Blooming in the Desert

2024 Development and Membership Symposium

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Sowing the Seeds of a Major Gifts Program

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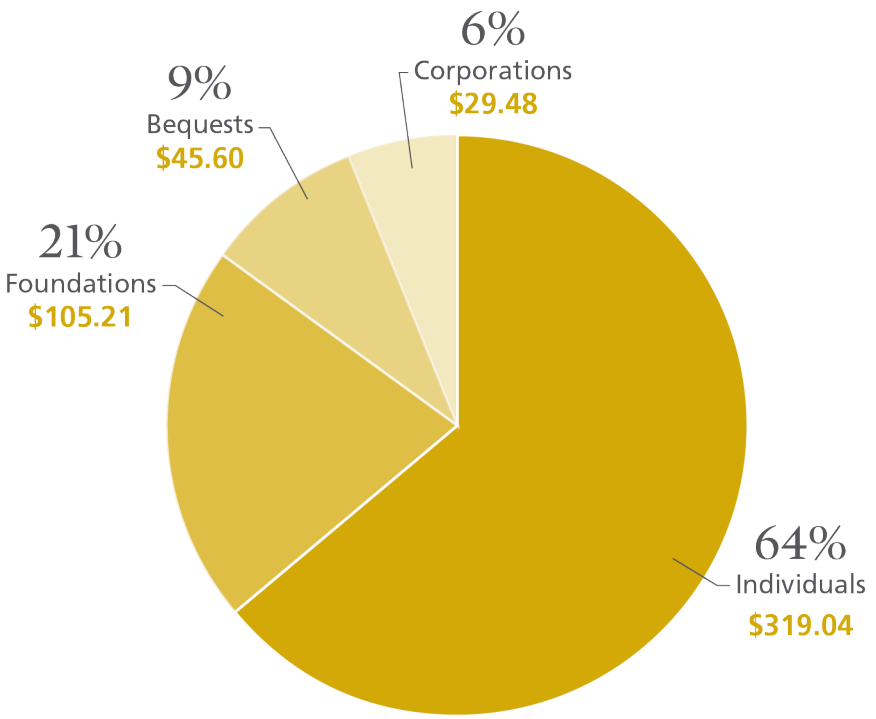
GG+A

