

Institutional Characteristics as the Key Predictor of Alumni Donations

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Abstract: - Alumni support for institutions of learning has gained much attention. A lot of views exist about the relationship between donation by alumni and the factors that induce donation. This article provides insight into the various determinants of donation and the key factors that prompt willingness to donate, readiness to donate and the actual act of donation. The views of several authors were examined, based on which the internal characteristics of institutions were found out as the most predominant determinant of donation. This article therefore recommends the solicitation of alumni donation through improvement of institutional characteristics that have a lasting and strong inducement on alumni’s propensity to donate to their alma mater.

I. INTRODUCTION

The rising cost of higher education has prompted the need for tertiary institutions to scout for alternative sources of funding. One of those sources of funding that has received greater attention is alumni donation. Alumni donation is philanthropic giving to an institution where the giver was educated. It is motivated by several factors that border on the characteristics of the giver, ability to give, readiness to give, willingness to give and perceptions of how well an institution deserves donations (Cunningham & Cochi-Ficano, 2002). According to Shim (2001), the propensity to donate also depends on the characteristics of the beneficiary institution, and is often indicated by their fund raising practices, degree of students involvement in institutional advancement, quality of relationship with former students and how well the institution prepares scholars for the world of work. Conflicting opinions exist about the impact of each variable on alumni giving. Perhaps, the background to alumni donations will shed further light on the most significant predictors of alumni giving and how institutions can strategise fund raising activities around those variables.

II. BACKGROUND OF ALUMNI DONATIONS

Philanthropic giving in support of higher education started as early as 1641 when the Massachusetts Bay Colony helped to raised 500 pounds to support Harvard College (Hawk, 2012). In 1792, the alumni of Yale University created a formal structure to link its former students to their alma mater for the purpose of alumni communications (Webb, 1989) as cited in Twum-Ampomah and Danso (2013). According to McAdoo (2010), alumni associations have grown with time and have focused on generating interest of alma mater and translating

such interest into financial assistance and voluntary contributions. In 1961, the first academic study on the subject was conducted by O’Conner using the Alumni of Alfred University (Taylor and Martin (1995) as cited in Shelby (2011).

Since documentation of the 1961 study, effort has been made to identify the predictors of successful fundraising and the characteristics of successful fundraising programmes (Shelby, 2011). Almost all of the studies conducted sought to establish the link between donation and individual donor characteristics, donation and the prevailing external environment of tertiary institutions and lastly, donation and institutional characteristics. The specific factors highlighted include age, sex, alumnus’ geographical residence, family status, residential status during college, and religion. The rest are feelings of indebtedness to alma mater, employment status, alumni involvement and solicitation and lastly, the political and socioeconomic situations confronting the alumni after graduation (Schmidt, 2001). While these factors are all significant determinants of alumni donation, this paper considers institutional characteristics above all others, as the key predictor of alumni giving.

III. THEORITICAL FRAMEWORK FOR ALUMNI DONATIONS

A lot of theories have been propounded to explain philanthropy in general and by extension, alumni giving. Prince and File (1994) as cited in Hoyt (2004) provides the seven faces of philanthropy that capture the motivation for giving as purported by different theoris. The faces are: the Repayer, the Investor, the Socialite, the Communitarian, the Devout, the Altruist and the Dynasty. The seven faces are shown in Table 1.

Table 1: Faces of Philanthropy

Face	Motivation for Giving
Repayer	Indebtedness to pay back benefits received in the past
Investor	Expectation of medium to long term financial rewards
Socialite	Improvement of society, social networks and prestige
Communitarian Partner	Community growth and public acknowledgement
Devout	Fulfillment of moral obligation to mankind
Altruist	Empathy and generosity to prevent undesirable outcomes
Dynasty	Maintenance of family tradition of giving

Though each category of givers was identified as potential donor group for charitable courses, the repayer was seen to be most responsive to higher education giving (Hoyt, 2004). This suggests a positive correlation between alumni giving and the degree of indebtedness of the alumni to their alma mater (Twum-Ampomah & Danso, 2013).

IV. CONCEPTUAL FRAMEWORK

This article stresses institutional characteristics as the lifeline for alumni giving. Institutional characteristics refers to the personality of the institution and how it creates value for students through its academic programmes in terms of

content, relevance and students' learning experiences in their interactions with faculty members. Secondly, it encompasses the socialisation culture of the institution in terms of amenities, activities and policies put in place to enrich the social life of students. Thirdly and most importantly is the way students are oriented to the labour market by higher education and above all, the practices adopted to maintain a 'give-back' attitude in higher education alumni (Hoyt, 2004). With strategic manipulation of these institutional variables, there is a greater tendency to induce willingness, readiness and commitment of alumni to their alma mater, which can translate into philanthropic giving. The conceptual framework for the study is as shown in figure 1.

