



IUPUI THE FUND RAISING SCHOOL

LILLY FAMILY SCHOOL OF PHILANTHROPY

Developing Major Gifts

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AGENDA

DEVELOPING MAJOR GIFTS

Day 1

8:30 **Introductions and Expectations**

9:30 **Course Introduction**

Annual Gift and Major Gift differences
8 steps overview and explanation

10:15 ***BREAK***

10:30 **Ethics Introduction**

11:00 **Organizational Readiness for Major Gifts**

Giving Predictors and Drivers

12:00 ***LUNCH***

1:15 **The Case for Major Gifts**

2:45 ***BREAK***

3:00 **Major Gifts Team**

Leadership
Volunteers

5:00 ***ADJOURN***

AGENDA

DEVELOPING MAJOR GIFTS

Day 2

8:30 Major Gift Engagement

Identification

Qualification

10:00 BREAK

10:15 Introduction to Interpersonal Communication Style

DiSC Personality Assessment

How DiSC applies to MG work

12:00 LUNCH

1:15 Donor Motivations and Engagement

2:45 BREAK

3:00 Ethics Case Study

4:30 Reflections

5:00 ADJOURN

AGENDA

DEVELOPING MAJOR GIFTS

Day 3

8:30 Development of Engagement Plan

Gift Vehicles

Cultivation

10:15 BREAK

10:30 Acknowledgement/Recognition

Stewardship

Renewal

12:00 LUNCH

1:15 Solicitation and Negotiation

Language of Solicitation

Solicitation Exercise

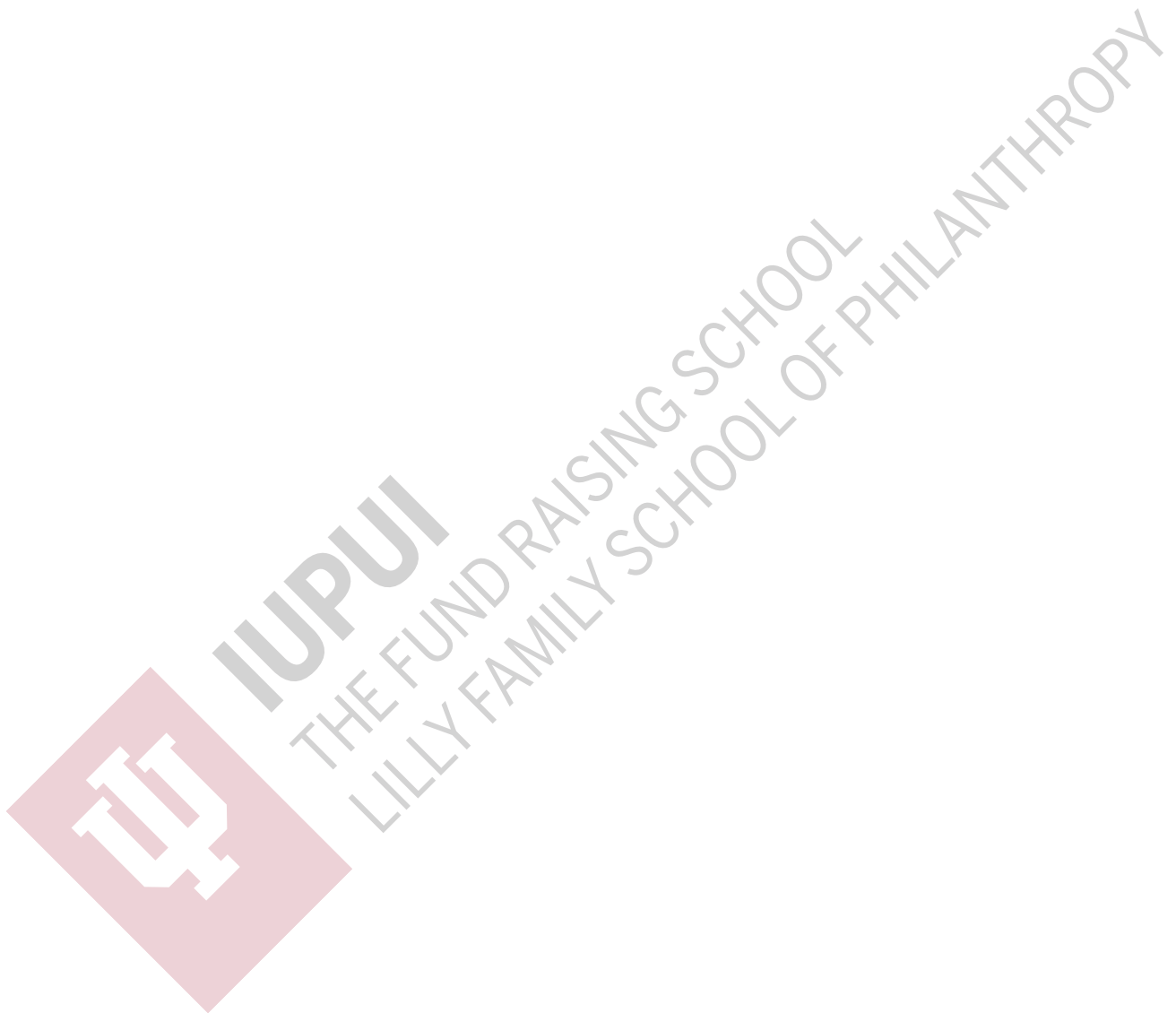
2:45 BREAK

3:00 Success Measurement through Metrics

3:45 Guided work through the Major Gifts Plan

4:30 Course Wrap Up, Graduation

5:00 ADJOURN



FOREWORD

“Fundraising is the gentle art of persuading people to experience the joy of giving.” This statement by The Fund Raising School’s founder, Hank Rosso, is also the underlying philosophy of the course on major gift solicitation in which you will participate for the next three days. Successful nonprofit organizations dedicate a significant share of their human and financial resources toward the development and solicitation of major gifts, whether for annual operations funding or for major campaigns, such as capital improvement or endowment. Much of the activity in donor relations is carried out not just by staff but also by volunteers who provide leadership for major gift development and whose involvement is significant at various steps of the process. Therefore, we welcome both staff and volunteers to this course.

Developing Major Gifts is a thorough examination of major gift development and focuses on the eight-step process which graduates of The Fund Raising School’s fundamental course, *Principles and Techniques of Fund Raising*, will recognize. Each step is addressed in detail, with accompanying activity leading to application of each principle. Other material is also covered which discusses relevant topics such as making a case for major gifts, management of large donations, the art of one-on-one solicitation, types of donors and how they may wish to be asked, planning for a major gifts program, and leadership qualities necessary for major gifts programs. By the time you are finished with this course you will have a good beginning toward implementing or improving a major gifts program for your organization.

The objectives of this course are to:

- a) Understand the context in which major gifts can be and are solicited, including the organizational framework and necessary policy development;
- b) Study and apply the principles of the eight-step process;
- c) Develop or refine the major gift case for support;
- d) Become proficient in one-on-one solicitation, the most effective fundraising strategy for major gifts;
- e) Learn how to involve volunteers and board members most effectively;
- f) Develop a plan for a major gifts program;
- g) Understand the leadership traits that are important in a major gifts program;
- h) Study the ethical implications of seeking and managing major gifts.

As with all courses offered by The Fund Raising School, the participant will be offered a variety of learning experiences. These include the requisite lecture, with references to the text; group discussion; individual or table work; verbal exercises; and opportunities to reflect. Most important are the application steps throughout the course which allow each participant to focus on the organization which he or she serves, and to leave with at least the beginning of a plan to implement upon return to the office.

