The Magical Force of Major Gifts Donors

Wednesday, October 16, 2019
fund·raise

YOU’VE GOT A CAUSE. LEARN HOW TO FUND IT.

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TODAY’S PRESENTER:

Kristin Romaine
Trainer, Sanford Institute of Philanthropy
Objectives for Today

- Identify the *importance* and *magic* of major gift donors to your *organizational health*
- Evaluate your current major gift program based on the *key metrics* to donor success
- Set your *3-step strategy* for your major gifts program
Donor Gift Distribution
How much did Americans give in 2018?

$427.71 billion

Americans gave $427.71 billion to charity in 2018 in a complex year for charitable giving.

Where did the generosity come from?

- Giving by Foundations: $75.86 billion (4.2% up when inflation adjusted) - 18%
- Giving by Bequest: $39.71 billion (2.2% down when inflation adjusted) - 9%
- Giving by Corporations: $20.05 billion (2.9% up when inflation adjusted) - 5%
- Giving by Individuals: $292.09 billion (6.4% down when inflation adjusted) - 68%

*All figures on this infographic are reported in current dollars unless otherwise noted.

Where are all the charitable dollars going?

- Giving to international affairs showed the largest growth in 2018 of any sector.
- 29% to Religion: $124.52 billion (4.7% down when inflation adjusted)
- 14% to Education: $58.72 billion (3.7% down when inflation adjusted)
- 12% to Human Services: $51.54 billion (3.7% down when inflation adjusted)
- 12% to Foundations: $50.29 billion (4.9% down when inflation adjusted)
- 10% to Health: $40.78 billion (0.1% up when inflation adjusted)
- 7% to Public-Society Benefit: $31.21 billion (4.7% down when inflation adjusted)
- 5% to International Affairs: $22.88 billion (9.6% up when inflation adjusted)
- 5% to Arts, Culture, and Humanities: $19.49 billion (0.3% up when inflation adjusted)
- 3% to Environment/Animals: $12.70 billion (3.6% up when inflation adjusted)
- 2% to Individuals: $9.06 billion (- -)

POLL

What percentage of your organization’s budget is made up of major gift donations?

0-10%  11-25%  26-75%  Other  I don’t know
Unbalanced Gift

- Corporate Gifts
- Individual Gifts
- Other
- Grants & Foundations
STEP 1

Know How Many Major Gift Donors You Need
### What is a Major Gift?

**Using a Gift Chart**

<table>
<thead>
<tr>
<th>GIFT RANGE</th>
<th># GIFTS</th>
<th># PROSPECTS</th>
<th>RUNNING TOTAL</th>
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<td>$15,000.00</td>
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<tr>
<td>&lt;$100</td>
<td>MANY</td>
<td>MANY MORE</td>
<td>$50,000.00</td>
</tr>
</tbody>
</table>

**Total**

- **# of Gifts = 25**
- **# of Prospects = 100**
- **# of Gifts = 165**
- **# of Prospects = 660**
- **# of Gifts = 450+**
- **# of Prospects = 1800+**

**Total Running Total: $4,005,000.00**
• Organizations with **larger operating budgets** set **higher minimum amounts** to qualify as a major gift.
Most Common Major Gifts

• **$1,000 to $2,499** is the most repeated size that qualifies as a major gift.

**Graph:**

- **< $1,000:** 11%
- **$1,000 - $2,499:** 26%
- **$2,500 - $4,999:** 7%
- **$5,000 - $9,999:** 19%
- **$10,000 - $19,999:** 16%
- **$20,000 - $49,999:** 12%
- **$50,000 - $99,999:** 4%
- **$100,000 - $999,999:** 4%
- **$1 million or more:** 1%

**Mode:** Most repeated answer

**Median:** Half of the respondents reported that a major gift starts in this range or higher for their organization, and half reported that it starts in this range or below.
MAJOR GIFTS MAGIC

STEP 2

Meaningful Visits
85% of success with a Major Gift Ask is getting the visit!
**Meaningful Visit Structure**

1. Be thoughtful on **time** and **location**
2. Never ask on the **first visit**
3. Always include the **significant other** if you are making the **ask**
4. **Ask questions** - do only **15%** of the talking
5. Understand what you need to **learn** from the visit
Meaningful Visit Framework

Who is in the meeting?

Where is the meeting taking place?
Meaningful Visit Framework

SET THE TONE

How do we want to show up?

- Grateful for their advocacy
- Knowledgeable/Credible
- Innovative
- Open to exploring
Meaningful Visit Framework

SET THE TONE

How do we want them to feel?

• **Inspired** by our work and vision
• **In the know**
Meaningful Visit Framework

SET THE TONE

What is our *story*?

- What are we doing that connects with their values?
  - Share as story *and* data
Meaningful Visit Framework

SET THE TONE

THE BIG 3

• What do we want them to learn from us?
• What do we want to learn from them?
• What is our ASK of them?
Meaningful Visit Framework

SET THE TONE

GOALS

• Get them to say **YES** to something
• Build **relationship**
• What can **WE DO FOR THEM?**
MAJOR GIFTS MAGIC

STEP 3

Meaningful Relationships
RULE OF DIGITS

$100,000

6 DIGITS = 6 MEANINGFUL VISITS
Community Share:

How well do you need to know a donor before making the ask?