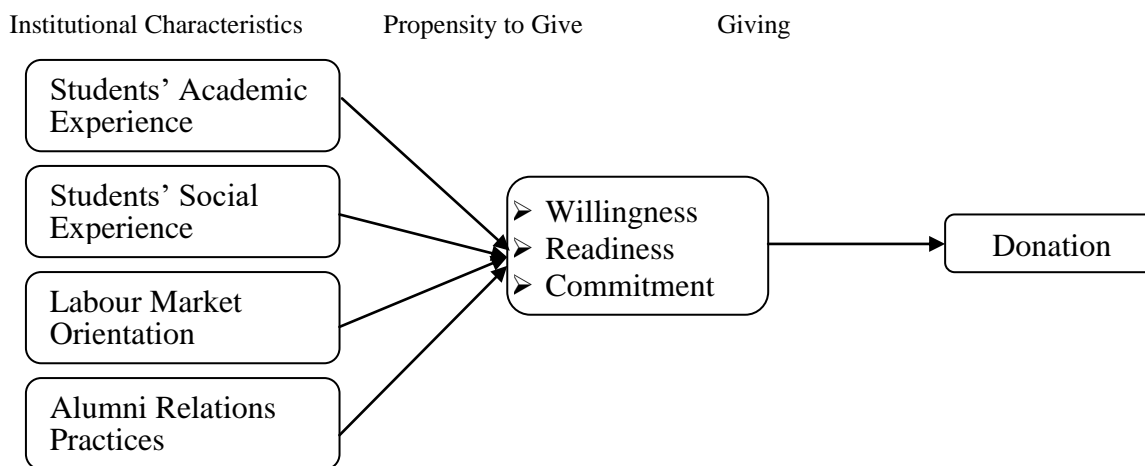


Fig 1: Conceptual Framework of Alumni Donation

V. INDIVIDUAL CHARACTERISTICS AND EXTERNAL ENVIRONMENT

Despite the fact that alumni donations are strongly predicted by institutional characteristics, there are opposing views that have sought to hinge alumni donations on the pivots of individual alumni characteristics and the external environment through which alumni members navigate their life course after completion of school (Weerts, 2007). For example, a positive correlation has been cited between age and donation (McAlexander & Koenig, 2001) income and donation (Schmidt, 2001); femininity and donation (Van Slyke & Brooks, as cited in Baldwin, 2008); marriage, family ties and proximity to alma mater (Monks, 2003; Okunade & Berl, as cited in Weerts & Ronca, 2009); McDeamon & Shirley, 2009).

On alumni external environment, some socioeconomic conditions have been cited to be positively correlated with giving. They include tax incentives, high-paying employment, good stock market performance and general economic boom (Hoyt, 2004). Specifically, alumni members with high income have been noted to show greater commitment to giving back to their alma mater than those with low income (Boney, 2008).

Insofar as these factors influence alumni donation, their impact is insignificant to be considered the major drivers of alumni giving when compared to institutional characteristics that can be manipulated to induce alumni donation to their Alma mater. Among the claims in support of this is the fact that most alumni of tertiary institutions give back to their alma mater as a symbol of obligation to give, expression of gratitude for in-school experiences, pleasure of involvement in the affairs of their alma mater and a desire to enrich college experiences of current and future students (Hoyt, 2004; Radcliffe, 2011). Hence, understanding the institutional characteristics predicting alumni giving provides the key to effective solicitation of funds from alumni members for the development of their alma mater.

VI. INSTITUTIONAL CHARACTERISTICS AS KEY PREDICTORS OF ALUMNI GIVING

This article conceptualizes alumni giving as a function of four key characteristics of higher educational institutions, namely: students' academic experiences, students' social experiences, institutional orientation of students to the world of labour market and lastly, alumni relations practices as the key

determinants of alumni giving. Each of these characteristics are discussed as follows:

1. *Students' Academic Experience*

Students academic experience refers to their perceptions about the quality of teaching in the teacher learner relationship, relevance of curriculum content, access to relevant learning resources and opportunity to apply knowledge gained. Hoyt (2004), Gaier (2005) and Gallo and Hubschman (2003) all attest to the fact that alumni who feel satisfied with their college academic experience are more willing, ready and committed to donate to their alma mater. This is consistent with the Repayer Face of philanthropic giving purported by Prince and File (1994), as cited in Hoyt (2004). Generally, feelings of satisfaction engender emotional attachment and indebtedness to pay back. A study conducted by (Twum-Ampomah and Danso (2013) showed a strong positive correlation between students' perception of their college experience and the desire to give back to their alma mater. Hence, for tertiary institutions to enjoy funding from their alumni, concrete steps must be taken by faculties to ensure that students in college are given appropriate and relevant knowledge, skills and values as well as learning support services that would engender indebtedness to their alma mater after years of completion of college.