The definition of major gifts may vary, depending on the longevity of a participant's development program, the goal of the campaign, the development budget, the quality of donors which the organization can attract.

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A successful experience in this course depends to a great extent on interactive learning and is a shared responsibility between faculty and participants. Although a certain amount of lecture is necessary, much valuable learning takes place through discussion and group or individual activity during the sessions. In short, a cooperative effort by both the presenter and the learner is vital for optimum educational and experiential benefit.

Major gift solicitation is a great challenge and a great privilege for any organization, large or small, new or developed. We hope that you will find your experience in this course, *Developing Major Gifts*, a profitable one which will benefit not just you but your colleagues, administration, volunteers and donors.

Bill Stanczykiewicz
Director, The Fund Raising School

Amir Pasic
Dean, Indiana University Lilly Family School of Philanthropy

With special thanks to Jim Hodge and Jim Reid for their input.

Cornerstones of The Fund Raising School

Philosophy of Ethical Fundraising Professionalism

- **Mission**

Nonprofit organizations meet community needs expressed by the organization's mission statement. When donor needs match organizational needs, charitable contributions follow.

- **Social Exchange of Values**

Charitable giving occurs when donors and nonprofits exchange values associated with the cause represented by the nonprofit.



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Philosophy of Ethical Fundraising Professionalism

- Volunteer-Centered Programs

Acceptance of the values and purposes of the organization by an increasing core of dedicated volunteers extends and assures the survival of the organization in meeting the community needs expressed in its mission.

- The Development Process

The relationship between the donor and the organization is a growing relationship that the organization must foster and encourage through a succession of increasingly intense and committed activities.



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Course Objectives

Upon completion of this course, you will be able to

- Understand the components of a Major Gifts Program.
- Evaluate organizational readiness for Major Gift work.
- Create, implement, and evaluate a Major Gifts Program.
- Integrate ethical professionalism into daily work.



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A Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgment and recognition.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY: American Association of Fundraising Counsel (AAFC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), Association of Fundraising Professionals (AFP).

INITIAL ENDORSERS: Independent Sector, National Catholic Development Conference (NCDC), National Committee on Planned Giving (NCPG), National Council for Resource Development (NCRD), United Way of America.



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CHAPTER ONE

UNDERSTANDING MAJOR GIFTS

Major gifts, sometimes referred to as special gifts, are a vital part of a comprehensive fundraising program. They are the lead gifts in an annual fund campaign, may be secured through a separate campaign, are the largest portion of gift income in a capital campaign, or are needed to carry out a special project. In reviewing the fundraising cycle it becomes evident that a great deal of preparation must take place before an organization can ask for special or major gifts. An organization must take the right steps in order to seek the significant funds that are the backbone of financial support.

