Emerging Trends in Naming Opportunities

AFP International Conference
San Diego

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Dig In Research 2007 Inc.

http://diginresearch.biz
Naming Opportunities
across the Non-Profit sector
Emerging Trends in Naming Opportunities

Research based on national survey started July 2005

- 31,000 + entries including 5,000 named gifts
- 1,700 news stories about Named Gifts

Higher Education – Hospitals / Healthcare – Arts & Culture – Social Services Municipalities and other non-profit organizations

Corporate Sponsors – Foundations – Individual Legacy gifts
Naming Opportunities

- Top 7 Emerging Trends: Naming Opportunities / Naming Rights
- Paradigm shift in Endowment Giving
- Benchmarks
Top 7 Emerging Trends
Naming Opportunities

Top 3 Trends make the Greatest Impact

#1 Escalating Price Tags

#2 Changing Traditions

#3 Impact of the Internet
Emerging Trends in Naming Opportunities

• **Sources of Named Gifts:**

  **Non-Profit Sector**
  > Legacy Gifts - Individuals
  > Legacy Gifts – Foundations and Service Groups
  > Legacy / Marketing Gift – Corporate

  **Municipalities & Government Agencies**
  > Legacy Gift - Individuals
  > Marketing Gifts – Corporate

  **Private Sector**
  > Marketing / Sponsorship Deal - Corporate
Top 7 Emerging Trends

# 1- Escalating Price Tags

What is driving up the Ask Amounts?

> Billion Dollar Campaigns
> Baby Boomer Legacy Effect
> Capacity to give
> Marketing plans to boost Brand Name
<table>
<thead>
<tr>
<th>School</th>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanford – Knight</td>
<td>2006</td>
<td>$105 million</td>
</tr>
<tr>
<td>University of Michigan – Ross</td>
<td>2004</td>
<td>$100 million</td>
</tr>
<tr>
<td>University of Minnesota – No Name 20 yrs</td>
<td>2007</td>
<td>$85 million</td>
</tr>
<tr>
<td>Carnegie Mellon – Tepper</td>
<td>2004</td>
<td>$55 million</td>
</tr>
<tr>
<td>University of Washington – Foster</td>
<td>2007</td>
<td>$50 million</td>
</tr>
<tr>
<td>Johns Hopkins University - Carey</td>
<td>2006</td>
<td>$50 million</td>
</tr>
<tr>
<td>University of Texas, Austin - McCombs</td>
<td>2004</td>
<td>$50 million</td>
</tr>
<tr>
<td>University of Houston - Bauer</td>
<td>2004</td>
<td>$40 million</td>
</tr>
<tr>
<td>University of Tampa – Sykes</td>
<td>2000</td>
<td>$38 million</td>
</tr>
<tr>
<td>University of Colorado – Leeds</td>
<td>2001</td>
<td>$35 million</td>
</tr>
<tr>
<td>University of Southern California – Marshall</td>
<td>1997</td>
<td>$35 million</td>
</tr>
<tr>
<td>College of William &amp; Mary – Mason</td>
<td>2005</td>
<td>$30 million</td>
</tr>
<tr>
<td>New York University – Stern</td>
<td>1998</td>
<td>$30 million</td>
</tr>
<tr>
<td>University of California, Irvine – Merage</td>
<td>2005</td>
<td>$30 million</td>
</tr>
<tr>
<td>University of Iowa – Tippie</td>
<td>1999</td>
<td>$30 million</td>
</tr>
<tr>
<td>Northern Arizona University – Franke</td>
<td>2007</td>
<td>$25 million</td>
</tr>
<tr>
<td>University of Hawaii – Schneider</td>
<td>2006</td>
<td>$25 million</td>
</tr>
<tr>
<td>St. Mary’s University – Greehy</td>
<td>2005</td>
<td>$25 million</td>
</tr>
<tr>
<td>University of South Carolina – Moore</td>
<td>1998</td>
<td>$25 million</td>
</tr>
</tbody>
</table>
Escalating Price Tags
2007 Named Gifts

- Sanford Health System, SD $400 million
- Robert Day Scholars Program – Claremont College $200 million
- Kosair Children’s Hospital $130 million
- Gates Institute for Health Metrics – Univ. Washington $105 million
- McNair Campus – Baylor College of Medicine $100 million
- Alpert Medical School – Brown University $100 million
- Lurie Children’s Memorial Hospital, Chicago $100 million
- Knight Athletics Legacy Fund – Univ. Oregon $100 million
- Betty Irene Moore School of Nursing – UC, Davis $100 million
- Schmidt Medical Center, Baton Rouge Hospital $75 million
- Fowler Campus, Gordon College $60 million
- Foster School of Medicine, Texas Tech Univ. $50 million
- Rollins School of Public Health, Emory Univ. $50 million
- Cummings School of Veterinary Med., Tufts $50 million
- Constance & Martin Silver School of Social Work, NYU $50 million
- Harrah’s College of Hotel Admin., UNLV $30 million
Escalating Price Tags
Other Named Gifts in 2007

