How to Think About Major Gifts

The 7 Pillars

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Objectives

- Understand the proper structure for major gifts
- Describe & understand the 7-Pillars of a successful major gift program.
- Be able to assess your nonprofit's culture of philanthropy.

Problem-Donor Retention

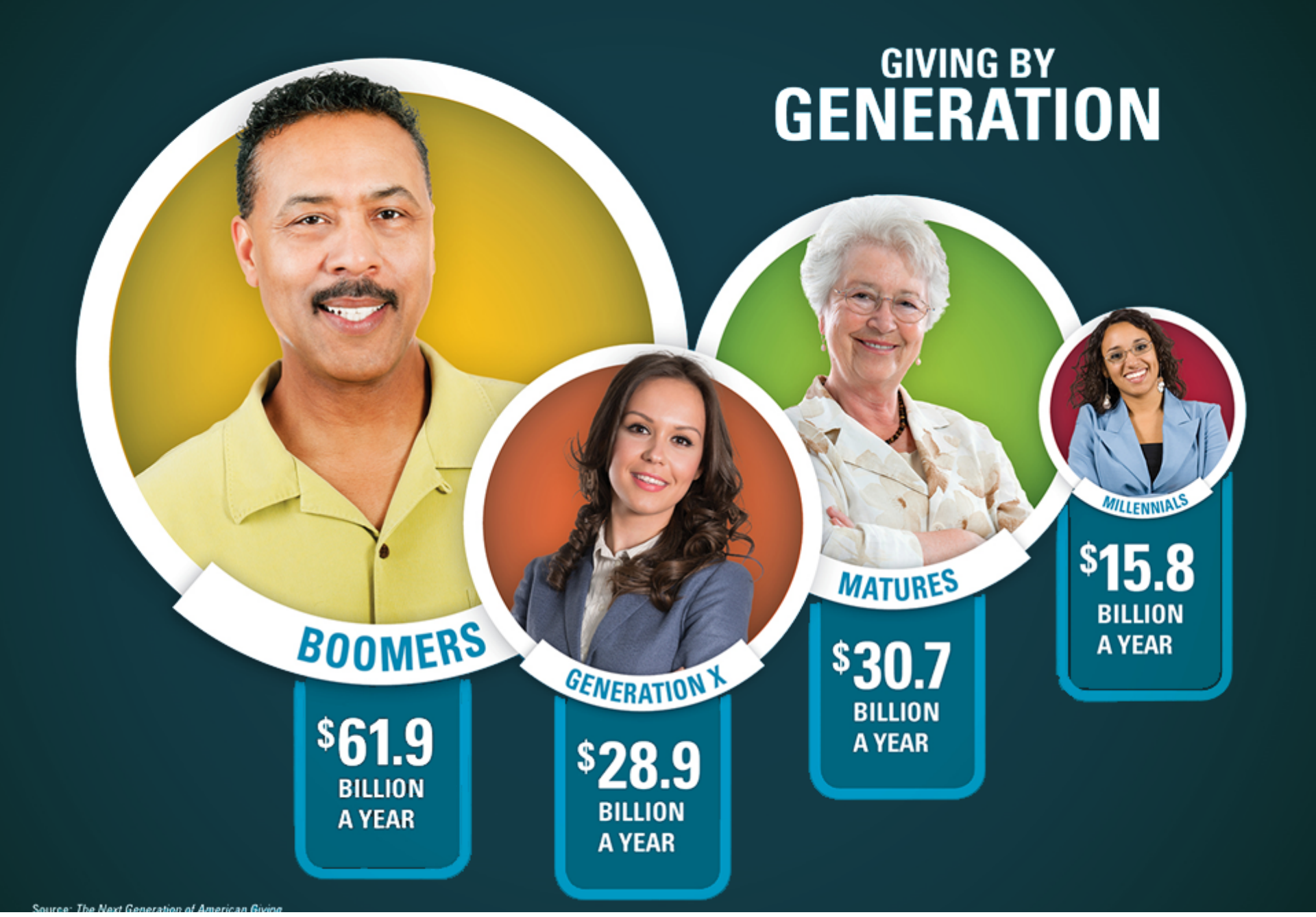
Problem-Donor Retention

Value Attrition Benchmarks of 33 National Organizations

Cume Giving Level	Value Lost By Class Year		
	Year 1	Year 2	Year 3
$ 1,000	-58.62%	-45.83%	-61.45%
$ 2,500	-57.26%	-40.61%	-60.85%
$ 3,000	-61.32%	-45.55%	-55.29%
$ 10,000	-50.71%	0.92%	-27.10%