Often major gifts develop over, and prospects are found in an organization's own database. The donor development process illustrates how donors rise through the ranks of an organization's fundraising program. It is, of course, possible to receive first-time major gifts, but most often donors have to gain a trust in the organization, must be treated in ethical and appropriate ways, and approached with their interests in mind, not necessarily from the viewpoint of organizational need. This takes time, as is illustrated by the donor development process.

The characteristics of major gifts vary. They are relative to the other gifts an organization receives, as well as the goal and budget for fundraising. A major gift to a small, start-up organization may be \$500, while a large university may consider \$100,000 to be a major gift.

Major gifts are developed over time, may be pledged or given outright, may be cash or appreciated assets, and usually involve much personal interaction with volunteers and staff.

Institutional readiness to acquire and manage major gifts is important. This means having a good database in place, and personnel who can manage the information, as well as prospect research procedures which provide information for the database. Other significant readiness measurements are institutional commitment and stewardship, and a team approach to fundraising (board, volunteer and staff involvement).

Organizational readiness must be accompanied by the fundraising professional's readiness and commitment to serve the organization by securing major gifts.

Finally, Hank Rosso, founder of The Fund Raising School, determined that there are three stages of development. The formative is the first stage in which the development process requires a sales orientation in order to be successful. The organization or program is new and has a product to sell. The normative stage focuses on moving from selling to soliciting and maintaining relationships with donors. The organization or program must build relationships with its community. The culmination of the development process is the integrative stage in which the focus moves to assuring continued growth for the organization and the donors in their relationships with the organization.

Key Differences between Annual Gifts and Major Gifts

ANNUAL GIFTS

- Pay now, usually once
- From income
- General solicitation, broad constituency
- Easier decision (discretionary income)
- Quantity of gifts contributes to impact
- Repeats, annually at least
- Organization's schedule (a year)
- Organizational need
- Ask for money

MAJOR GIFTS

- Over time (pledge)
- From assets and/or income
- Specific approach to individual donors
- Thoughtful, deliberate (stop and think)
- Quality of gift "transformational"
- Less frequent (though possible to have more than one)
- Donor's timing
- Community need
- Invite to join

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Major Gift Donors Want To:

- Be confident that the organization can do the work
- Be confident of organization's management/leadership
- Visualize the impact of their gifts on the organization
- Understand the outcomes of the gift and its impact on beneficiaries and beyond
- Know that other donors are making gifts

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THE EIGHT-STEP PROCESS

The major gift process involves eight steps. The first of these is the identification of prospects. This step involves good prospect research strategies as well as information management. An organization's donor records will usually reveal donors who fit the characteristics of major donors. It's possible that at times additional prospect research may identify those who are likely to support the organization in significant ways, but more often than not major donors are not found on published lists but among those who are involved with the organization.

After donors are identified they must be qualified as major givers. This involves an application of the Linkage, Ability and Interest principle to determine what connection the donor has to the institution and its personnel (including volunteers), what his or her ability to give may be, and the level of interest in the organization, its mission, and its programs. Often the qualification step involves a rating process by an ad hoc group, and confidentiality as well as ethical behavior are key to gaining and maintaining a donor's trust.

Each major donor needs a development strategy. The fundraiser must determine what steps will be needed to cultivate a relationship and ultimately solicit the donor, what timeline is appropriate, what materials should be used throughout the process, and who should be involved. This step usually involves a team, particularly a volunteer working with a staff member. Each major donor requires a mini-campaign to determine what should be done between the identification step and the actual solicitation.

The cultivation process is part of the development of strategy and requires a consideration of the donor's interest, preferences in how information is shared, what he or she may wish to participate in and similar relationship-building activities. The cultivation is on-going and culminates in the fifth step, the solicitation.

During a solicitation, the asker makes a case for funding and follows a planned strategy for the solicitation. This step is the culmination of the previous four steps, particularly the cultivation process, and should be prepared for carefully.

Making the case involves defining why your organization is worthy of gifts of size and substance and success depends on your ability to articulate clearly the problem you are solving in your community. To underscore the difference between the case for support for major gifts and the case for general gifts, think in terms of the substance of the benefits accruing to the donor and the larger community. How does your organization demonstrate that it deserves major gifts? How do you interpret your case — programs, services, outcomes — to various constituencies?

The case for support should answer these questions:

What real difference does your organization make?

Why is the world a better place because you are here?

How would the world be worse off if your organization ceased to exist?

How will this major gift help reach organizational goals?

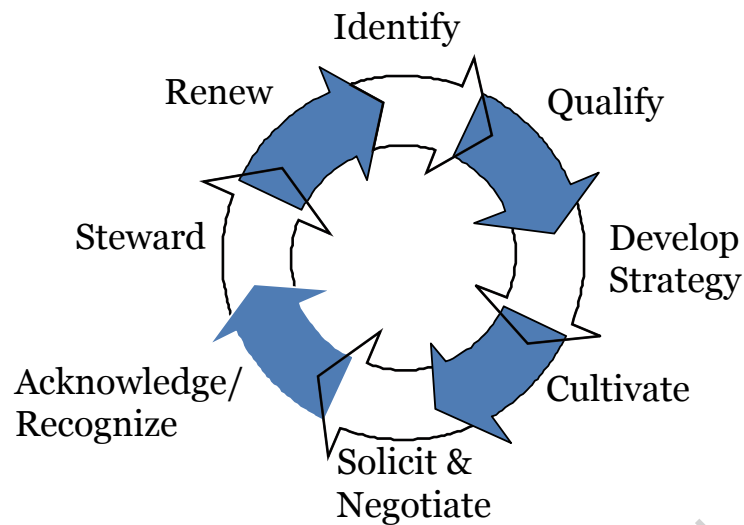
Why this gift amount? Why now?