PHILANTHROPIC LANDSCAPE

CONTRIBUTIONS BY SOURCE

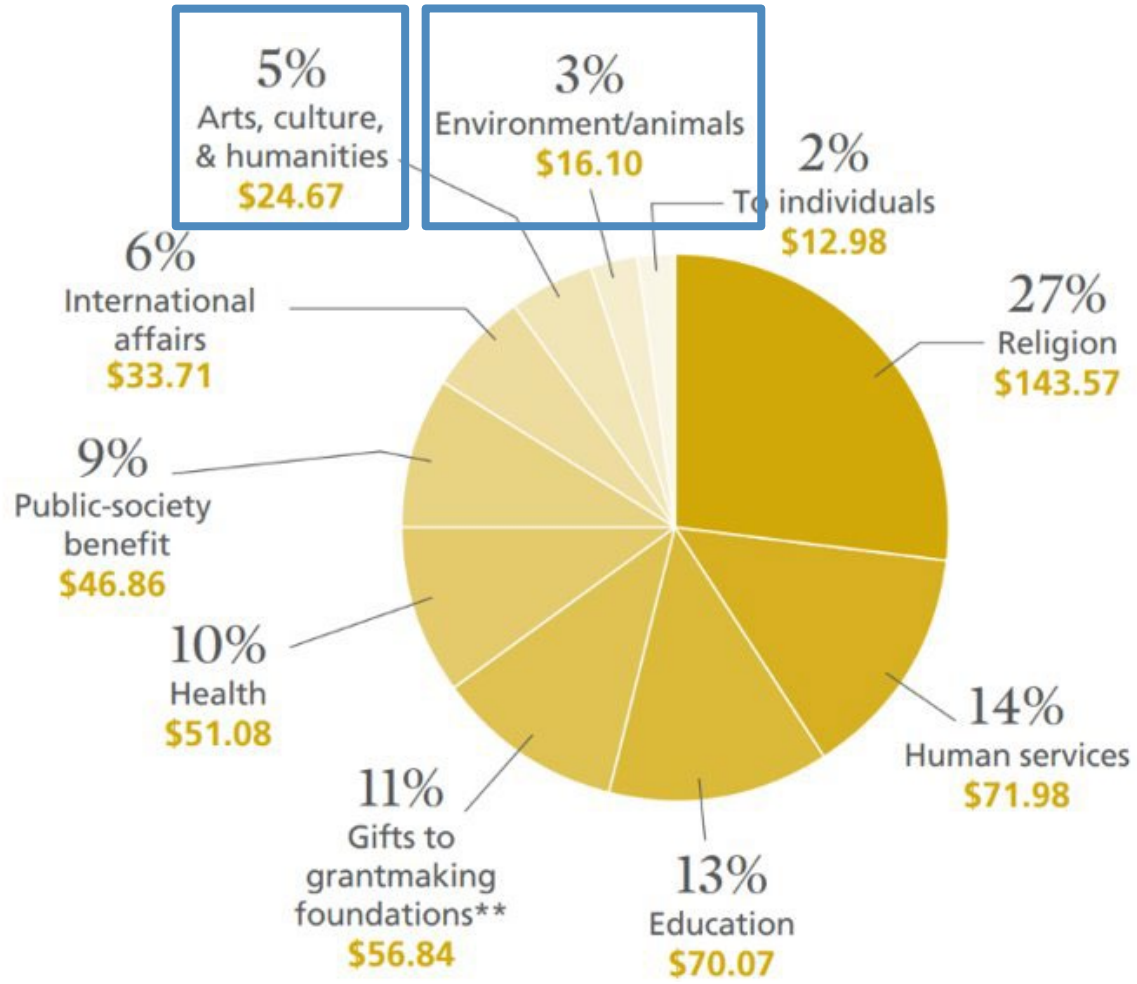
2022 contributions: $499.33 billion by source of contributions

(in billions for dollars – all figures are rounded)



Giving USA | The Giving Institute | Researched and written by IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY

CONTRIBUTIONS BY SECTOR



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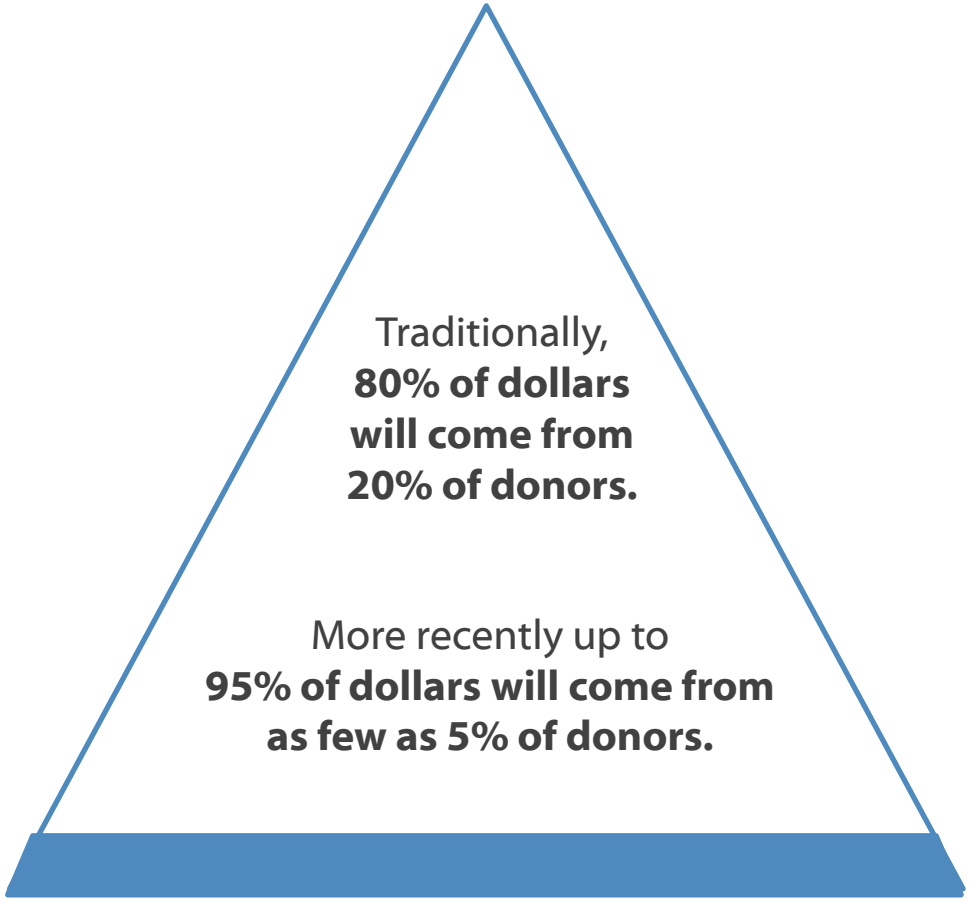
GIVING TO ARTS, CULTURE, AND HUMANITIES