No	Type	ID	Zip	Year 1	Year 2	Year 3
1	1	xxxxxx	zzzzz	$100,000	$100,000	
2	1	xxxxxx	zzzzz	$75,600	$20,500	$35,550
3	1	xxxxxx	zzzzz	$72,000		
4	1	xxxxxx	zzzzz	$62,859		
5	1	xxxxxx	zzzzz	$50,000		$25,000
6	1	xxxxxx	zzzzz	$44,084	$11,978	$13,200
7	1	xxxxxx	zzzzz	$42,270	$8,675	
784	1	xxxxxx	zzzzz	$5,000		
785	1	xxxxxx	zzzzz	$5,000		
786	1	xxxxxx	zzzzz	$5,000		
787	1	xxxxxx	zzzzz	$5,000		
786	1	xxxxxx	zzzzz	$5,000		
	Totals			$8,025,927	$4,659,444	$4,241,938
					-41.95%	-8.96%

786 donors give $8 million in one year and only $4.6 million the next year.


GIVING BY
GENERATION
BOOMERS
$61.9
BILLION
A YEAR
GENERATION X
$28.9
BILLION
A YEAR
MATURES
$30.7
BILLION
A YEAR
MILLENNIALS
$15.8
BILLION
A YEAR
Source: The Next Generation of American Giving

Do You Have the Right Structure?

80% of the Effort

Objective:

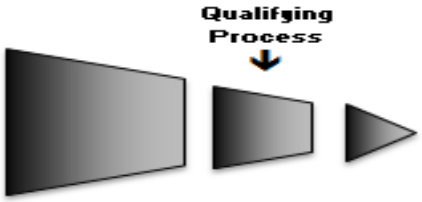
Help People
By Securing Resources

20% of the Effort

Objective:

Help the Organization
By Minding the Brand

Individuals



Direct Marketing | Major Gifts | Planned Giving

Institutions

Corporations Businesses | Foundations

Public Relations
Events
Marketing
Branding

Support Services

Donor Care
Progam Packaging
Analytics/Performance Reporting
Website

Focus of ALL the people in this unit:

Building relationships with donors and causing mutually satisfying transactions at an agreed upon and acceptable ROI. Period.

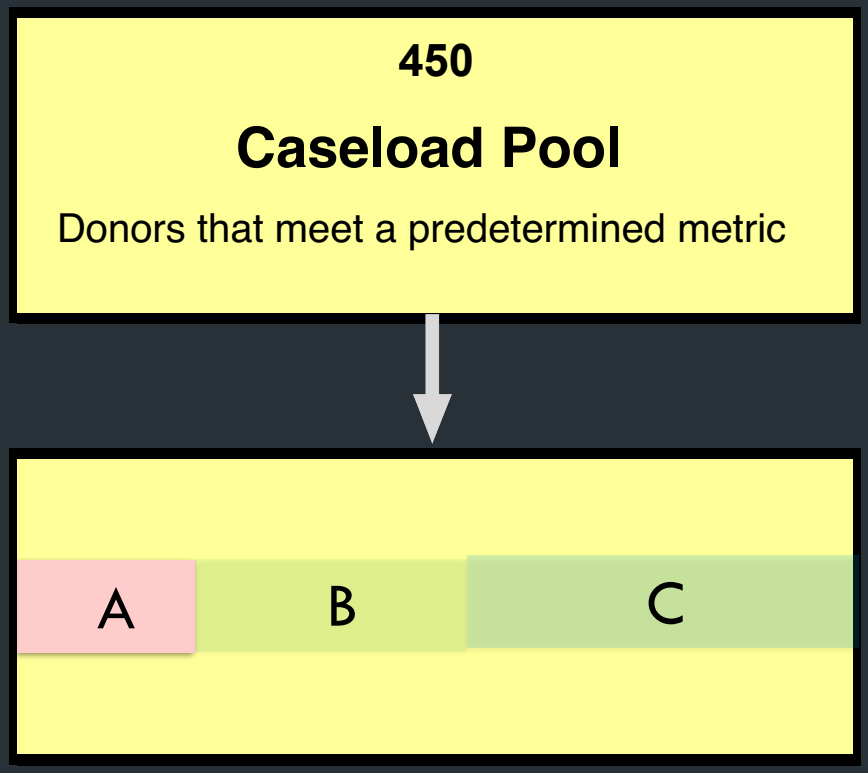
Focus of ALL the people in this unit:

Creating positive and memorable impressions about the Org with various publics

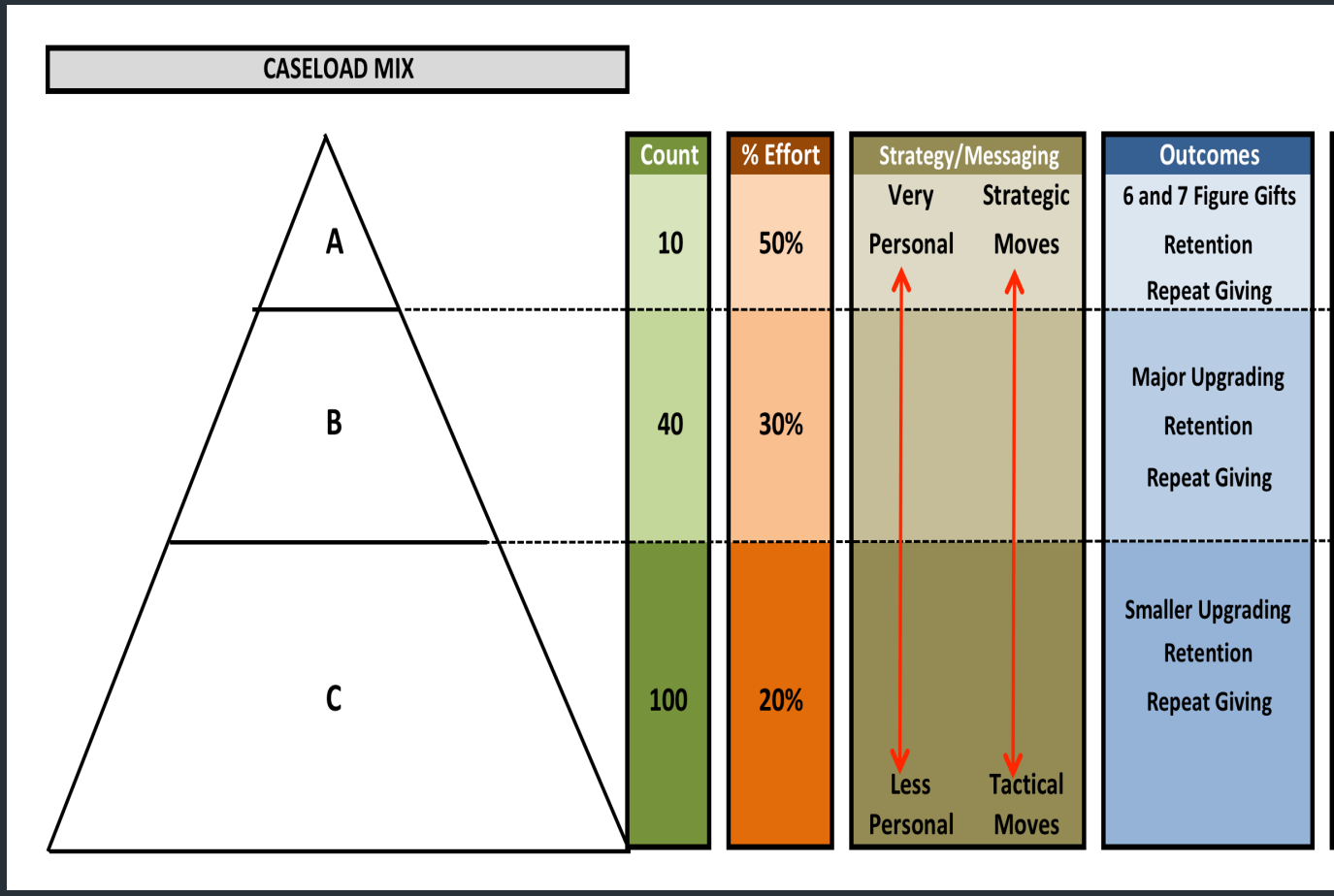
What is All This About?