If you receive this major gift, how will your organization demonstrate that the gift made a difference?

The remaining steps involve acknowledgment and follow-up; stewardship of the funds, which includes accountability, ethical use of funds, and reporting; and renewal. As can be seen, the major gift process is a management process and is cyclical. Individual major gifts may take any length of time, from six months to three years, depending on the size of gift and the readiness of the donor to give and the organization to manage the gift.



The Eight Step Major Gift Management Cycle



Stewardship is the guiding principle in philanthropic fundraising. It is defined as the philosophy and means by which an institution exercises ethical accountability in the use of contributed resources and the philosophy and means by which a donor exercises responsibility in the voluntary use of resources.

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The Three Stages of Development

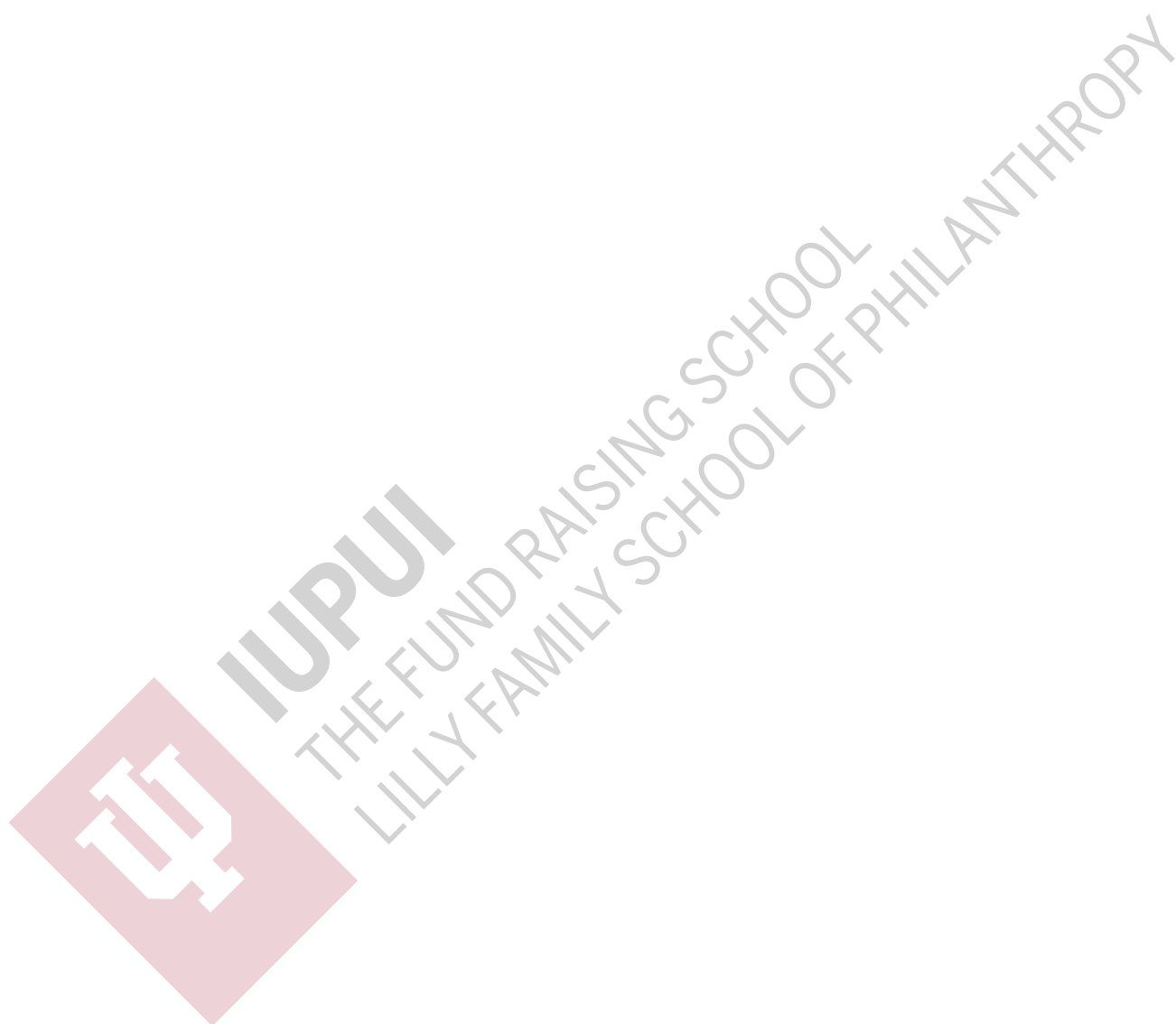
Formative Normative Integrative

<i>Who</i>	Vendor	Facilitator	Strategist
<i>Skills</i>	Sell	Cultivate	Philanthropic relationship
<i>What</i>	Product	Relationships	Growth Partnerships Relationships
<i>Results</i>	Making a Sale	Building relationships	Assuring continued growth and satisfaction