- Yawkey Ctr. for Cancer Care, Dana Farber Clinic, Boston $ 30 million
- Stanley Center for Psychiatric Genomics, Long Island $ 25 million
- Donald Danforth Plant Science Center, St. Louis $ 25 million
- Ginsburg Tower Heart Institute, Florida Hospital, Orlando $ 20 million
- BP Grand Entrance, LA County Museum of Art, CA $ 25 million
- Kathryn Davis Land Preserve, Scenic Hudson, NY $ 20 million
- Hoag Cancer Center, Newport Beach, CA $ 16 million
- Lawrence & Kristina Dodge Ctr., Orange County, CA $ 10 million
- Simon Endowed Museum Directorship, Indianapolis $ 10 million
- Bristol-Myers Squibb Ctr. for Infectious Diseases, NJ $ 5,000,000
- Sharon S. Richardson Community Hospice, Sheboygan, WI $ 1,500,000
- Lehman Brothers Pediatric Reception Ctr., New York $ 1,000,000
- Arsenal Center for the Arts – Mosesian Theatre, Boston $ 1,000,000
- Raymond James Theater, Tampa $ 500,000
- Berkshire Museum – Graylock Federal Credit Union Stage $ 20,000
Top 7 Emerging Trends
# 2 – Changing Traditions

- Evolving strategies on length of term for Naming Rights
- “In Perpetuity” + Multi-Year
- Named in Honor a fading tradition
- Higher perceived value for properties
Naming “In Perpetuity”

No longer the only strategy

Offering donors a range of choices when it comes to naming opportunities is becoming more popular

*Performing Arts* - Oregon Symphony Orchestra and New York Philharmonic are using this strategy for endowment gifts

Multi-Year Naming Rights 1 – 5 – 10 – 20 – 25 years along with the traditional In Perpetuity

*Professional Sports Stadiums / Arenas / Ballparks*

Limited Term Naming Agreements 20 – 25 years
Top 7 Emerging Trends
# 3 – Impact of the Internet

Internet Users

December 1995  16 million
January 2008  1.32 billion
approximately 20% of global population

According to Internet World Stats
http://www.internetworldstats.com/emarketing.htm

- Web sites evolving
- Online Giving booms
- Planned Giving matures
- Increase in Electronic Marketing
- Use of Video & Audio as marketing tools to engage donors & prospects
Impact of the Internet
Emergence of Naming Opportunities

Adding Naming Opportunities to a web site is emerging as the NEXT Layer in Advanced Donor Relations
Impact of the Internet
Emergence of Naming Opportunities

Choosing to publish Naming Opportunities on a web site is a strategic choice emerging in dramatic fashion

Enhance Brand Name

Quiet conversations with donors 24/7

Extends Storytelling
Impact of the Internet
Leverage the web site

Two ONLINE techniques

1. Text Description Approach
2. Shopping List Approach
Dana Farber Cancer Institute

- **Senior Investigator**
  Endowing a senior investigator helps Dana-Farber to recruit, retain, and reward its best and brightest physicians and scientists. With a gift of $2.5 million, you can establish a permanent fund to underwrite the critical research and care initiatives of a senior researcher, allowing him or her to pursue new ways to treat, cure, and ultimately prevent cancer without financial constraints.

- **Fellowship**
  As an affiliate of Harvard Medical School, Dana-Farber has a special obligation to help train the next generation of leaders in medical research and patient care. Fellowships allow young physicians and scientists to complete specialty training after completing their doctoral degrees. A gift of $1 million will allow the Institute to attract the brightest young physicians and scientists to train at Dana-Farber and provide specialized training opportunities of the highest caliber for the next generation of leaders in research.

