
Major Gift Solutions

Finding the Donors You Already Have

By William Myatt

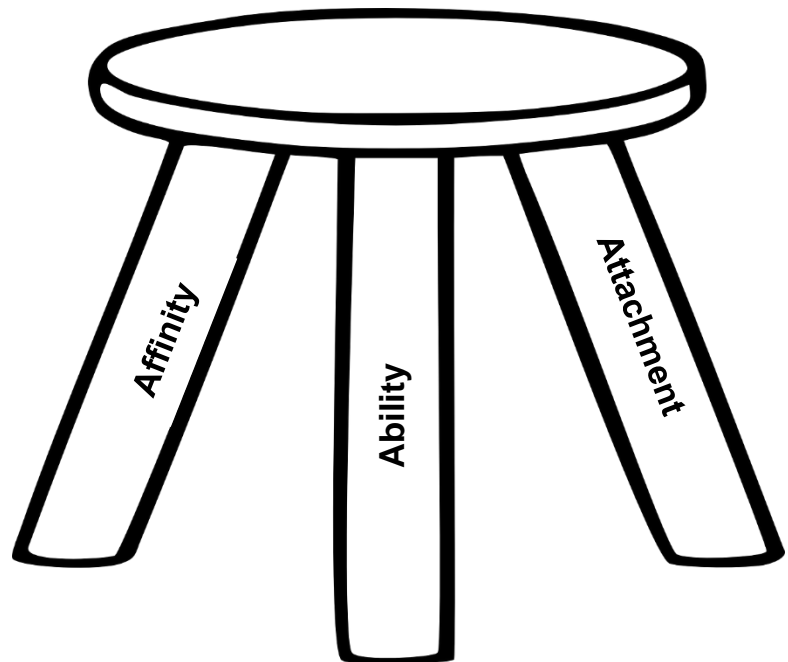
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If you hope to advance your organization's mission, you will want to pursue the right people – those individuals who can give you the biggest gifts, the most quickly.

Take a look at books on major gifts, and you will see that they reference a number of qualities major gift donors have in common. Your best donors demonstrate a set of criteria: ability, affinity, and attachment;ⁱ wealth, interest, and willingness;ⁱⁱ capacity, investment, and involvement;ⁱⁱⁱ or propensity, affinity, and capacity.^{iv} Josh Birkholz speaks of a values portfolio:^v consider your donors' motives and find the ones whose values line up with yours. The best donors show affinity with your nonprofit, have concerns similar to those of your nonprofit, have capacity to make a large gift, and are likely to give now.

The three-legged stool of major gift identification*



But you need not search far and wide for such donors. Many times, you already have plenty of donor information in your database.

Peter Wylie argues that “Statistics — yes, statistics — can help you: Save money on mail and phone costs, Improve participation in your annual fund and Generated more revenue from annual fund appeals.” Your goal, Wylie says, should be to “save as much money as possible on appeals” while also “making as much money as possible on appeals.”^{vi}

Wylie presents an eight-step program for how to “find gold in your donor database even if you hate statistics.” (This is the subtitle of his book.) Without getting lost in the weeds of Wylie's technical work, all me to point out a simple observation he makes: more than likely, you already have plenty of donor information in your donor database. You're just not analyzing it right.

I learned the same thing in my first fundraising job. I'm still amazed I got the gig. The president of this particular organization was instrumental in my initial hire. He must have seen something promising in me,

because I was singularly green. But I'm a hard worker and a quick learner, and I don't mind taking the risk of outreach. So I quickly started to catch up with my peers and even outperform them on occasion. I also did my best to learn from those who had been there longer than I.



One way my fellow fundraisers were a big help in my initial work was in learning how to create what we called a Roster of Prospects, or ROP. The ROP was what guided a fundraiser's outreach to a particular area, say greater metropolitan Phoenix or the state of Ohio. As the fundraiser prepped for a trip, she or he would build an ROP to find the most promising donors to contact. Want to land a major gift? Start by finding good major gift prospects. So, I spent numerous hours poring over donor spreadsheets to build fundraising trips, and many of my colleagues chimed in with best practices for how to get the best return on my investment of time. I

have since found these principles to pay great dividends - both in my own outreach and in my oversight of other face-to-face fundraisers. The insights I learned from my colleagues can help you find those individuals who can give the biggest gifts, the most quickly. It helps you see the right people, the right way.