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CHAPTER TWO

ETHICS IN MAJOR GIFTS FUNDRAISING

ETHICAL FRAMEWORKS FOR FUNDRAISING

Eugene R. Tempel
Founding Dean Emeritus
Indiana University Lilly Family School of Philanthropy

Why do the actions of a few impact so many? This is one of the key questions that resulted from the study of U.S.'s fundraisers (Duronio and Tempel). Fundraisers are concerned about the ethics of their colleagues. The answer to this question lies in public expectations of the nonprofit sector. We, in the nonprofit sector, are held to a higher level of trust than our colleagues in the for-profit sector. And the Association for Fundraising Professionals (AFP) code of ethics challenges its members to accept responsibility, not only for their own behavior, but the behavior of their institutions as well, in areas such as stewardship, accountability, and confidentiality.

As fundraising practitioners work toward professional status, both technical and ethical standards are essential. Most of this volume deals with the rationale for, and technical aspects of, fundraising. This chapter deals with the ethical aspects. The ethical practice of philanthropic fundraising is essential to both the continued development of philanthropy through increased public confidence and trust and the professionalization of fundraising as a field of practice.

America was in a crisis of trust at the end of the twentieth century. Only 57 percent of those surveyed in a national study indicated they trusted or trusted highly private higher education, the highest level of trust in any American institution. The numbers for healthcare were 39 percent, while private and community foundations were 31.6 percent. Only 15.8 percent indicated they trusted or trusted highly Congress (INDEPENDENT SECTOR).

INDEPENDENT SECTOR challenges those who work in the nonprofit sector: "Those who presume to serve the public good must assume the public trust (INDEPENDENT SECTOR). Interestingly, trust in government has risen since the events of September 11, 2001. A study of college students indicated that 60% of college students trusted the federal government to "do the right thing" compared to 36% a year ago (The Harvard Institute on Politics).

The events of September 11, 2001 illustrate the role and scope of the nonprofit sector as well. And those events heightened the notion of accountability and trust as the media and the public call for reports on how funds were being distributed, critiqued major nonprofit organizations for not distributing funds quickly enough and challenged the Red Cross of America on its use of the Liberty Fund.

The events that catch our attention today are similar to those outlined in *Achieving Excellence*:

1. Fundraising can be accomplished less and less on a “business as usual” basis.
2. The challenge to many fundraising habits comes from changes in nonprofit organizations themselves, from changes in the public’s assumptions about nonprofits, and from technological shifts in how fundraising is done.
3. Being responsive to changing circumstances and conditions leads nonprofit leaders and managers to consider moral issues that pertain to their organizations (Fogal, p. 265).

Ethics is one of the key elements in making a group of practitioners a profession. Carbone evaluated fundraising according to six criteria commonly accepted as essential to a profession: 1) autonomy, 2) systematic knowledge, 3) self-regulation, 4) commitment and identification, 5) altruism and dedication to service, and 6) ethics and sanctions (Carbone). Fundraisers are moving toward a profession having made significant progress on these six criteria. The majority of fundraisers are committed both to their organizations and to their careers. Fundraisers are more generous with their resources and time than other citizens. Fundraisers are concerned about the ethical behavior of other fundraisers. And AFP has in place a process for sanctioning members who violate the code of ethics (Duronio and Tempel).

A profession is built upon the notion of service to others and the trust that comes from a commitment to place the interest of clients above self interest. Pribbenow argues that as a profession, fundraising must focus on serving the public good rather than attempt to define itself in terms related to other professions (Pribbenow). Service to the public good ensures trust. Trust is built on the practitioner’s performance with both technical and ethical proficiency.

There is a larger knowledge base to help us develop proficiency in both arenas. Scholars have attempted to assist fundraisers faced with ethical problems and ethical dilemmas. This chapter is an expansion of Chapter Four in *Principles and Techniques of Fundraising* (The Fund Raising School, 2001). It provides a framework for dealing with the ethical questions faced by fundraisers and their nonprofit organizations.

As fundraising executives, leaders, and managers, each of us has a responsibility to be informed and to think carefully and critically about the ethical standards and ethical issues which are essential to the health of the nonprofit sector and philanthropy. We also must be able to teach colleagues and donors about ethical issues. These issues are critical to the nonprofit organizations that carry out the work of the sector, and to the fundraisers who help those organizations acquire their resources.

There are standards covered later in the chapter that can help guide us in ethical practice. But most ethical issues are not as simple as a series of “do’s and don’ts” that can be

memorized and uniformly applied. Ethical issues require us to develop broad frameworks, principles through which best choices can be made. Robert Payton, former director of the Center on Philanthropy at Indiana University, has said, “There are no ethical answers; there are only ethical questions.” Therefore, as practicing fundraisers aspiring to be professional in our work to enhance the public trust, we need to educate ourselves about the ethical questions in our profession so we can make the best choices when confronted with them.

Ethical standards can help us initially decide on a number of issues which are clearly unethical. The Code of Ethics of the Association of Fundraising Professionals provides such guidance. So do the codes of the Association of Healthcare Philanthropy, CASE and others. They provide excellent foundations for ethical practice. But they will not provide all the answers. Most decisions are not as simple as following rules. Therefore, we must prepare ourselves to function in an ethical context, where concern for meeting public and professional expectations as fully as possible is always our primary focus.

