Moving from Major Donors to Mega Donors

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AFP Western PA Chapter
Basic Fundraising Facts

• Fundraising is both an art and a science
• Spend 90% of effort on top 10% of prospects
• People give to people; giving is both personal and emotional
• Remember: It’s the donor’s money
• Learn to “dance” with prospect
• Development staff members are the catalyst not a main ingredient
2012 Contributions: $316.23 billion by type of recipient organization (in billions of dollars – all figures are rounded)

*Includes gifts to non-grantmaking foundations, deductions carried over, contributions to organizations not classified in a subsector, and other unallocated gifts.

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Source: Giving USA Foundation™/GIVING USA 2013
2012 Contributions: $316.23 billion by source of contributions
(in billions of dollars – all figures are rounded)

- Individuals: $228.93 billion (72%)
- Foundations: $45.74 billion (15%)
- Corporations: $18.15 billion (6%)
- Bequests: $23.41 billion (7%)
5 Essentials

1. Leadership
2. Case for Support
3. Adequate internal resources
4. A great plan
5. Access to $$$
Why Do People Give?

• They believe in the cause or idea
• They are involved as volunteers and see the needs and outcomes
• Their religion, the need to do good or be a part of something larger than themselves
• They see others give
• Because they are asked
• They are thanked properly
• Their gift’s impact has been demonstrated
Volunteers as Donors

• Give themselves

• Give of themselves

• Give with a glad heart

• Give the opportunity to others
Annual to Major to Mega

- Start where you are;
- Use what you have;
- Do what you can.
Annual Support and Major Gifts

Thinking

• Annual Giving donors provide a pool for major gift prospects.

• Know your donors
  – Who are they?
  – Why do they give?
  – What do they need?
  – How can you motivate them?

• Listen . . . and be honest. Hear what a donor wants to do and communicate how it fits (or does not fit) with your institution’s goals.
Growth Cycle for a Major Gift Donor

• The beginning
• Key indicator
• Critical for case exposure
• Confirms prospect
• Confirms major donor potential
• Solidifies relationship
• Prospect enjoys being a part of organization

• Annual gift
• Consistent support
• Involvement
• Increased support
• Increased involvement
• Project gift
• Cultivation carried out
Various Major Gift Levels

• Moffitt Cancer Center
  – Tampa, Florida

• Texas Children’s Hospital
  – Houston, Texas

• Mote Marine Laboratory
  – Sarasota, FL

• Duquesne University
  – Pittsburgh, Pennsylvania

• Educate A Child (EAC)
  – Doha, Qatar

• New York City Rescue Mission
Why Major Gifts?

• Capital Campaign goals
• High impact
• High visibility
• Inspiration for others
• Cost-effective
Major/mega gift culture starts at the top!

- Board
- CEO
- Senior administration
- Senior program staff
- Chief Advancement Officer
Who Are Your Best Major Gift Prospects?

• Most come from your current consistent donors

• Your Trustees and senior leadership

• Current major donors

• Previous donors

• Women
Sources for Major Gift Prospect Lists

• Current Donors (Board Members)
  – Those who have been giving for 5 or more years
  – Those who have been upgrading their investments

• Lapsed Donors

• Women

• Outside Lists
  – Other not-for-profits
  – Trade, professional, civic organizations
  – Referrals from Board, staff, existing donors
  – Commercial lists
Fundraising Tactics

- **Transactional**
  - Events
  - Direct Response

- **Relational**
  - Major Gifts
  - Mega Gifts
  - Transformational Gifts
Results

- **Transactional**
  - Operating funds
  - Short term projects
  - Lack of engagement
  - Impersonal

- **Relational**
  - Project specific
  - Operational
  - Capital
  - Endowment
  - Long term commitments
  - Deep engagement
  - Personal
What do Megas Want?

• Access

• Outcomes

• Collaboration not competition

• Leverage not limits

• Catalytic not contentment
Relationship Giving

- People give to people
- Confidence
- Trust
- Stewardship

- Right person, amount, project, and time
- Product is worthy and management is good
- Organization keeps promises
- Gifts are honored, well-managed, and appreciated
Mega Profile

- Engager
- Leverage
- Relational
- Life change
- Entrepreneurial
- Mobilization
- Calls to action

- Blake Mycoskie
The Mega/Major Gift Scenario

• Cultivation with mega gift in mind

• Creative thinking about opportunities for transformational investments
  – Large impact packaging

• Acquire or position existing expertise

• Discuss early with trusted advisors (theirs)

• Prepare for preliminary discussion of “ideas”

• Make that person the catalytic stakeholder
Strategies for Mega Gifts

• What does “mega” mean?