Researched and written by IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY

WHY MAJOR GIFTS

The Importance of Major Gifts

- The 80/20 Rule
- The 95/5 Rule



Source: Achieving Excellence in Fundraising, pp. 225 & 247, 2016, Temple, E. et. al.

Barriers to Focusing on Major Gifts

- In our many years of partnering with cultural institutions we have learned:
  - **Unrelenting pressure to secure operating support** can get in the way of the case for long-term and/or endowment giving
  - **Defining clear, sustainable fundraising objectives** may be more difficult for gardens and cultural institutions, as many are vulnerable to external changes (e.g., economic turmoil, political transitions, shifts in leadership support)
  - Annual operating support is more **vulnerable to fluctuation** due to the relative popularity of programing
  - Members often see that **membership is their "gift"** to the institution

The Pitfalls of Project-Based Fundraising

- These many challenges often lead to focusing philanthropy on general operating support or individual projects. However, fundraising in that way has the following pitfalls:
  - Starting from scratch with each new project
  - Short-term engagement
  - More about the project than the donor's passion

ACTIVITIES OF MAJOR GIFTS WORK

The Activities of Major Gifts Work

- **Qualification**: Assessing prospects for capacity to support the institution and their interest/inclination in doing so
- **Cultivation**: Building and strengthening relationships with prospective donors to deepen their investment in the institution
- **Solicitation**: Asking for a specific gift amount for a purpose that aligns with the donor's interests and the institution's priorities
- **Stewardship**: Thanking donors for their gifts and sustaining their positive relationship with the institution

Key to all of these steps is **authentic, donor-centered relationship building.**

The Qualification Visit

The qualification visit is about getting to know the person, establishing rapport, determining the relationship they have with the institution, and deciding if there is a potential to deepen the relationship.

First Meeting

- To learn about their connection to your organization
- To begin to understand their motivations to engage and to give
- To share the key initiatives, but not necessarily the case for support
- To ask them to join in a partnership that includes philanthropy
- And how do we do this? By asking lots and lots of **QUESTIONS!**
  - Curiosity is the most effective path to understanding your prospect's capacity and inclination to support the organization.
  - You should do less than 10% of the talking; your prospect should do 90% or more.