Some years ago, when Robert Payton was still an executive with the Exxon Education Foundation, he asked fundraisers the question, “Do we live for philanthropy or do we live off philanthropy?” Professional fundraising executives must keep this question before them constantly. Personal gain is the first vulnerable point of public trust. Section 501(c)(3) of the Internal Revenue Code (The Code), which provides for the establishment of nonprofit organizations, defines criteria for those eligible for charitable contributions:

“Corporations, and any community chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office (US Tax Code On-line, 2001).”

As fundraising executives, we must be cognizant especially of the “nondistribution” clause: “...no part of the net earnings of which inures to the benefit of any private shareholder or individual...”

The nondistribution clause requires nonprofit organizations and those associated with them to commit themselves to the public good. It is the foundation for the establishment of trust between donors and organizations. As professional fundraising executives, we have a legal and ethical responsibility to make certain that we, and all others associated with our organizations, do not benefit personally from the funds that are contributed to the organization.

This does not mean we should not be paid fairly and equitably for our work. It does mean that we do not accept commissions on gifts. It does mean that we do not accept

personal gifts from donors. It does mean that salaries must be commensurate with public expectations. It does mean that board members should not have competitive advantage in bidding for business with the organization. So important is the nondistribution clause to the issue of trust that associations representing professionals and organizations in the nonprofit sector worked together to pass legislation known as “intermediate sanctions” to aid the sector in the self regulation and to provide the IRS with penalties it can impose for excessive benefit and inside dealing (INDEPENDENT SECTOR).

What distinguishes the professional from the technician may be trustworthiness. The professional is conscientious about putting the interests of the client first. Because we work on behalf of nonprofit organizations, we must have fidelity to their missions. We must earn the trust of the organizations that employ us. Finally, we have an obligation to understand the larger mission of the nonprofit sector, to understand the role of philanthropy generally, not just our own organization, because the donor and the organization function in the larger environment of the nonprofit or philanthropic sector. Understanding the mission of the sector helps us view philanthropy from the donor’s perspective. Increasingly fundraisers will be called upon to assist donors with philanthropy in ways other than to their own organizations (Tempel and Beem).

These issues of professionalism raise such broad questions as the following:

- What is the role of trust in our development as fundraising professionals?
 - What are the burdens placed on us as fundraising practitioners by the “non-distribution clause” in Section 501(c)(3) of the code?
 - As fundraising practitioners, who is our client: the donor or the organization?
 - In every transaction, what are the intents of the donor and what are the intents of the organization?
 - How can we, as fundraising professionals, protect and maintain our integrity as “boundary spanners” between donors and organizations?
 - How do we manage the tensions that arise as fundraisers working for organizations assist donors expand their philanthropy?
- (The Fund Raising School, 2001)

In some circumstances, these and other questions are easy to answer because there is a clear-cut, best choice. But when there is conflict between two goods or the appearance of conflict between two goods, the questions become more difficult to answer as in the typical tainted money questions: If money obtained under less than honorable circumstances is offered for your worthy cause, should it be accepted? Does accepting it compromise your organization’s integrity while it provides some public good? Does accepting it add legitimacy to the source of the money? Does denying it enhance your organization’s integrity while denying fulfillment of some public need?

Payton's statement that there are only ethical questions echoes a number of other writers — Josephson, Anderson, Fischer — who agree that ethics in fundraising is complex. Philosophers like Kant suggested there were in fact, right answers. But Kant's categorical imperative suggests that ethical theories and dilemmas are often difficult to assess at the level of practice.

Anderson refers to this approach as *formalism*. And formalism will take us a certain distance. In fact some ethical matters can be decided based on minimum standards such as codes of ethics. But those situations in which there are competing goods require a more complex decision-making process. Both Josephson and Anderson refer to this as *consequentialism*. The question for fundraisers is "What will be best for the greatest number of constituents in the long run?" The ethical conflicts we face as fundraisers can be reconciled through sets of values, beliefs, and commitments against which we can judge our actions.

What lies behind ethics? A set of values and beliefs that lead us to trust the decisions that are made, that lead us to form expectations about the actions of others. The Josephson Institute has surveyed more than 10,000 individuals to define the values that are important to an ethical or virtuous person. *Making Ethical Decisions* is grounded in the advocacy of 10 major ethical values which form the basis for ethical decision making. Josephson's 10 values are

- Honesty
- Integrity
- Promise-Keeping
- Loyalty/Fidelity
- Fairness
- Concern for Others
- Respect for Others
- Law-Abidingness/Civic Duty
- Pursuit of Excellence
- Personal Accountability

Anderson developed a similar list:

- Respect
 - Individual autonomy
 - Personal privacy
 - Non-maleficence
- Trust
 - Truth-telling
 - Promise-keeping
 - Accountability
 - Fairness
 - Fidelity of purpose
- Beneficence
 - Public good
 - Charitable intent

INDEPENDENT SECTOR outlined nine commitments that mirror the ethical values listed by Anderson and Josephson. These commitments are proposed as essential to those who are associated with the nonprofit and philanthropic sectors.