• Is your institution prepared?

• Many parts to a gift:
  1. The individual investment
  2. The value placed on that act and investment
  3. The leverage it makes possible internally and externally
Where are Mega prospects?

- Hiding in your community
- Under your nose
- Reading your material
- Sending you gifts
- Supporting others at higher levels (or not)
Major/Mega Gift Fundraising
The “Gift Cycle”

Critical Function: Solicitation + Closure = Gift
It’s the “we” of the relationship

Institution as a prospect

— Offers commitment to project ($)  
— Asks for commitment of prospect investment and leverage  
— Offers engagement  
— Offers life transforming opportunities  
— Can experience outcome changes at new levels

MMG Prospect

— Looking to bring investment potential  
— Brings leverage potential  
— Feels investment has been catalytic  
— Can have deep engagement with hand on throttle of outcomes  
— Can have life changing experience
Donor Characteristics

Transactional Prospect

– Dislikes involvement
– Gives to be social
– Unwilling to commit long term
– Wants to write check and be done
– Instant gratification
– Will not solicit others

Relational Prospect

– Wants deep involvement
– Gives to make change
– Wants to see change over time
– Wants to invest
– Understands complexities of change
– Sees value and will invite others
“Go long and go deep”
Long and Deep?

- **Long** is the perspective offered to these kinds of prospects
  - Requires purpose and intentionality
  - Requires patience
  - Requires planning

- **Deep** is the Level of engagement for these kinds of prospects
  - Requires non risk-aversion leadership
  - Requires best-in-class expertise
  - Requires more time from leadership
Ways to Involve Major Gift Prospects

- Social gatherings
- Orientations
- Forward news information
- Special events
- Ask them for advice
- Ask them to volunteer

- Hold meetings; relay success stories
- Ask them to be on the Board or a committee
- Invite them to lecture
- Invite them to be on a panel
- Electronic updates
Cultivation of Prospects

• Must be donor-centered
• Tailored to each individual prospect
• A blend of media communications
• A planned, regular sequence of activities
• Real continuity is important
• Both background and foreground initiatives
Key Question

- What would your organization do if a $50,000,000, or any transformational level donor, appeared in your office this afternoon?
Are you ready?

• Are you prepared for success?
• Is your program worthy of such an investment?
• Have you held any discussions of senior management on the topic of transformational vision and attendant steps?
Truisms

• If not discussed, the odds of your ever having such a benevolent investment show up are immensely diminished.

• Big gifts are attracted to big ideas.

• Tell your institution to make no small plans!
"Well this is crazy. Every time we talk about likely donors for the project, it sounds like me."
Persistence

• Follow through on every detail
• Read and re-read your Moves Management notes frequently
• Revise strategy as needed
• Keep volunteers and key players up-to-date
Preparation

• Pay attention to the interests and needs of the prospect, not the organization
• Do not imply or promise what you cannot deliver – be careful of this trap
• Be resourceful, creative, and flexible
Who Should/Can:

- Control prospects?  
  Staff
- Identify prospects?  
  All
- Cultivate prospects?  
  Relationship based
- Evaluate prospects?  
  Staff/peers
- Solicit prospects?  
  Relationship based
- Thank donors?  
  Relationship/gift rank based
Growing MG Donors by Finding Emotion and impact

• What difference will this gift make?
• Whose life will be altered by it?
• Why is this gift the vital one?
• How will this gift meet the donor’s needs?
• Is it okay for the prospect to delay?
• Can the prospect see the picture? If not, give him/her one.
• Can/will the prospect talk to a donor?
Creating Urgency

- Program needs
  - People will suffer without the gift
- Trustee meetings centered on planning
  - LRP is based on planned and lifetime gifts
- Announcement at event
  - Dates, always dates
- Inspiration to others
  - Context of giving
Always Position for the Future

• Spend time on relationships
• Engage your prospects with the cause
• Concentrate on the emotional needs of your prospects
• Get on their side of the desk
• Stress OUTCOMES!! Not activities
• Accept their perspective and tell them how you (or others) came to the gift decision
Simplicity of the task

• Identify & Qualify them
• Engage them
• Lead them
• Invite them
• Close them
• Cultivate them
• Retain them
Remember...

• *This has to be fun, or at least enjoyable, for you and the donor or the behavior will not be repeated*

• *Make your own largest Major Gift ever this year and see how good it feels!*
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