2. *Students' Social Experience*

Social experience refers to perceptions about the co-curricular programmes and services offered by tertiary institutions through clubs, societies, associations and student affairs services. Among the social programmes cited in available literature are athletics and sports (Holmes, Meditz, & Sommers, 2008); dancing, drumming, community outreach (Singer & Hughey, 2002); student representative council and clubs for environment, nutrition, business, health and safety (McAlexander & Koenig, 2001). All the authors cited have expressed a strong positive relationship between feelings of satisfaction with involvement in college social life and willingness to donate to alma mater. This suggests that institutions can stimulate alumni donations by enhancing the social experiences of college students prior to their graduation from college.

3. *Labour Market Orientation*

The ultimate aim of tertiary education is career development and gainful employment. Unfortunately, there are some graduates who are unable to gain employment due to lack career orientation in the course of their college studies. This means that colleges should have a structured programme of career orientation beside teaching students to acquire knowledge, skills and values. In discussing alumni satisfaction with college experience and its impact on donation, orientation to the world of employment was cited by Twum-Ampomah and Danso (2013), Tyson (2016) and Radcliffe (2011).

4. *Alumni Relations Practices*

Alumni relations practices encompass communications, events and publicity strategies adopted by institutions to induce, attract and sustain the commitment of alumni members to the development of their alma mater. Hoyt (2004) and Shim's (2001) both relate the fact that institutions that involve their alumni in the affairs of their alma mater tend to sustain alumni commitment to donations. In contrast, when alumni members are kept aloof about the affairs of their alma mater, they assume that their support is unneeded. According to Wastyn (2009), alumni members tend to support institutions only when they perceive that the institution needs their support. Hence for institutions to maximise donations from their alma mater, there should be well crafted alumni relations strategies that engage alumni members in the affairs of their alma mater.

VII. CONCLUSION

In examining the predictors of alumni donations, it is clear that giving is motivated by altruistic tendencies largely built around the desire to give back as a sign of satisfaction with the impact of the institution on the alumni. Secondly, it is clear that tertiary education giving is also motivated by the desire to prevent undue consequences that could be suffered by current students. Despite the fact that demographic characteristics and the external environment of institutions also influence donations, institutional characteristics are the predominant determinants of giving. The alumni's perception about the relevance, value and worth of their educational and social experience and the effort made by their alma mater to provide those experiences is the key factor in giving decision making. The second factor for donor decision is perceptions about the extent to which college education oriented the alumni into a successful career after completion of school. Lastly, and most importantly, is the relationship maintained between institutions and their former students. This implies that for tertiary institutions to be able to attract and sustain the commitment of their alumni to their development agenda, the following should be considered:

1. Enrichment of students educational experiences by building a teacher-learner and faculty-student relationship around collaborative effort at equipping the learner with resources skills, values, attitude and capacity to apply knowledge gained from college education. Additionally, students should be involved in assessment of quality of teaching and the relevant support services available to promote effective learning. A student that undergoes such experience is more likely to exhibit affinity for institutional donation.
2. Enrichment of the social life of students through creation of access to opportunities for students to explore various endowments beside academic pursuit. Diversity of clubs, societies, associations and

unions should be promoted by faculties and student affairs services to spawn interest and participation in social activities. Institutional departments responsible for the provision of social support services should be responsive to the needs of students, beyond their prescribed functions. This would create a sense of indebtedness and the desire to give back after completion of school.

3. Linking education to employment by giving students the opportunity to put relevant knowledge into practice. The industrial liaison unit of tertiary institutions should build concrete agreements with various industries with focus on creating opportunities for students to acquire practical industrial experience. Students who are supported by their alma mater to gain industrial work experience have higher tendency of giving back to their alma mater.
4. Maintaining bonds with alumni members through communication with diverse media channels, invitation to faculty activities, whole school activities, activities of societies, clubs and unions, and above all, sharing of institutional achievements and challenges with alumni members. Conscious effort at involving the alumni in the affairs of their alma mater has a stimulating effect on their perceptions about the alma mater's need of their support. Such involvement includes alumni access to non-confidential information on accountable use of institutional resources.

When the four predictors are strategically manipulated by a competent and resourced alumni affairs department, alumni commitment would be enhanced in the short to medium term and donations would accrue in the medium to long term.

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