- **Research Fund**
  An endowed research fund assures continuing support for the critical laboratory and clinical research of Dana-Farber's physicians and scientists. A gift of $250,000 or more may be used to establish a named endowed research fund. Donors may choose a specific type of research, clinical area, or other Institute program as the beneficiary of their endowment.
Shopping List Approach on a Web Site

Washington and Lee University

THE JOHN W. ELROD UNIVERSITY COMMONS

Naming Opportunities:

<table>
<thead>
<tr>
<th>Space</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus Bookstore</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Indoor Cinema</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Eastern Plaza</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Boardwalk</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Student Organizations Office Suite</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Atrium</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>North Dining Room (Ground Level)</td>
<td>$500,000</td>
</tr>
<tr>
<td>Career Services Suite</td>
<td>$500,000</td>
</tr>
<tr>
<td>North Meeting Room</td>
<td>$250,000</td>
</tr>
<tr>
<td>Cultural Resource Room</td>
<td>$250,000</td>
</tr>
<tr>
<td>Volunteer Services Resource Room</td>
<td>$250,000</td>
</tr>
<tr>
<td>Women's Services Resource Room</td>
<td>$250,000</td>
</tr>
<tr>
<td>John Chavis Board Room</td>
<td>$250,000</td>
</tr>
<tr>
<td>Publications Office Suite</td>
<td>$100,000</td>
</tr>
<tr>
<td>Walkway to Footbridge</td>
<td>$100,000</td>
</tr>
<tr>
<td>Student Organizations Outdoor Patio</td>
<td>$50,000</td>
</tr>
</tbody>
</table>
Top 7 Emerging Trends in Naming Opportunities

#4 Stampede to “Sell naming rights”

# 5 Paradigm shift in Named Endowments

# 6 Changing Donor Expectation

# 7 Growing importance of Stewardship
Top 7 Emerging Trends

# 4 – Stampede to “Sell Naming Rights”

Selling Naming Rights – Thousands of non-profits now offering their inventory of Named Properties

- Education, Health Care, Social Services, Environment, School Boards, Religious Groups, Amateur Sports, Municipalities and other government agencies
Top 7 Emerging Trends

# 4 – Stampede to “Sell Naming Rights”

- Challenge facing Non-Profit Leadership
- Develop a strategy:
  1. What to include in Naming Rights Inventory?
  2. Setting the ASK AMOUNTS
- Entitlement or Need?
Top 7 Emerging Trends

# 5 - Paradigm Shift in Named Endowments

- **Endowed Chair**

  Changing traditions show the Endowed Chair on the Naming Rights shopping list of a growing number of non-profits

  > 15 labels used by Higher Ed

  > Use of Endowed Chair spreading throughout Non-Profit sector… Donors recognize the concept….

  Pattern Recognition
The Endowed Chair
A Rich Tradition

• We have to turn the pages of history to jolly old England to follow the path of Endowed Chairs to America. Location, Oxford University - 1502 Margaret of Richmond, mother of Henry VII, established the Lady Margaret Professorship of Divinity.

Harvard College established the first endowed chair in America in 1721, the Hollis Professorship of Divinity. Both are still in existence today.

• Labels used in Higher Education for Endowed Chair:

  Chancellor ~ President ~ Trustees ~ Dean’s
  Regents ~ Distinguished ~ Department ~ Term
  Incremental ~ Renaissance ~ Special Interest ~ University
  Named Faculty ~ Career Development ~ Named Position
Named Endowments in other Non-Profits

Children’s Hospital, Philadelphia

- Endowed Chair – to recruit & retain doctors: $50,000
- Endowed Research Fund – to support designated research: $50,000
- Endowed Lectureship: $50,000
- Endowed Fellowship: $50,000

Head Librarian
Museum Curator

Orchestra Members (individually)

Leadership positions:
- Executive Director
- Head of Research
- Department Supervisor
- Key support staff
Top 7 Emerging Trends
# 6 – Changing Donor Expectations

Larger Named Gifts =
Higher Donor expectations

- Greater Disclosure
- Ongoing Accountability
- Greater Involvement
Top 7 Emerging Trends

# 7 – Stewardship

Define Stewardship

University of Washington named the Michael G. Foster School of Business for his gift of $50 million.

Photo appeared on the web site at the time of the press release.

How do you recognize donors?

Stewardship Action Plan
Top 7 Emerging Trends

# 7 – Increasing importance of Stewardship

Stewardship activities directly related to the surge in Named Gifts

- Institutionalize the process

- More resources to Stewardship, staff, policy, Action Plans for Major Gift donors, Moves Management policies
Benchmarking Naming Opportunities

• 3 Steps to Benchmarking

> Define the inventory of Naming Opportunities

> Research the market

> Set the ASK Amounts
Highly mobile donors carry donor preferences with them.
• Strategic value in Naming Opportunities
• Gap is widening creating multi-tier pricing levels
• Internet as a marketing tool
• Donor choices in length of naming period
• Endowment Naming Opportunities
• Stewardship
• Benchmarking