Follow the money

Hear me clearly. I am not suggesting that money is all that matters. The purpose of Major Gift Solutions is to make sure fundraising shops treat their donors as people - as subjects, not as objects. So please note here that what I am advocating for is an awareness of an indicator. The way a person uses their money demonstrates what is important to them. Following the money shows you the donors who are already invested in your organization. It demonstrates the individuals who already think you are important. It shows you who's on your team.



When I work with gift officers to find the donors who will be most responsive to our outreach, I encourage them to look first at recent cash giving. You will often hear fundraising consultants use the acronym "RFM" to reference an important quality of donors. This acronym stands for recency, frequency, and monetary amount. How recently have your donors given? If a donor has given during the last fiscal year, consider them someone who will at least pick up the phone. If the donor has given regularly for the last five years, consider them someone you will be able to have a productive phone call with. If the donor has given gifts in the four- to five-figure range or more, and they have also given recently and frequently, consider them your very best prospects.

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You need not pay a large fee to access proprietary databases for this information. If your nonprofit has a record of donations, pull that information into a spreadsheet and sort appropriately. Following recent cash shows you those who are already invested in your nonprofit. Whatever you have been doing - direct mail appeals, volunteer opportunities, fundraising events, advocacy - these donors already know you well enough and believe deeply enough in your mission that they are invested. They've demonstrated their belief in you. Reach out to them first.

This list also provides an indication about which donors you should be stewarding. We will return to a full strategy for donor stewardship in chapter four. For now, suffice it to say that a quick look at recent cash giving will help you see exactly which donors you should be calling, which ones you should be writing to, which ones you should be thanking. If your ROP turns up forty donors who have given your organization a total of \$5,000 over the last five years, and you've only spoken to twenty of them, you know exactly which ones to contact first. If they are already giving at a leadership level without any stewardship, you know you've got some great donors on your hands. A simple thank you or phone call could go a long way in teeing those donors up to partner with you at an even more significant level.

Looking at recent giving will also help you identify potential problems. If a donor gave regularly for several years in a row then three years ago abruptly stopped, it is likely there was a reason. They may not have agreed with a particular decision, or they did not feel adequately thanked. It is now your responsibility to re-establish that relationship. And you have a reason to reach out.

Look for planned gift donors

There are plenty of studies, backed up by plenty of anecdotes, about the correspondence between donors who have made estate gifts and donors who can make a major gift.

A planned gift is simply a gift that will be made in the future. This may be a bequest intention, a life insurance policy, a charitable gift annuity, or an individual retirement account. Assuming you have the ability in your database to locate these individuals, be sure to include these in your roster of prospects.



You don't have to sell to planned giving donors. They are already on your side. Go say hello.

As with the other criteria, you will want to use it as complementary information. Don't assume that just because someone is a planned giving donor they will be a major gift donor. But at the very least, you know that these individuals believe in your organization, and they believe in it enough to give away their estate. Planned giving is an especially meaningful way to find the donors who truly believe in your organization. A planned gift, especially a bequest intention or naming your organization as a beneficiary of one's estate, represents a donor's final gift. It is their legacy. They give you what is usually reserved for family. Be sure the donor knows how deeply you appreciate this gesture of intimacy. Include planned giving donors in your list of top individuals.

As a fundraiser who has worked at a handful of successful organizations, I am always struck by the inspirational way planned giving helps sustain organizations. Donations made after a person's death provide a steady stream of revenue that allows organizations to thrive.

Planned giving donors are not often multi-millionaires. They may be teachers, laborers, religious leaders - folks who lived their lives according to values like commitment, longevity, and partnership. Individually, they may not be able to name a building in the capital campaign of a major university. But together, they provide a way for the next generation to continue advancing the missions they believed in.

These are donors you don't have to sell to. They are already on your side. Go say hello.