Seven Pillars of a Major Gift Program

Pillar 1: The Right Caseload



Tiering Caseload Donors



Tiering Caseload Donors

Level of Donors	Number Qualified Donors	% of Total	Dollar Values	% of Total	Ave per Donor
A	21	14%	$ 480,000	48%	$ 22,857
B	64	43%	$ 370,000	37%	$ 5,781
C	65	43%	$ 150,000	15%	$ 2,308
Total	150	100%	$ 1,000,000	100%	$ 6,667

Definitions	
A	Top Tier High Capacity Donors
B	Medium Capacity Donors
C	Average Capacity Donors

Pillar 2: Create Goals

Donor Name	Year Before	Last Year	Goal	Variance	%	Comments
A. Smith	$ 5,000	$ 6,000	$ 7,500	$ 1,500	25.00%	
D. Jackson	$ 5,000	$ 6,000	$ 5,000	$ (1,000)	-16.67%	Donor biz hurting
R. Storey	$ 2,500	$ 8,500	$ 10,000	$ 1,500	17.65%	
B. Cunnel	$ 7,800	$ 21,000	$ 10,000	$ (11,000)	-52.38%	OT special gift last year
M. Jones	$ 10,000	$ 12,000	$ 15,000	$ 3,000	25.00%	
Totals	$ 30,300	$ 53,500	$ 47,500	$ (6,000)	-11%	
Reframed Total	$ 30,300	$ 41,000	$ 47,500	$ 6,500	16%	Adjusted for $12.5k extra from B. Cunnel last year