- **Commitment beyond self** is at the core of a civil society;
- **Obedience to the laws**, including those governing tax-exempt philanthropic and voluntary organizations, is a fundamental responsibility of stewardship;
- **Commitment beyond the law**, to obedience to the unenforceable, is the higher obligation of leaders of philanthropic and voluntary organizations;
- **Commitment to the public good** requires those who presume to serve the public good to assume a public trust;
- **Respect for the worth and dignity of individuals** is a special leadership responsibility of philanthropic and voluntary organizations;
- **Tolerance, diversity, and social justice** reflect the independent sector's rich heritage and the essential protections afforded it;
- **Accountability to the public** is a fundamental responsibility of public benefit organizations;
- **Openness and honesty** in reporting, fundraising, and relationships with all constituencies are essential behaviors for organizations which seek and use public or private funds and which purport to serve public purposes;
- **Prudent application of resources** is a concomitant of public trust.

INDEPENDENT SECTOR proposes that all of us working in nonprofit, public benefit organizations must integrate these nine commitments directly into our work. This certainly holds true for fundraising.

These values and commitments apply to our behavior as fundraisers and to the various codes of ethics we include in the Appendices. In fact, when Peg Duronio asked participants in her study of fundraisers what they admired most about their ideal colleague, the overwhelming response was "integrity" (Duronio and Tempel).

We must be honest in our dealings with donors and organizations. Our behavior must be dependable. And we must be true to our word. And to earn integrity, we must carry out our work in ways that represent our organizations and our colleagues best. We must keep the promises we make to donors when we accept gifts. We must be loyal to both the organization and the donor. Our negotiations must be fair to both the organization and the donor. We must demonstrate concern for the donor as an individual or entity and have genuine respect for donors rather than envy their resources or view them as objects to be manipulated for our gain.

We must not only abide by the laws but demonstrate our own civic and philanthropic responsibility as well. We have a responsibility to be the best that we can be as professionals in carrying out our work. And we must be personally accountable for our actions and the actions of our "clients." While we can agree to the set of obligations that

Josephson's values promote, it is conflict among these values that requires complex decision-making.

What does the professional fundraiser do (personal accountability) when the organization (loyalty-fidelity) decides to use funds given for one purpose by a donor (promise keeping, integrity, honesty) for another purpose?

Josephson recommends three steps for considering ethical conflicts:

- I. All decisions must take into account and reflect a concern for the interests and well-being of all shareholders.
- II. Ethical values and principles ALWAYS take precedence over nonethical ones.
- III. It is ethically proper to violate an ethical principle only when it is CLEARLY NECESSARY TO ADVANCE ANOTHER TRUE ETHICAL PRINCIPLE, WHICH ACCORDING TO THE DECISION-MAKER'S CONSCIENCE, WILL PRODUCE THE GREATEST BALANCE OF GOOD IN THE LONG RUN.

Fischer has outlined a similar approach. She poses questions around three broad themes: organizational mission, relationships, and personal integrity.

INDEPENDENT SECTOR outlines three tiers of actions. First, some actions are clearly illegal. Our decisions about these are very clear. Second, some things are clearly unethical. Decisions about these actions are also fairly easy to make using codes of ethics. Third, there are what INDEPENDENT SECTOR calls *ethical dilemmas*. Decisions about ethical dilemmas resemble the Josephson Institute's model, and Anderson's discussion where there are competing goods or conflicting values.

INDEPENDENT SECTOR recommends evaluating these choices in terms of the commitments beyond self.

INDEPENDENT SECTOR provides examples of actions involving all three levels:

- Example of an illegal act: The organization's copying and fax machines are used routinely by a friendly candidate for public office. Why is this illegal?
- Example of an unethical behavior: In lieu of salary, the staff director prefers receiving a percentage of all funds raised. Why is this unethical?
- Example of an ethical dilemma: The all-volunteer organization recognizes that hiring its first executive director will absorb all the money on hand and in sight. Half of the board argues that all the time and money will go to support the position with nothing left for programs, and the other half says it's a necessary investment in future growth. What should they do?

Josephson's model provides us a framework for getting to a best answer.

The ethical dilemma proposed here is not unlike a choice that fundraising executives confront on an annual basis. A new investment in fundraising leaves less money for

programs. On the other hand, new investments in fundraising eventually produce additional dollars for programs. Under what circumstances does the future potential outweigh the current loss? What other ethical values come into play when this decision is made? Who are the key stakeholders?

Robert Payton designed an ethics cube to outline the categories of ethical dilemmas fundraisers face. The top and bottom of the ethics cube contain the words: "Individual" (here meaning the fundraiser) and "Organization," respectively. The four sides of the cube contain the words: "Competence," "Language," "Relations," and "Mission."

The first ethical tension that fundraising executives must mediate is the potential conflict between themselves as individuals and the organization. Fundraising executives must examine their motives constantly to make certain that they are not acting in their own self-interest but rather in the interests of the organization.

At the same time, fundraising executives have a right to expect the organization to treat them as professionals. Issues of compensation, for example, arise from this tension. Fundraising executives have a right to expect fair and adequate compensation, in line with what others in the organization, and similar organizations, are paid. But fundraising executives should not accept percentage compensation because it focuses their work on personal gain rather than organizational benefit.

