

## A Bigger Piece of the Alumni Pie

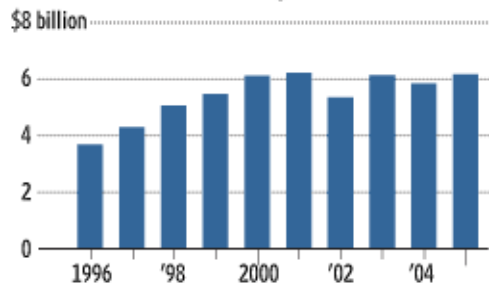
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Colleges and universities are increasingly using math to try to buck a nationwide decline in the percentage of graduates who donate, in hopes of improving their standing with ratings publications and charitable foundations. (See related article.) *Research by Dan Golden*

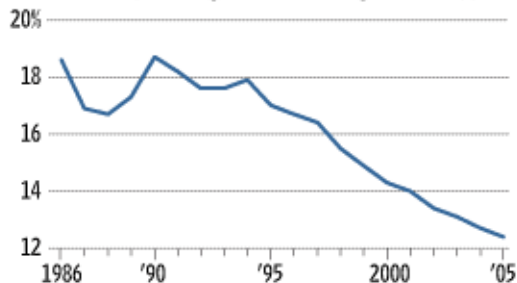
### Smaller Returns

Fewer alumni are donating to their alma mater.

Total alumni donations have stagnated...



... and the percentage of alumni who give has dropped.



Source: Council for Advancement and Support of Education and Council for Aid to Education's Voluntary Support of Education Survey

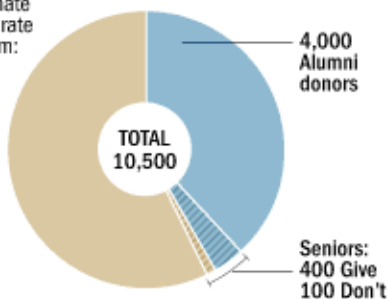
### Counting the Seniors, I

Procedures vary when it comes to counting gifts from seniors, who give before graduating but are alumni by the time the paperwork is filed. Some schools simply count the entire class of seniors -- donors and nondonors -- as if they had already graduated, increasing both the pool of total alumni and donor count.

Below, how this could affect a university with 500 graduating seniors and 10,000 pre-existing alumni.

If 400 seniors and 4,000 alumni donate in a given year, this is how the giving rate is calculated under the above program:

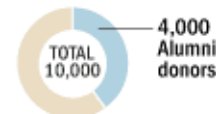
	Donors	Total
Alumni	4,000	10,000
Seniors	400	500
TOTAL	4,400	10,500



TOTAL GIVING RATE: 41.9%

Because seniors are not alumni, many colleges leave them out of the alumni-giving rate. Here's what it would look like:

	Donors	Total
Alumni	4,000	10,000



TOTAL GIVING RATE: 40%

Wesleyan University is among the schools that count senior gifts this way. With contributions in 2006 from 94% of seniors who graduated that year, the school's giving rate was 54%, up from 47% in 2000. Counting seniors "obviously helps your numbers," says Barbara-Jan Wilson, vice president for university relations.

### Counting the Seniors, II

In some cases, universities count the outgoing seniors who have donated in the alumni numbers but do not count the seniors who don't donate. The move underreports the pool of potential alumni donors -- each new potential donor added to the bottom line is also an actual donor, added to the top line.

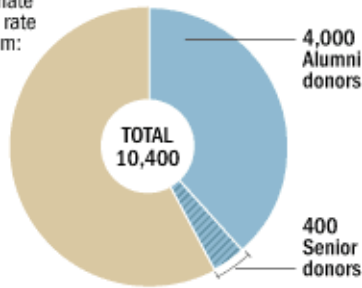
Below, how this would affect the numbers at the same sample university.

If 400 seniors and 4,000 alumni donate in a given year, this is how the giving rate is calculated under the above program:

	Donors	Total
Alumni	4,000	10,000
Seniors*	400	400
TOTAL	4,400	10,400

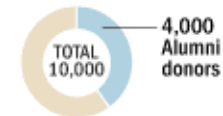
\*The 100 seniors who don't donate aren't counted in this formula.

TOTAL GIVING RATE: 42.3%



Because seniors are not alumni, many colleges leave them out of the alumni-giving rate. Here's what it would look like:

	Donors	Total
Alumni	4,000	10,000



TOTAL GIVING RATE: 40%

At Wabash College in Crawfordsville, Ind., 81 of 188 seniors donated last year. Because Wabash counts senior donors as alumni and doesn't count senior nondonors, the seniors helped boost the overall giving rate. Annual fund director Joe Klen says the practice compensates for deceased alumni still in the pool.

### Counting the Seniors, III

Some universities do the math on senior donors by adding them to the number of alumni who donated without making any addition to the pool of potential alumni donors. This increases the donor percentage without increasing the total donor pool.

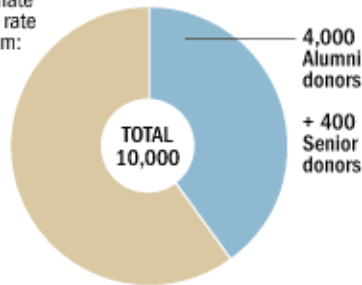
Below, the impact of this type of accounting on the same sample university.

If 400 seniors and 4,000 alumni donate in a given year, this is how the giving rate is calculated under the above program:

	Donors	Total
Alumni	4,000	10,000
Seniors*	400	0
TOTAL	4,400	10,000

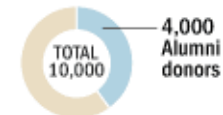
\*None of the seniors who donate are counted as alumni in this formula.