Largest gift

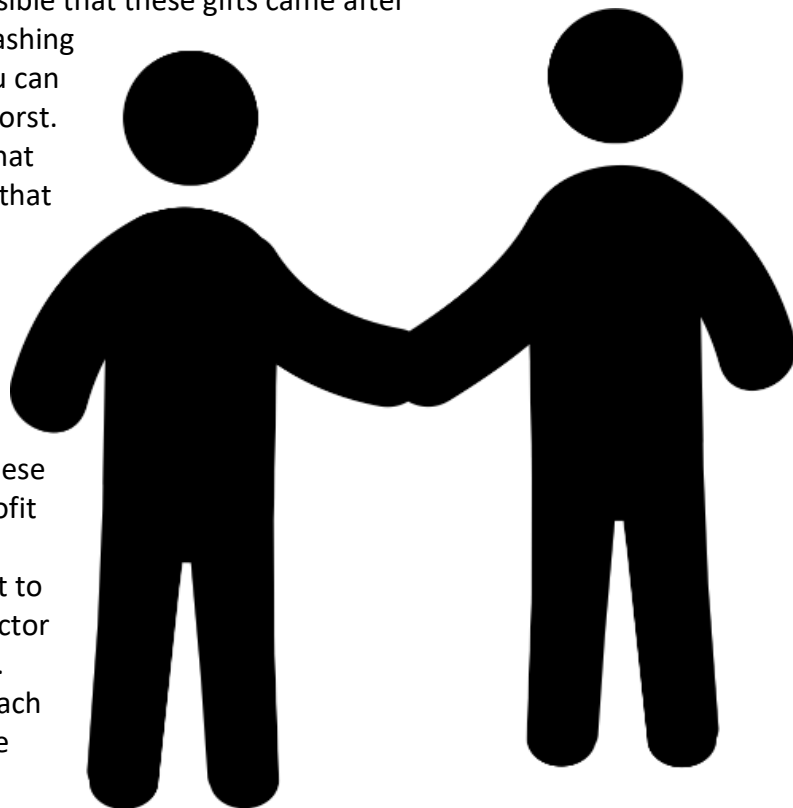
The donor who made one large gift five years ago but who has not given since should not be excluded from your list of prospects. Major gift books will tell you as much. [Laura Fredericks, *Developing Major Gifts: Turning Small Donors into Big Contributors* (Aspen, 2001), p. 8] In fact, some studies show that donors who give sporadic but large gifts can be your very best potential major gift donors. But, again, you will want to complement your outreach to these donors with those who have given more recently and more frequently.

The leading donor database systems will have this information readily available. But if you are not using one of them - Raiser's Edge, Blackbaud, Advance - you will need to get creative in pinpointing that particular piece of data.

Assuming you have the capability of finding it, do a quick sort and see who else turns up. Maybe you'll add another five donors who each gave single gifts of \$10,000. That's a great start. It means that these donors at least had the capacity to give a five-figure gift. It is possible that these gifts came after some major event - like the passing of a relative, the cashing in of a life insurance policy, or the sale of property. You can find that out in your outreach. But don't assume the worst. Assume the best. These donors gave large donations that qualify as major gifts and there is always the potential that they could do more.

