

## Paths of University Foundations to Stimulate Alumni's Willingness to Donate

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**Abstract:** With the rapid expansion of higher educational enrollments, the shortage of educational funds in universities has become a mounting crisis in China. It is a consensus among universities to raise funds through their foundations. As an essential source of social donations for university foundations, alumni donations have great potential for exploration. Therefore, efficiently revitalizing alumni resources and absorbing donations from alumni are the breakthroughs that further enhance the fundraising capability of university foundations and promote the construction of Double First-Class universities. This paper analyzes the annual alumni donations and the questionnaire survey of students in one university in China. It concludes that the alumni donation behavior comes from the alumni's identification with their alma mater and the sense of responsibility to feed their alma mater. Both of them depend on the delicate management of the foundation in the process of university financial support and education, inseparable from the cultivation of the students' sense of gratitude and donation. On this basis, this paper further explores various ways to improve alumni giving rates.

### 1. Introduction

Alumni donations are the main body of social donations of colleges. As a particular group in social relations of colleges, alumni provide material, intellectual and spiritual donations to their alma mater [1]. They are the key factor in the comprehensive strength evaluation of world-class universities, which are also essential tests of a university's moral education and graduate quality[2].

As investigated, it is found that most of the top worldwide universities have long-term alumni donation support. Many universities in developed countries regard the absorption of alumni donations as a priority. Their higher education development is backed by a considerable proportion of alumni donations. In the school funding of Yale, Harvard, Stanford, and other universities, the alumni endowments exceed the total tuition fees.

Despite the late start of alumni donation at Chinese universities, alumni donations have gradually become an essential source of funding due to the vigorous development of higher education. In the 2012 China University Evaluation Research Report released by China Alumni Association in January 2012, the alumni donation rate was included in the Chinese universities' evaluation for the first time to measure alumni's recognition of the educational success of their alma mater. It aims to promote Chinese universities to be on par with world-class universities[3]. According to its latest data, the total amount of alumni donations received by universities nationwide in 2021 (as of June 2021) is 42.792 billion yuan. There are 2 universities with total donations of 4 billion yuan or more, 3 universities with 3 billion yuan or more, 5 universities with 2 billion yuan or more. Among them, Tsinghua University dominates the list, receiving alumni donations totaling 4.720 billion yuan; Peking University is in second place with 4.197 billion yuan; Wuhan University is in third place with 3.043 billion yuan of alumni donations. It can be seen that alumni donations have become an essential source of funding for some universities in China. However, it is noteworthy that the alumni donations show a huge gap between top universities and the rest of the universities, especially the non-Double-First-Class universities. This phenomenon indicates that the university's running strength may significantly affect the quantity of alumni donations.

In terms of the proportion of social donations, the overall development trend of alumni donations remains positive. For instance, one university's education foundation received nearly 70 million yuan

in donations in 2021, among which alumni (individuals and enterprises) donated more than 20 million yuan. The proportion of alumni donations exceeded 30% overall. Compared with the historical data, the ratio increases year by year, which reflects the optimization and improvement of the alumni work of the university education foundation in recent years. However, at the same time, the alumni-giving ratio of domestic universities varies from 90% to single-digit percentages. The potential of alumni giving in most universities remains to be developed.

In general, although Chinese universities have realized the importance of alumni endowments, they are currently deficiently exploiting social and alumni resources[4]. Therefore, it is necessary to explore the factors that influence alumni willingness to donate so that alumni giving can be energized.

## 2. Factors Affecting Alumni's Willingness to Donate

Alumni donations have become the focus of national and international scholars. The exploration of factors influencing alumni donations is not rare. Gaier, through a study among 1608 alumni from large state universities, concluded that satisfaction with the level of education and school experience positively influences alumni willingness to donate [5]; the research of Sun et al. [6] pointed out that those who had a good sense of experience during their school hours were more willing to give. Moreover, the connection between universities and alumni would also influence the willingness to give. In addition, the study emphasizes the motivation of giving. Koole [7], Brittingham [8], and Graham [9] have shown that there is a high correlation between the wealth level of alumni and their giving to their alma mater. Studies have also proposed that alumni who have received scholarships and grants are more likely to make gifts to their alma mater [10].