Pillar 3: A Plan for Every Donor

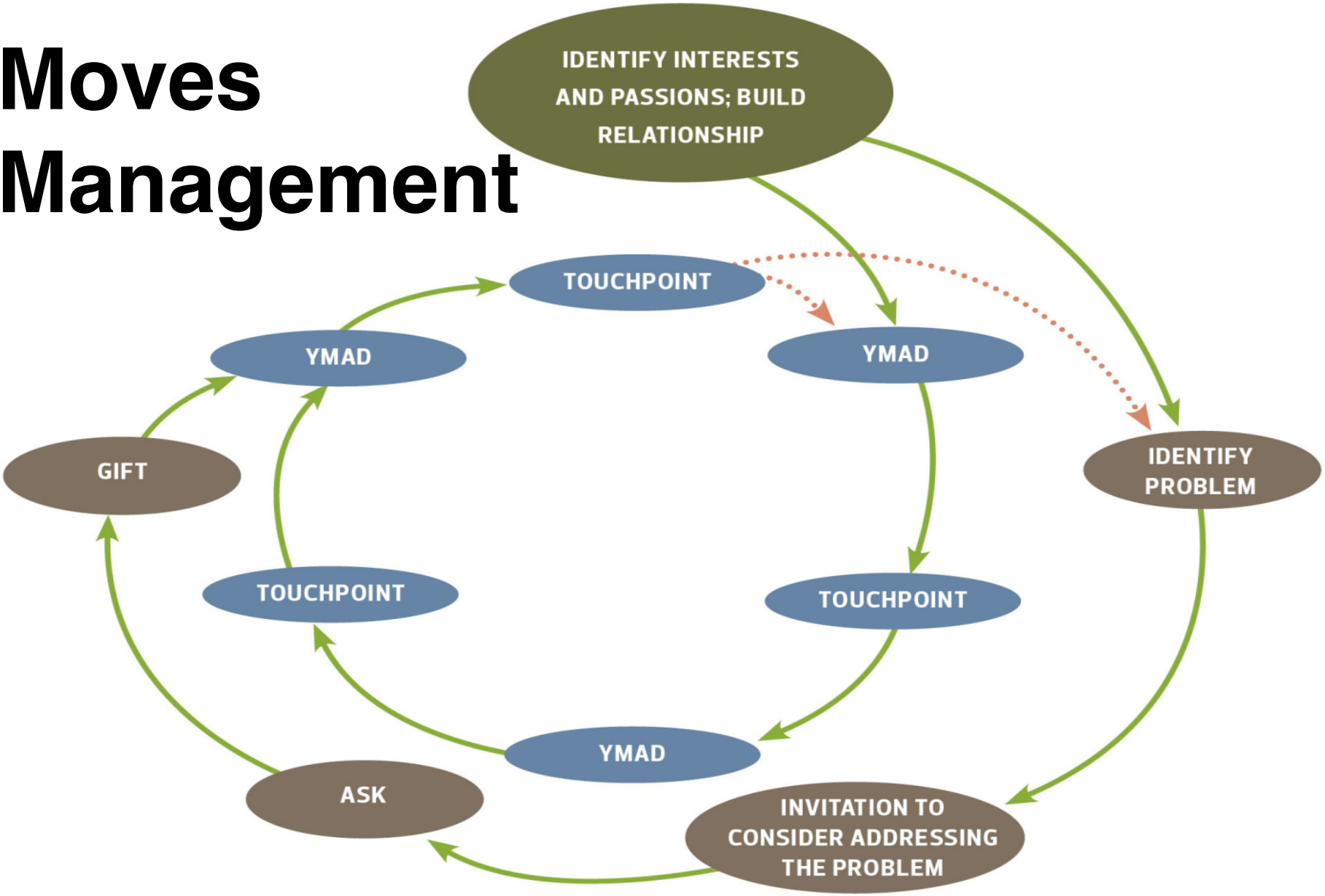
Name	Goal	Interest Passion	Comm Pref	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Paul Smith	$ 5,000	Disaster Services	Email	YMAD touch	Email Internal memo	Invite to EDS Briefing	YMAD + person helped letter	Bday Card	Visit prog site - opp briefing	YMAD plus **ask**	YMAD touch and thanks	Ride along in EDS vehicle for demo	YMAD with possible special **ask**	Invite to Board Luncheon	YMAD - book on the poor
Betty Richards	$ 25,000	Single Mothers	Personal Visits	YMAD touch - lunch at Applebees	Tour House of Hope - meet Sally/kid	Internal doc on expansion plans + YMAD	Invite to architect briefing+ dinner	Visit in home present final plan and **ask**	Thanks and YMAD	Invite to "Founders luncheon	Research on plight of single moms	Bday Card and YMAD	Ground breaking ceremony, visit w/new mom	YMAD with possible special **ask**	YMAD and gift of H of H child drawing