Anyone who previously made a pledge

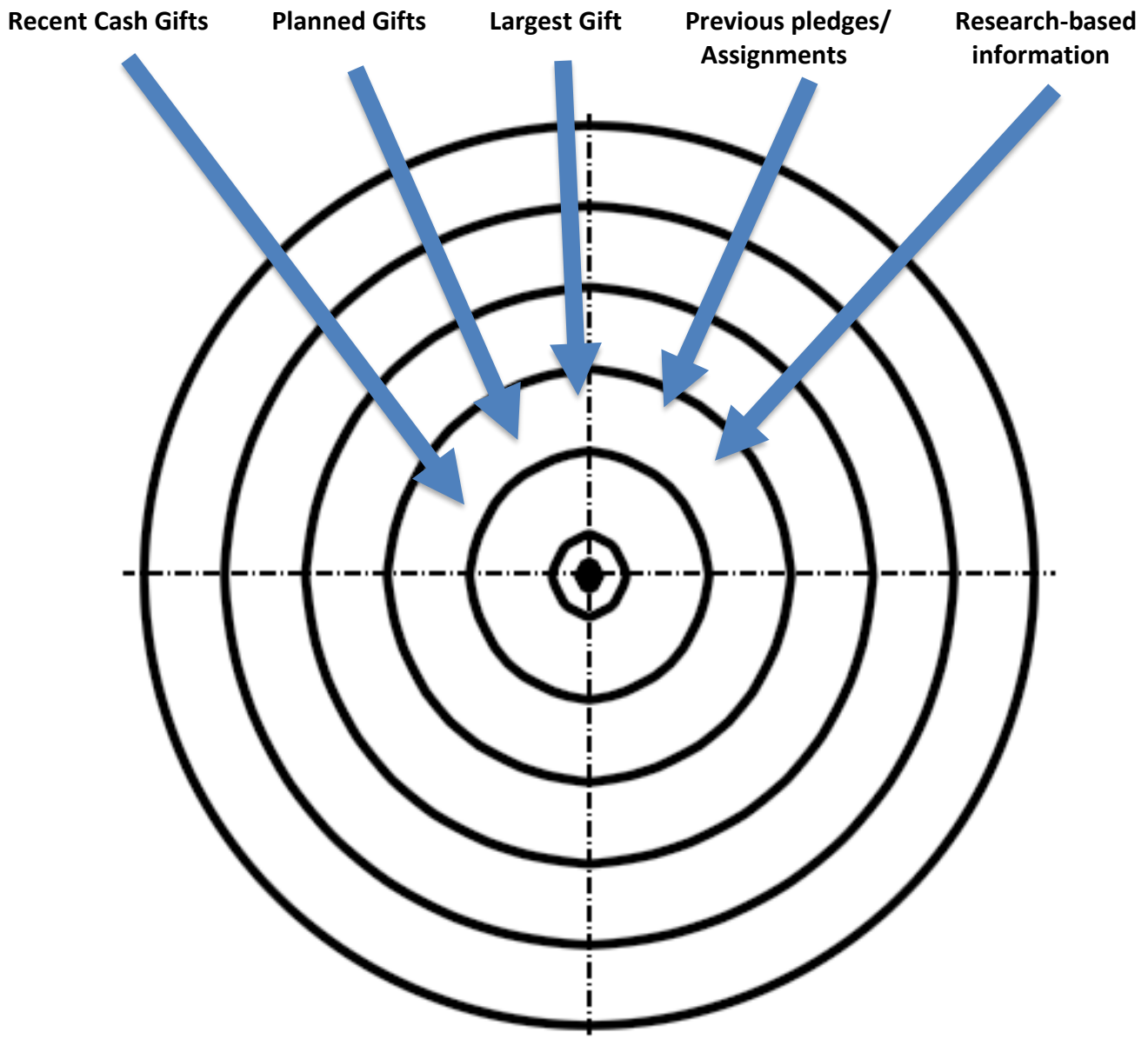
Again assuming your nonprofit has sufficient records to identify those who have made pledges in the past, consider including them in your roster of prospects. These will be individuals whose relationship with your nonprofit was sufficient enough to warrant a multi-year commitment. As with all of these criteria, you will want to use them in a complementary way. There is not one factor that guarantees a donor will respond to your outreach. But, taken together, and if you generate enough outreach activity, you will eventually find donors who want to be found.



Total giving

Total giving can be a sign of sustained support, and you may indeed find a major gift donor by attending to it, but as with the other criteria in this list, cumulative giving should be considered a complement to other criteria. Attend first and foremost to donors who have given you the most, the most recently. Complement this information with total giving. And be careful not to assume total giving is a direct indicator of major gift potential. Young major gift officers will often look through a spreadsheet, find a donor who has given a six-figure number in total dollars, and assume this donor will be an excellent major gift prospect.

Locating your best donors



If you are new to an organization, you can often get good intel on the history of donor relationships by looking into the portfolios of previous fundraisers.

Not so fast. Donors' giving patterns reflect their financial philosophy. A donor who has supported you consistently for a number of years may not be excited about a large donation. They are conservative, careful,

often meticulous and planned. It is possible they would sign a pledge, committing to support your organization for the future, and that should be encouraged. But don't assume that since their total giving is well into the six-figure range they are slam dunk major gift prospects. You may find such donors to be excellent planned gift prospects, but do not assume that a large, cumulative total will result in a large, outright gift. Of course, never talk yourself out of approaching a donor. Try. Often. The donor will let you know. But don't assume that there is a 1-to-1 correlation between total giving and major gift potential. Rookie mistake.



Anyone with an open proposal or previously assigned to a fundraiser**

If you are new to an organization, you can often get good intel on the history of donor relationships by looking into the portfolios of previous fundraisers. It is no secret that there is a lot of turnover in the major gift officer job network. You will often hear fundraisers refer to the average tenure of a gift officer being eighteen months. According to a recent academic study, that number is improving, but it is still low among lower ranking fundraisers. For women with 10 or more years of

fundraising experience, the average tenure is four-and-a-half years. For women with less than ten years of experience, that number drops to just above two. For men, the numbers demonstrate even more stability: when a man has over ten years of fundraising experience, he will stay at a job for just under six years. If he has less than ten years of fundraising experience, he will stay for about two and two-thirds.^{vii} The upshot of these numbers is that fundraisers - regardless of how good they are - can eventually develop meaningful relationships, simply as a result of being present. Taking a look at those previously assigned prospects will help you know which relationships should be continued, or which ones were dropped. You may find intel you were not aware of - someone knew someone who knew someone who could be a good major gift donor; or so and so's nephew is a business owner who happens to identify deeply with