Guo et al. concluded from the data regression analysis that the comprehensive reputation, talent cultivation, wealth creation ability, fundraising level, and alumni management of colleges and universities all have significant positive effects on alumni donations [11]. Lu Genshu et al. summarized that individual characteristics, school experience as well as university characteristics and fundraising efforts are the main factors influencing alumni donations behavior, and mentioned that alumni who actively participate in activities are more willing to give [12].

A questionnaire was designed based on the above factors, and 204 students were randomly selected to fill in the questionnaire. Excluding invalid questionnaires caused by technical failures, finally, 193 valid questionnaires were obtained. In view of the fact that whether or not they had received scholarships and grants during their school hours would affect their willingness to make subsequent donations, the questionnaire began by dividing the participants into four categories: “received scholarships only”, “received grants only”, “received both” and “received neither”.

The scholarship system effectively stimulates students' motivation and conscientiousness to learn through external factors (mainly financial resources) [13]. We believe that scholarships have motivating effects on the growth of college students. Therefore, for scholarship recipients, we first investigated the motivating effect of scholarships. The degree of certainty was set to 1-10 points. The question was answered by 119 people.

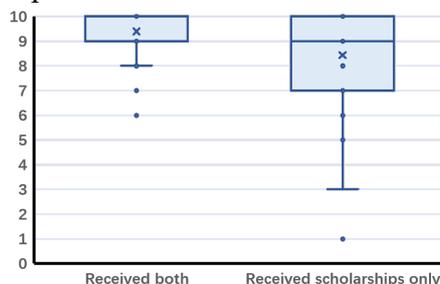


Fig.1 The Motivational Effect of Scholarships.

As we can see in Fig.1, the box plot shows that scholarship recipients generally have a higher level of recognition of the motivational effect of scholarships. Meanwhile, students who have received both scholarships and grants are significantly more likely to agree on the motivating effect of scholarships than those who have only received scholarships.

We believe that financial aid can, to a certain extent, help college students to solve their difficulties in the process of studying and living. The number of respondents to the survey on the role of financial aid was 51.

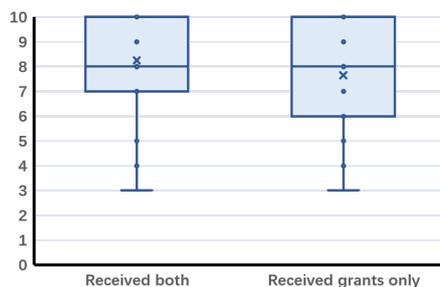


Fig.2 Recognition of the Extent to Which the Grant Solves Difficulties.

As shown in Fig.2, those who received a grant were more likely to agree that the grant helped to solve problems. Students who have received both scholarships and grants are slightly more likely to agree.

By setting the essential questions, the questionnaire revolved around the satisfaction of school students with the school and their donation willingness.

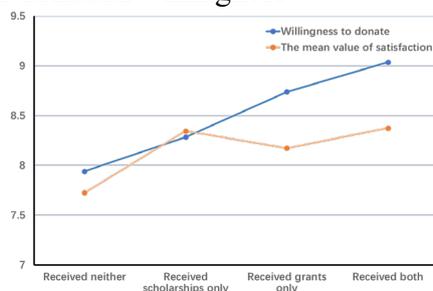


Fig.3 Satisfaction with the School and Willingness to Donate.