TOTAL GIVING RATE: 44%



Because seniors are not alumni, many colleges leave them out of the alumni-giving rate. Here's what it would look like:

	Donors	Total
Alumni	4,000	10,000



TOTAL GIVING RATE: 40%

Albion College, 90 miles west of Detroit in Albion, Mich., used this tactic to increase its alumni giving rate beginning in 2003, when it reaped an artificial increase of 1.4 percentage points, to 51.6%. The college boasted of the rate in a grant application; ultimately, it was awarded the \$4.65 million in funds. Albion President Peter Mitchell says the school stopped using this method for the class of 2007 and that the giving rate was just "one arrow in the quiver" for the grant.

### Pledge Spread

At some colleges, administrators improve the rate of giving among just-graduated alumni by counting their end-of-senior-year contributions over several years, rather than the entire amount at once. By doing this, they count that graduate as a donor each year, rather than just in the first year.

Below, different ways colleges spread out the donations, and what it means for their donor counts.

	Year One (Senior year)	Year Two	Year Three	Year Four	Year Five	Five-year total
<b>If a senior gives \$50:</b>						
<b>At most colleges</b>	\$50	\$0	\$0	\$0	\$0	\$50
How that senior is counted	One donor	-	-	-	-	
<b>At Albion College</b>	\$10	\$10	\$10	\$10	\$10	\$50
How that senior is counted	One donor	One donor	One donor	One donor	One donor	
<b>At Trinity College</b>	\$25	\$25	\$0	\$0	\$0	\$50
How that senior is counted	One donor	One donor	-	-	-	

After The Wall Street Journal inquired about the "pledge" program of delayed donations at Albion College, the college decided to discontinue the program starting with the class of 2007.

Source: the colleges

### 'Lost' Alumni

Some schools improve their alumni donor rates by excluding alumni for whom they don't have accurate contact information, effectively making those alumni who do donate account for a larger slice of the pie.

Below, what the sample university's rate would be if 20% of its alumni, or 2,000, were classified as "lost."

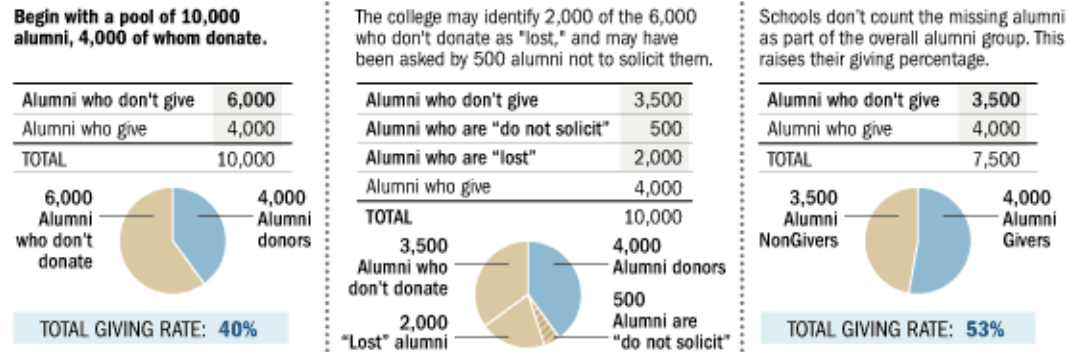


Some universities have very low numbers of "lost" alumni, such as Princeton, which says it is in touch with 98% of its graduates. But Lehigh University in Bethlehem, Pa., which reports a 40% alumni giving rate, considers one-fifth of its graduates lost. Transylvania University in Lexington, Ky., classifies about 1,400 alumni, or 17%, as lost. Among the remaining approximately 7,000 alumni, the school reports a 50% giving rate.

### 'Do Not Solicit'

As with alumni who are "lost," colleges and universities often do not include in their total alumni count those graduates who request not to be asked to donate.

Below, the sample university with a 20% "lost" rate and with 5% of alumni asking not to be solicited.



### How the Colleges Rank

Colleges worry any downturn in the alumni giving rate might affect some corporate and foundation grant applications and the highly influential U.S. News & World Report annual college rankings. The rate counts for 5% of a college's overall score in the U.S. News tables.

National universities and liberal-arts colleges ranked among the top 20 in 2006 by alumni giving rates\*

National Universities		Liberal Arts Colleges	
School	Percent	School	Percent
Princeton University	63%	Carleton College	65%
Dartmouth College	50	Amherst College	62
University of Notre Dame	48	Centre College	62
Yale University	45	Williams College	59
Harvard University	44	Davidson College	56
Duke University	44	Scripps College	56
University of Pennsylvania	40	Bowdoin College	55
Stanford University	39	Agnes Scott College	55
Lehigh University	39	Middlebury College	54

Massachusetts Institute of Technology	38	Swarthmore College	53
Washington University in St. Louis	38	Hamilton College	53
Brown University	38	Wellesley College	52
Rice University	37	Wesleyan University	51
Emory University	36	Washington & Lee University	50
University of Southern California	36	Colby College	50
Columbia University	35	Albion College	50
Cornell University	35	Transylvania University	50
Johns Hopkins University	35	Pomona College	49
Wake Forest University	34	Claremont McKenna College	49
University of Chicago	33	Haverford College	48
Brandeis University	33		
North Carolina State University, Raleigh	33		

Source: *U.S. News & World Report*

\* More than 20 national universities are listed because of ties; the last college on each list is ranked No. 20. Percents are the average percentage of alumni who gave to their school during 2003-04 and 2004-05.

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