At least one "touch" per month…

Pillar 3: A Plan for Every Donor

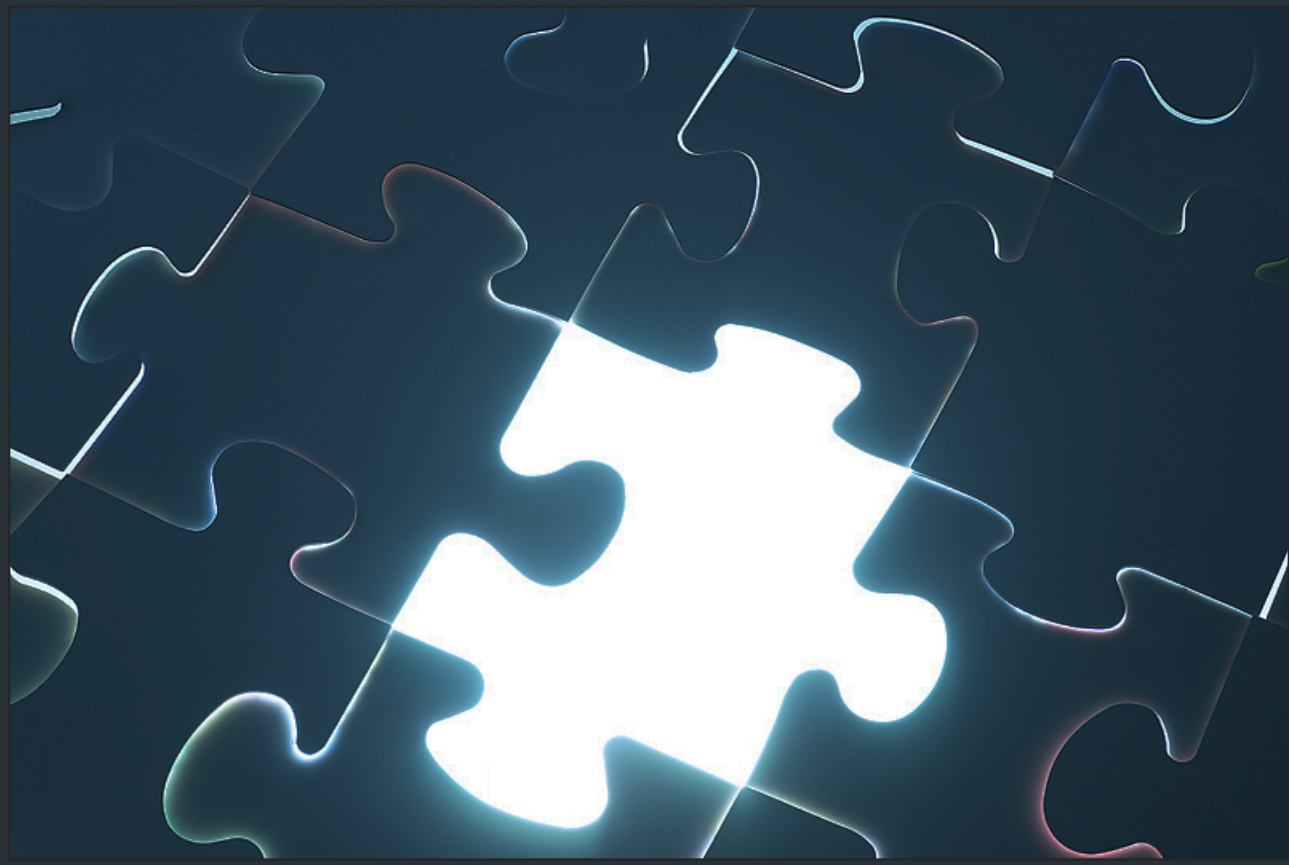
Donor Passions & Interests
Communication Preferences
$ Goals
Frequent “touches”

Moves Management

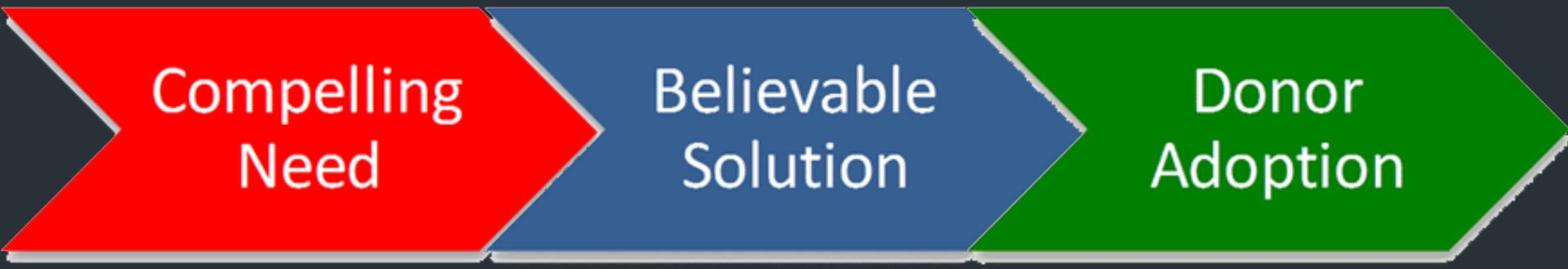


Pillar 3: A Plan for Every Donor

Packaging Your Program



Three Elements of an Offer



Pillar 4: Ask for Support

- Know your donor
- Make the Ask

Pillar 4: Ask for Support

Common Mistakes in the Ask

Common mistakes about asking:

1. No match to donor passion and interest.
2. Relationship of trust not built.
3. Ask not put into the context of a larger vision.
4. MGO is more interested in getting the money than fulfilling donor interests.