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your mission. You will often find there is at least a modicum of work you can build on and a few hidden gems. Of course, you may also have bad habits that you will need to correct, or even donor fatigue. I recall one donor who told me he visited with my predecessor to help the gift officer meet his monthly quota! That was a fundraising habit I needed to correct. But those are all issues you can address if you take the time to develop a solid major gifts program at your nonprofit, and if you attend to previously cultivated relationships that you may simply need to continue.

Research-based information

Once you have performed your due diligence scouring your database for information that should already be at your fingertips, you can supplement that information with research found through external assistance.

Many fundraisers have a tendency to think they can outsmart the system by finding hidden information - that there are “rich people out there” who will immediately create cash revenue for their nonprofit. This is not the case. If you hope to engage new or newly acquired donors, you will need to invest a lot of time. Moving a donor from minimally engaged or non-engaged to the point where they are ready for an ask requires a lengthy period of cultivation. Fundraising is like dating, and the best dates are with people who trust you. It takes time to build that trust and to build enough of it that a person will give to you. So begin with some due diligence - fully exploring the information you already have. Once you have done so, you can turn to externally available research to find donors with major gift capacity.

Depending on the package you purchase, external vendors can use a variety of publicly available factors to determine donor wealth. Property value, political donations, wealth indicators, memberships in clubs or wealth-reliant organizations - these are all factors that you can use to create various wealth rating indicators. Once the information has been compiled and made available to you, you will want to make sure it is appropriately stored in your database and can be accessed by future fundraisers - that they can easily include it in the Excel documents they use to evaluate donor potential.

You should also be on the lookout for donors who give through foundations, trusts, Individual Retirement Accounts, stock brokers, or donor advised funds. When you note that a donor gives through one of these external philanthropic resources, take note. There could be further resources there. Be sure always to thank the donor themselves, not the financial institution through which they give. But use these indicators to know which donors to prioritize.

In an increasingly datafied, potentially impersonal fundraising industry, it is vital for those of us in the fundraising profession to remember that donors are people, and people want to be seen.

There is much more that could be said about research-based information, and much has already been said.^{viii} For our purposes, make note that, as you are in the process of locating your most promising donors - seeing the right people the right way - you will want to supplement the easily accessible information you already have in your database with externally available, research-based information.

In an increasingly datafied, potentially impersonal fundraising industry, it is vital for those of us in the fundraising profession to remember that donors are people, and people want to be seen.

Data is vital to our success. It provides a foundation for accuracy, context, and measurement, but we cannot allow the promising aspects of data use to keep us from attending to the people who make our missions possible. If we give ourselves the easy way out - if we choose to stop with data analysis - we will hamstring the very missions we are tasked to advance. On the other hand, if we take the time to see our donors - to see the right people the right way - we can make a significant impact on the organizations who trust us and the worlds they serve.

For your free, 30-minute consultation, visit our website or email Bill at myatt.william@gmail.com.

ⁱ Hart, Greenfield, Gignac, and Carnie (ed.) *Major Donors: Finding Big Gifts in Your Database and Online* (Wiley, 2006), pp. 37-50.

ⁱⁱ Julia Ingraham Walker, *Nonprofit Essentials: Major Gifts* (Wiley, 2006), pp. 46-47.

ⁱⁱⁱ William Sturtevant, *The Artful Journey* (Institutions Press, 2004), p. 38.

^{iv} This three-legged-stool analogy is used often in fundraising circles. I first heard this analogy in January, 2013, in a course taught by Marc Hilton and Bruce Matthews entitled "Major Gift Fundraising from Individuals, Corporations, and Foundations" at the Northwestern University School of Continuing and Professional Studies.

^v Josh Birkholz, *Fundraising Analytics: Using Data to Guide Strategy* (AFP, 2008).

^{vi} Data Mining for Fundraisers Council for the Advancement and Support of Education, 2004; 90.

^{vii} Nathan and Tempel, p. 11-12

^{viii} For a helpful summary of ethical considerations about this topic, see Hart, Greenfield, et al, *Major Donors* (Wiley, 2006), pp. 51-70.

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