Objectives for a First Visit

- Set explicit goals for the visit:
  - Thank the prospect for their past gifts and remind them of the long-term impact of those contributions
  - Ask about philanthropic interests and involvement
  - Find out why he/she stopped giving
- There is one goal you should have for every visit: **secure the next one!**

Motivating Prospects toward Giving

Learning what motivates prospects to give is critical in the cultivation process

FACTORS THAT LED, OR WOULD LEAD IN THE FUTURE, TO DECISIONS ABOUT CONTRIBUTING TO A PARTICULAR CAUSE OR ORGANIZATION

AMONG ALL RESPONDENTS

The 2018 U.S. Trust® Study of High-Net-Worth Philanthropy

Effective Cultivation

- Create intimate virtual and in-person forums where prospective donors can engage with key stakeholders
- Initiate opportunities for prospects to meet one-on-one with institutional representatives
- Look for an opportunity to involve your prospect in a program or event that they will find meaningful
- Share examples of how philanthropic investment impacts the institution through video stories and virtual cameos
- Constantly engage in active listening and returning to donor interests

A Word About Events…

- Events can:
  - Facilitate an introduction
  - Determine possible influencers
  - Broaden staff/volunteer connections
  - Educate and inform
  - Set up a next step
- They are not:
  - Your only solution or the most effective tool for intentional cultivation

Arriving at Donor Readiness

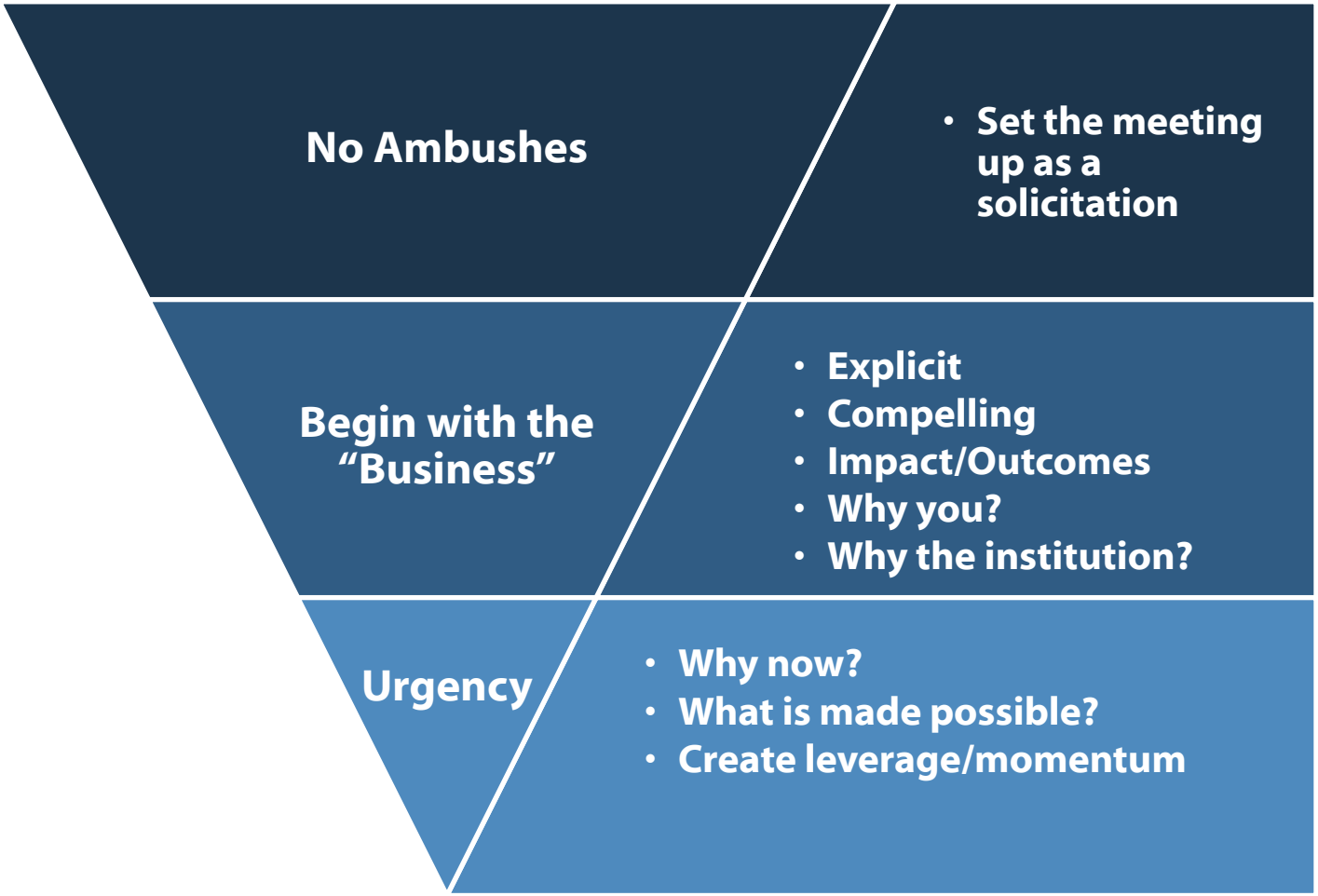
- Critical questions to ask yourself before discussing a major gift:
  - "When was our last substantial contact with them?"
  - "Why is now the right time for them to make a gift like this?"
  - "How does the purpose of this gift connect with their interests?"
  - "Will others (spouse, children, advisor, etc.) need to be involved? Will they be potentially offended if they are not involved?"
  - "Are there any lingering issues about past conflicts? Have these been effectively resolved?"