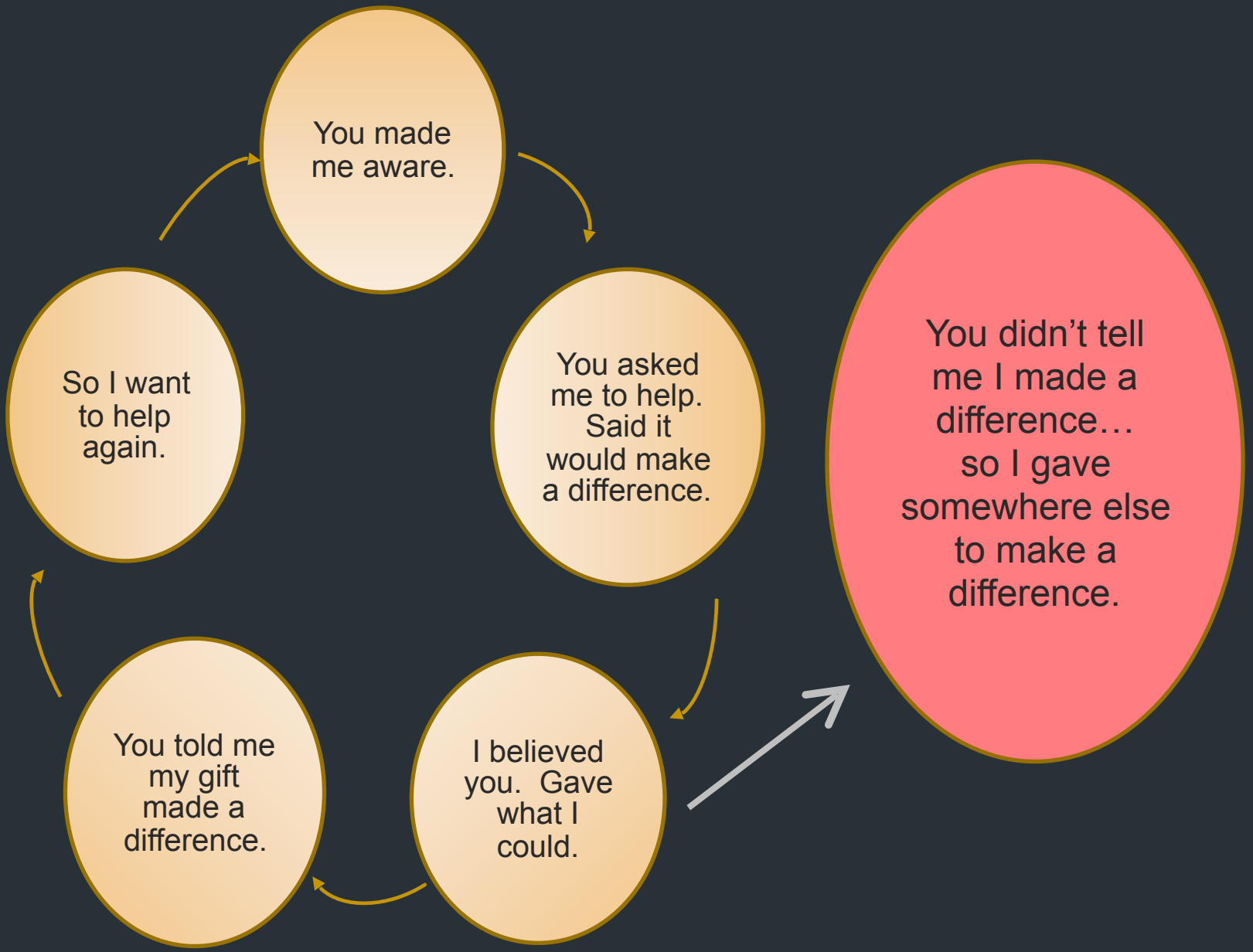
Common mistakes about asking:

5. Ask is too low.
6. MGO is not prepared to offer “terms” in payment of pledge.
7. Ask is packaged too intellectually and philosophically – void of emotion and passion.
8. MGO is not prepared to handle objections

Pillar 5: Thank Donors

Pillar 6: Report Back

Impact


You made me aware.
You asked me to help. Said it would make a difference.
I believed you. Gave what I could.
You told me my gift made a difference.
So I want to help again.
You didn't tell me I made a difference… so I gave somewhere else to make a difference.

