationship." The company was hired to prepare a plan that, according to Mr. Mintz, involves an e-mail and Web-based component in the annual-fund program.

The university's fund-raising foundation hired the consultants for help with its mass-appeal efforts in part because Blue State's background *wasn't* in higher education, says Carter Boydston, senior associate vice president for development. They had talked to other colleges, but none, Mr. Boydston says, seemed to know "how to replicate an Obama scenario."

The Chronicle visited Blue State's headquarters last week to hear the company's take on why the lessons of Obama can translate to academe.

The Art Deco, Depression-era office building, located around the corner from the White House, does not project an outfit pushing the frontiers of technology. The elevator opens into a waiting room where a giant TV showed President Obama giving a speech. A "creamy vanilla"-scented candle flickered on the table, and the décor along the low-ceilinged corridor mixed historical political photographs with Pop Art-style images of modern icons like the comic Stephen Colbert.

Alumni of Howard Dean's presidential bid established the company in 2004. The Obama operation came calling three years later, hiring Blue State to build a new-media department within the campaign and installing one of the founding partners in Chicago as new-media director. Blue State created the My.BarackObama.com site, the online hub where supporters created profiles, organized volunteers, set up personal fund-raising pages, and blogged.

Candidate Obama attracted lots of attention for exploiting social networks like Facebook. But the backbone of his campaign was a 13.5-million member e-mail list, says Thomas Gensemer, 32, who is Blue State's managing partner. E-mail was a gateway to other tools. And e-mail — or a special brand of e-mail — is key to what Blue State says it can offer colleges.

What Colleges Do Wrong

Here's what Mr. Mintz sees colleges trying. They'll send a message out of the blue. Often it shows a glitzy video. The message will be generic, a lofty appeal about the gifts that students got from the college when they were there, and the obligation they have to future generations.

"That kind of messaging doesn't work," Mr. Mintz says.

"I hope your sarcasm is coming across," says Mr. Gensemer, leaning forward with a laugh. "It's the ivory-tower problem."

Other things that don't work: When news coverage makes the moment right, the consultants say, you can't wait for a dozen people to approve an e-mail message capitalizing on the spotlight. You need to blast that message out *now*.

And newsletters. Blue State generally does not do newsletters. Those, Mr. Gensemer says, "are for bureaucrats."

Mr. Mintz is the firm's higher-education point person. The Harvard-educated, New York-based vice president for strategy studied relations among religious groups in medieval Iberia before giving up his pursuit of a Ph.D. at the University of California at Los Angeles. These days he speaks in the vernacular of a modern marketer. At 43, he describes himself as "old enough to be direct-mail responsive," and with glasses on he bears a slight resemblance to Al Franken. He has turned up on about a dozen campuses in the past several months.

The Blue State Pitch

Essentially, Mr. Mintz says, Blue State can help colleges reach more people and squeeze more money out of a broader share of constituents.

The strategy, in part, is to segment potential donors by their interests and by how deep a relationship they are willing to have with an institution, and to talk to groups differently if possible. If Blue State succeeds, people will feel part of an online relationship that feels more "authentic," Mr. Mintz says. When it comes time to click that "Give Now" button, the donation will come via a continuing conversation, rather than an out-of-the-blue "ask."

Say, for example, that you're in a capital campaign. The historic student union is being renovated. Yes, Mr. Mintz says, the college wants your money. But it would ask you as well to share stories about your experiences in the building.

"You never got a newsletter from the Obama campaign," Mr. Mintz says. "You might have gotten 200 e-mails over the course of a year, but each one of those was narrowly targeted, action-oriented, and situated in the context of an ongoing communications relationship. And that is what most universities, whether from the alumni-association side or the foundation side, are not doing well."

Blue State, whose retainer can range from \$10,000 to \$30,000 a month, is hardly the first to talk about building conversations or to hawk the potential of e-mail.

Colleges are "all over the map" in how they've embraced the tool, says Mr. Burdenski, the annual-giving consultant. Some are terrified of sending any e-mail, for fear of annoying donors. Others, he says, are doing "some really sexy things."

Creighton University is one of the latter. Last month the Nebraska college sent out an e-mail message asking people to cheer on the Blue Jays during March Madness. Creighton kept track of all the alumni who opened the message. Everybody who did so then got funneled into the Creighton phone-athon — and got an extra call.

Mr. Burdinski, who has consulted for Creighton, compares the strategy with how Mr. Obama revealed his vice-presidential choice: by text message to supporters, stockpiling the cellphone numbers of core activists in the process. For college fund raisers, the consultant sees it as a key lesson. They can use the Internet to sort alumni who don't want to be bothered from those who really care, and then single out the true believers.

Two factors can add urgency to the alumni chase. First is the economy. Finance offices, looking for a sharper focus, are questioning the money that colleges spend on phone calls and paper mailings, Mr. Burdinski says. Second is the falling alumni-giving participation rate, a statistic that is used as a proxy for institutional quality. The rate has declined from 13.8 percent in 2001 to 11 percent in 2008, according to the Council for Aid to Education.

Experts cite different causes. Some say the availability of good alumni addresses is outpacing colleges' ability to cultivate new donors. Mr. Burdinski says colleges themselves have depended for too long on outdated fund-raising methods.

Mr. Boydston, the Florida fund raiser, agrees there is a need for change. He hopes to hone Florida's mass appeals, an area in which he feels colleges have lagged in comparison with nonprofit giants like the Red Cross. Blue State's recommendations for his university are expected next month.

Florida has raised \$900-million in its current capital campaign. But the vast majority of those dollars have come from about 500 people. Last year the annual fund netted about \$2-million, while the university raised some \$200-million over all.

The university tried tapping "Gator Nation" with e-mail solicitations, Mr. Boydston says, but the response rate wasn't good. What turned him to Blue State was as much what he observed at home during the presidential election as any company pitch.

Mr. Boydston's wife and daughter were involved in the Obama campaign. He watched them use the candidate's Web tools. He admired how easy it was to contribute, while college Web sites can impede donors with too many steps. He admired how the campaign could embed fund-raising appeals into a larger dialogue about issues.

Flaws in a Political Approach

Not everyone sees how political tactics translate easily to higher education, however.

Some university fund-raising officials and consultants point out that you can't muster the urgent passion for a college that Mr. Obama inspired in millions of supporters who saw his election as the best chance to reverse the decline of America.

The Obama campaign was a two-year dash aimed at a clear finish line. But colleges have a habit of pushing the finish line back, the skeptics argue. Alumni are asked to give again and again, in larger and larger amounts.

Colleges also need to hold on to alumni for decades, a relationship that can hit rocky patches, like when the child of a loyal alumnus gets rejected for admission. "What's the Obama system going to do about that?" asks Tony Allison, executive director of advancement-information services at Brown University. "Because you might have been a \$25,000-a-year donor. Now you're pissed. I don't want some piece of software soliciting that person. You want someone on the phone talking to them and explaining, 'Here's what happened.'"

Mr. Allison adds, "There's a lot of personalized detail that just doesn't seem to fly in a big Obama system, which is like this big giant vacuum cleaner sucking up tons of money. I guess I just don't see the parallel with a university, or at least a Brown University."

At Florida the hope is that technology can build giving relationships.

People generally don't go to a Web site to make a gift, Mr. Boydston says. They get pushed there. The Obama campaign pushed. Florida does not have a tradition of pushing very hard.

"We want to have the vehicles out there to push people to our little button that says Give Now," Mr. Boydston says. "Which is what, ultimately, Blue State did. Millions of times."

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