As shown by the data in Fig.3, the mean value of satisfaction with school is generally high for the sampled group in general. Based on the data analysis from different groups, it can be summarized as four points. First, students who have received both scholarships and grants are the most satisfied. Second, students who have received only scholarships are the second, with relatively small differences compared to the former. Third, students who have received only grants are slightly less satisfied with the school compared to the above two groups. Lastly, students who have received neither are the least satisfied with the school. It indicates that there is a positive relationship between scholarship and school satisfaction.

In terms of willingness to donate, the overall is high and rises in the order of “received neither”, “received scholarships only”, “received grants only” and “received both”.

Table 1 Correlation between Satisfaction with School and Willingness to Donate.

	Mean	Standard Deviation	Pearson correlation coefficient
Willingness to contribute to his alma mater when finances permit	8.166	1.869	.590**
Satisfaction with the school	8.358	1.948	

Note 1: The superscript \*\* indicates a sig value at the 0.01 level (two-tailed) and a significant correlation.

As we can see from Table 1, the Pearson correlation coefficient between the mean value of alumni satisfaction with the school and their level of willingness to donate is 0.590, which proves that alumni satisfaction with the school and their willingness to donate are positively and significantly correlated.

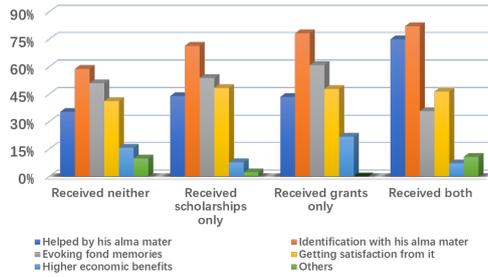


Fig.4 Reasons for Willingness to Donate.

From Fig.4 we can see that most students choose to contribute to their alma mater out of a sense of identification with it. The sense of belonging is significantly higher among students who have received both grants and scholarships. Students who have received grants are higher than those who have only received scholarships and higher than those who have not received both scholarships and grants. Students who have received scholarships and grants have more diverse reasons for supporting their alma mater, while those who have not received either have relatively simple reasons.

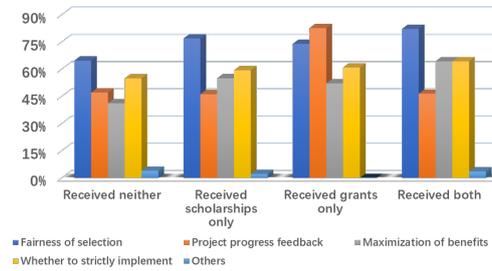


Fig.5 Concerns When Donating.

The management of the university foundation's programs and the destination of donations during and after the donation are also concern factors to alumni when giving. The results of this questionnaire (Fig.5) show that when making donations, the general concern is whether the selection of scholarships is fair. Therefore, it is vital to ensure that the selection of scholarships or grants is impartial when establishing them. In addition, students who had only received grants were particularly interested in feedback on the project's progress. Likewise, the public is concerned about whether the project is moving forward in strict accordance with the donor.

In addition to the above aspects, questions were also set on the preference for alumni donations. According to the questionnaire, alumni expressed their preference for donations to their departments, with 80.83% of them choosing this option, 46.63% of their labs, 21.24% of their clubs, and 18.13% of their functional departments (e.g., graduate school). The donation preference of the questionnaire also indicates to a certain extent that the relationship between the surveyed group and their faculties is more harmonious.

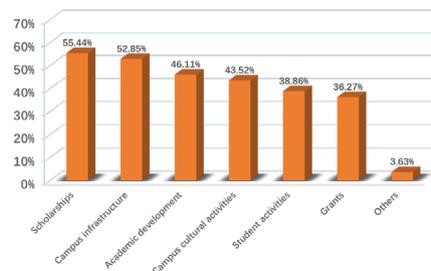


Fig.6 Projects That One Would Like to Choose When Donating.