Pillar 7: Love Accountability

Metrics are your friends.

New Money Can Cover a Loss

		Year 1	Year 2	Variance	Percent Change
Scenario 1	Income from all donors giving $1000+ cume	$ 2,560,000	$ 3,100,000	$ 540,000	21.09%
Scenario 2	Income from the donors who gave $1000+ cume in FY14	$ 2,560,000	$ 1,305,600	$ (1,254,400)	-49.00%
	Income from donors giving $1000+ cume for the first time in FY15	$ -	$ 1,794,400	1,794,400	100%
		$ 2,560,000	$ 3,100,000	$ 540,000	21.09%

A serious problem covered up by "new" money...

Building a Culture of Philanthropy

Getting your head and heart right

Do you want to do this work?
Passionate about changing the world?
Passionate about mission?
Do you believe change can happen?

Building a Culture of Philanthropy

Donors as mission

Donors in mission statement
You are the bridge
Impact over Ratios
Do you ask?

Building a Culture of Philanthropy

Leadership's Role

Passionate about Philanthropy?
Do they ask for support?
Does the Executive team reach out to donors?
Does 100% of the board give?
Everyone is involved

Building a Culture of Philanthropy

Storytelling

Do you know the organization's story?
Do you know the donor's story?
Do you know YOUR story?
Mission, Vision and Values displayed?
Engagement Events?

Building a Culture of Philanthropy

Expressing the Need

Can you describe the need?
Facts?
Causes of need?
What would happen if the need wasn't met?

6 Ways Non-Profits Fail

1. Program over People
2. Money vs. Relationship
3. Getting things done vs. Doing the Right things
4. Overhead over Impact
5. Focus on Power and Control vs. Effectiveness
6. Growth over Greatness

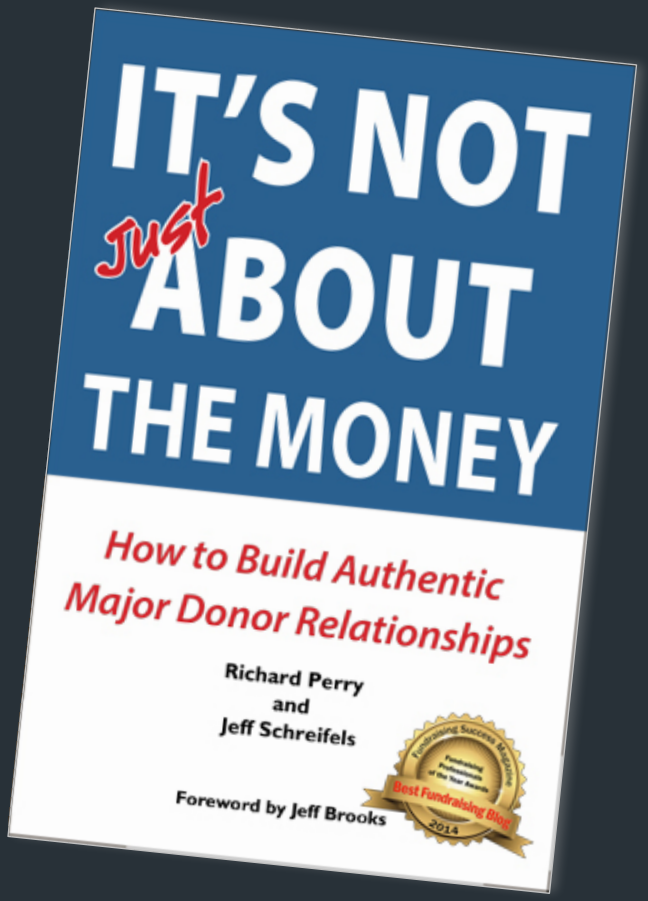
Summary

How to Think About Major Gifts

1. Problem to overcome in your donor file
2. 7 Pillars of Major Gifts
3. Building a Culture of Philanthropy
4. 6 Reasons Non-Profits Fail

Major Gift Program Resources

- Passionate Giving **Blog**
- **"It's Not JUST About the Money"**
- **White Papers** available
- Marketing Impact Chart
- Program Support Portfolio



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