The Solicitation

The solicitation is the culmination of a prospect's relationship with the institution up to that point in time.

It is the moment at which they are presented with the decision to maintain the current relationship or deepen it with a commitment.

Making the Ask



Essential Components of the Ask

- Acknowledge the prospect's past support of the institution
- State the case for support
- Transition from the case to the ask that references the prospect's interest and/or prior support
- Clearly state a specified amount and purpose in the ask
- Enumerate the benefits of the gift
- Embrace silence

Adapted from: The Ask, 2010, Fredericks

Key Principles of Stewardship

The most important and fundamental stewardship is using a gift for its intended purpose.

High-impact donor stewardship begins with a relentless commitment of accountability to each and every donor, at every level, that exceeds their expectations.

Operationalizing Stewardship

- Creating an institution-wide vision for stewardship
- Managing recognition levels and giving societies
- Developing impact reporting
- Engaging volunteers through stewardship efforts
- Establishing key stewardship metrics

Stewardship: Common Mistakes

- Confusing recognition with stewardship
- Generic prose without content – the stewardship letter that is sent on schedule, but contains no information
- Stewardship programs that don't cultivate the donor's additional interests
- Letting activity taper off, not meeting the requirements of the gift agreement over time

CONSIDER PLANNED GIVING

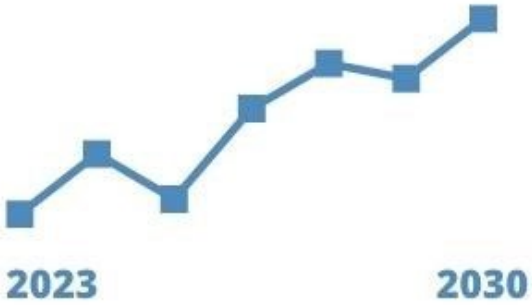
THE GREAT WEALTH TRANSFER

$73 TRILLION

will pass to younger generations over the next
20-25 years

$11.9 Trillion

Charitable organizations will see an influx through 2045 estimating $11.9 trillion



Millennial wealth will grow 5x by 2030

Planned Giving Strategies for Smaller Shops

- Start with existing donors
  - Steward those who have already made a planned gift
- Everyone can pitch in
  - Planned giving isn't only for fundraising staff
- Review and update your planned giving program
  - Goals, metrics, acceptance policies, marketing, recognition, stewardship
- Get ready for strategic planning conversations
  - With shifting assets, new vehicles may emerge
- Build planned giving into your team's work
  - Build the prospect pool through research and identify gift opportunities

Questions and Discussion

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