By analyzing the data in Fig.6, when it comes to endowment programs, the highest enthusiasm for scholarship program donations was found, with more than half of the people choosing this option - 55.44%, with campus infrastructure coming in slightly behind at 52.85%, followed by academic building at 46.11%, campus culture at 43.52%, and student activities at 38.86%. More surprisingly,

the lowest percentage, 36.27%, preferred to donate to the bursary program.

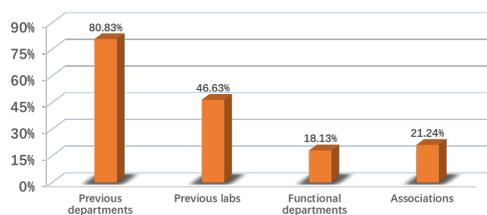


Fig.7 Inclined Departments When Donating.

Fig.7 reflects that the future financial aid work will show the development trend from simply helping the poor to helping the high-quality construction of universities, which is in line with the growing spiritual and cultural needs of people in this era.

The questionnaire concluded with a study of the preference for large or small giving programs. The preference for small ongoing gifts was extremely prominent (68.91%), with more than twice as many as large ones (31.09%). This phenomenon suggests that university foundations should focus on absorbing small alumni donations and developing the potential of small alumni donations, just as they do for large donation projects.

All the above is a survey of alumni who have not yet donated to their alma mater, which forecasts their future giving behavior. At the same time, two alumni who donated to their alma mater in 2021 are selected for interviews. Alumni 1's company donated 100,000 RMB in 2021 for the scholarship program. Alumni 2 donated 50,000 RMB in 2021 for the science and technology innovation activities of students in the School of Mechanical and Electrical Engineering. He also donated 10,000 RMB in 2022 for the activities of students in the School of Mechanical and Electrical Engineering.

When talking about the role of scholarships, alumnus 1 recalls the experience of receiving the scholarship. "The scholarship is an encouragement for me, which can urge and spur me to study harder." He also says, "After working, it is always my plan to set up a scholarship for studies, and I finally put it into practice." Alumni 2 states, "The scholarship recognizes my efforts and motivates me to forge ahead on the road of innovation."

### 3. Paths to Enhance the Rate of Alumni Donations

The above research shows that scholarships affect alumni's willingness to give to a certain extent. Alumni's giving behavior mostly comes from alumni's identification with their alma mater, the fine management of the foundation, and the cultivation of students' sense of gratitude. In order to improve the willingness of alumni to donate and the number of donations, we can make efforts in the following four aspects.

#### 3.1 Improve Educational Level and Enhance Alumni's Identity

Alumni's identification with their alma mater largely depends on the first-class operation level and high-quality education level of their universities. Therefore, the college foundation should become a solid pillar and potent booster for the flourishing development of the educational running level of colleges and universities. While the college foundation enhances the fund-raising ability and promotes the professionalism of the foundation management level, it should also provide strong support for teaching reform, scientific research development, talent introduction, and faculty construction, promoting the overall strength of the university in terms of teaching quality and scientific research level [14].

#### 3.2 Promote the Refined Management of University Foundations and Enhance the Sense of Experience

On the one hand, university foundations should provide timely feedback on the progress of projects in order to promote the efficient and open execution of foundation projects. Also, foundations

are required to strictly follow the requirements of donors to make the donation process more standardized and transparent so that donors can donate with peace of mind and confidence. On the other hand, it is also necessary to further strengthen the supervision of funds, promote the disclosure of information, and strengthen the construction of social credibility [15]. These actions will attract more alumni donations so as to ensure the sustainable development of the foundation.

### 3.3 Carry out Gratitude Education and Cultivate Students' Donation Consciousness

It is better to teach a man fishing than to give him fish. Diversified means of financial support should be created, combining unpaid and paid methods. Through establishing work-study positions, students are encouraged to participate in intellectual and technological innovation social practice activities. In this way, students can get rid of the dependency mentality of “waiting, relying, and asking”. They can get paid economic resources through their creativity and efforts while getting free financial support from the school, which may further cultivate their spirit of self-improvement.

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