What are some of your “need to knows”?
MAJOR GIFTS MAGIC METRICS

1. Retention: # and % of donors you KEEP
   - National retention rate: 45%

2. Dollars requested and received
   - >25%

3. Meaningful Visits
   - 12-52 visits per year

4. Stewardship
   - Thank them 7 times in 7 different ways

masteringmajorgifts.com
2018 Fundraising Effectiveness Survey Report

Growth in Giving
+2%

Overall Donor Retention Rate
45%

Growth in Donors
+0.7%
Three Truths About Donor Loyalty

• Organizations are not entitled to donor loyalty; it is a process of continually re-earning it.

• Donor loyalty is not magic; it is the result of hard work and preparation.

• You don’t wait for the right time to cultivate donor loyalty; you do it all the time.
95% of donors surveyed would appreciate a thank-you call within 1-2 days of donation receipt.

85% said a thank-you call would influence them to give again

84% would give a larger gift

A 10% increase in donor retention can increase net donations by 200% over a lifetime
Donors give more as a result of long-term relationships with organizations.

Find ways to meet donor’s growing expectations and to increase their level of engagement.

Focus on FAST-ACTING cultivation.
  - Bonding window for a 1st time donor is within 1-3 months of initial gift
3 Keys to Donor Retention

1. Think like a Donor
2. Say “Thank you” like you mean it
3. Treat everyone like a Major Donor
1. Think like a Donor

Sit in the Seat of a Donor
Lead with Gratitude

2. Say “Thank you” Like you Mean it
3. Treat Everyone Like a Major Donor

Everyone is VIP
Philanthropy of the Future

• More personal, **face-to-face contacts**.

• Reach out **without a financial request**.

• Make “**Stewardship**” calls rather than “**solicitation**” calls.

• Educate the **board** regularly about **their role** in furthering the cause.
Philanthropy of the Future

• Invite major gift donors to share why they made gifts.

• Track contributor retention as a metric for success.
  (also prospects for planned giving).

• Ask leaders to occasionally call to thank donors.
Philanthropy of the Future

• Don’t forget the power of a handwritten note.

• Make use of your org’s website and social media.

• Encourage younger people to be involved on committees.

• Donors want to see ROI (Return on Investment), so show it to them—often.
Strategies for Increasing Donor Loyalty

1. Organizational Site Visits
2. Visiting the Donor
3. Regular Contact
4. Being of Service to the Donor
5. Engaging the Donor with the Organization
6. Gratitude and Recognition
The Cause Selling Cycle

THE EIGHT-STEP CAUSE SELLING CYCLE
represents the steps good fundraisers take to become great fundraisers!
Questions?

Please send them in the chat!
CONTACT

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2nd Edition
*Cause Selling* textbook

Now available on Amazon!

*Download the first chapter for FREE*

WANT TO LEARN MORE ABOUT THE CAUSE SELLING CYCLE?

Join our Cause Selling email list: [CAUSESELLING.ORG](http://cause-selling.org)
The Changing World of Philanthropy

Nov 21 | 10:30 a.m. – noon PST / 1:30 – 3:00 p.m.

Does your institution need more investors? Do you have ownership in ensuring the fiscal health of your institution?

Cause Selling the Sanford Way may be the solution you’ve been seeking.

2019-2020 Webinar Series with Kathy Drucquer Duff, CFRE Founder, KDD Philanthropy

FREE webinars available live and on-demand

sanfordinstituteofphilanthropy.org/academicleaderseries/

Building Program Champions

Feb 4 | 10:30 a.m. – noon PST / 1:30 – 3:00 p.m.

Learn about the relationship-driven donor cycle and the role an academic leader plays in each stage and gain a better understanding of how to build donor work into your role.
Thank you
TAKE YOUR CAUSE AND
CREATE IMPACT.

SANFORD
INSTITUTE of
PHILANTHROPY™
National University System
EXTRA SLIDES
Exceptional Thank You Letters Are...

**PROMPT.** Send the letter as soon as you receive the gift.

**PERSONALIZED.** Ensure that you are writing directly to donors and reference their specific gift.

**PASSIONATE.** Convey gratitude and explain how the funds will be used.

**POSITIVE.** Make your donors smile, feel glad they gave, and feel proud of the organization.
Donor Loyalty

• Needs to be an organization-wide cultivation process to learn more about the donor.

• Donor loyalty is an all-hands mentality; this is not just for fundraisers.
A Plan for Tracking Follow-up

1. **Start a “Best Donor” List.**
   Select a manageable number of your best donors and code them in your database to track all engagement.

2. **Create Files for Each Donor.**

3. **Identify Partners.**
   Find centers of influence you have in common.

4. **Talk to Influencers.**
   Consult with influencers about this donor and record any and all findings.
5. **Pick a Contact.**  
Select one person to be the relationship manager.

6. **Develop a Targeted Strategy.**  
Develop a strategy for donors based on their needs.

7. **Plan a Year Ahead.**  
Plan your moves for the next year with each donor and establish objectives for the year.

8. **Review and Revise.**  
Record and review your results and refine your strategy as needed.