Another tension arises when fundraisers face the question, "Who is the client?" Is the organization our client, or is the donor our client? We must protect the interests of both.

This heightens the tension between the fundraiser as individual and the organization which employs her or him, a tension as indicated earlier, that is likely to increase in the 21st century.

The client question is a serious one. Mediating between the donor and the organization is the most difficult role the fundraising executive must play. Grounding oneself in ethical values and understanding the tensions that accompany this relationship are important steps in becoming a fundraising professional. We can best prepare ourselves by understanding that both the donor and the organization have rights and interests. We must first understand the boundaries, the parameters of the organization. We must also understand the boundaries of donors in general and the particular boundaries and interests of particular donors. Being honest with both the organization and the donor is the first step in mediating the interest of our organizations and our donors. Maintaining integrity and keeping promises are not possible without honesty about what is possible.

The concept of competence also applies to us as fundraising executives. If we are to be professionals, we must dedicate ourselves to being as competent as we can possibly be. What are the ethical and technical standards that we must learn and implement to become competent professionals? Training to develop technical standards and academic study to help us develop technical expertise are important. However, we must also understand

ethical standards, develop ethical values, and apply standards and ethical values to decision making about ethical dilemmas in fundraising. The concept of competence relates to both Josephson's values and INDEPENDENT SECTOR's commitments. Josephson's values of law abidingness/civic duty, pursuit of excellence and personal accountability apply here. The INDEPENDENT SECTOR values of obedience of the law, commitment beyond the law, accountability to the public, commitment to the public good, and prudent application of resources apply here.

Language is an important aspect of fundraising. The way we talk about our profession and the process of fundraising and philanthropy from individuals, corporations, foundations, and others is important to the dignity of our career processes. We do not refer to donors as "targets." We do not refer to the dignified process of inviting someone to make a gift as "hitting them up." The materials we develop about our organization must also reflect the mission, intentions, and purposes of the organization. We do not use case materials to respond to donor interest with no intention of fulfilling donor interest once the gift is received. The Josephson Institute values of honesty and integrity are appropriate to the concept of language. The INDEPENDENT SECTOR commitment to openness and honesty applies to ethics in language.

The fundraising process is about building relationships. One of the key questions for a fundraising executive is "Who owns the relationship?" We must remember that the relationship we have with the donor exists only because of the organization. The organization owns the relationship. We must ask ourselves constantly who benefits from the relationship. The benefits should accrue only to the organization. The role of trust also is important here. The donor must be able to trust that the fundraising executive will not benefit personally from the relationship. The organization must also be able to trust that the relationship will remain with the organization if the executive leaves.

The Josephson Institute values of promise keeping, loyalty-fidelity, fairness, concern for others, and respect for others help us create an ethics of relationships. The INDEPENDENT SECTOR commitments of respect for the worth and dignity of individuals, a commitment to tolerance and diversity and social justice, help us understand the ethics of relationships. The Rosso phrase often cited in this book, "Fundraising is the servant of philanthropy," applies here.

Fundraising begins with mission. Every organization has a responsibility to understand its rationale for existence as a nonprofit organization. We as fundraising executives must understand that mission and use mission as the means for bringing individuals, corporations, foundations, and others together with the organization based on mutual values and interests. Mission is directed to client needs. Mission is based upon the public good. We have a responsibility to help organizations be true to their missions. All fundraising must be based on mission. The Josephson Institute values of honesty and integrity are applicable here. INDEPENDENT SECTOR's commitment beyond self is an excellent

measure for mission. Mission must be directed externally beyond those who are employed by the organization. INDEPENDENT SECTOR's commitment to the public good is the basis for the concept of mission and provides a basis for forming an ethical understanding of our actions related to mission.

These six concepts provide a framework for bringing together the various aspects of ethical values introduced earlier in this chapter and applying them to the area of greatest tension for fundraisers.

This essay opened with the notion that there are no ethical answers, only ethical questions. As fundraising professionals, we must develop an ability to make ethical decisions to solve ethical dilemmas. However, there are some starting points. Every profession must have a set of ethical standards about which there are no questions. As fundraising executives we might belong to several professional associations which provide us guidance. General codes of ethics are included in the Appendices. A starting point for all fundraising executives is the Code of Ethics and Standards of Practice developed by the AFP. All members of AFP are asked to subscribe to both.

Another useful perspective for fundraising executives is the Donor Bill of Rights. We must remember that the relationships between donors and organizations create certain expectations. If we are to develop the public trust necessary to function as professionals we must have a minimum set of standards that protect donor rights. To remind ourselves of the importance of respecting donors and our responsibilities to them, AFP, CASE, AHP, AAFRC and a number of other organizations have signed a commitment to a Donor Bill of Rights. The sponsoring organizations encourage you to copy the Donor Bill of Rights or to order additional copies from AFP to distribute to others in your organization.

CONCLUSION

A recent *U.S. News and World Report* article described fundraising as a "dance of deceit," where fundraisers and donors are less than honest with each other (Streisand). Elliot provided us guidance on the concept of deception as applied to fundraising. Avoiding deception means telling the whole truth and not allowing either party to reach a conclusion because of something that has not been said. The image of a "dance of deceit" calls for an ethical response by fundraisers and their organizations. It calls also for fundraisers to educate others about the values that motivate philanthropy.

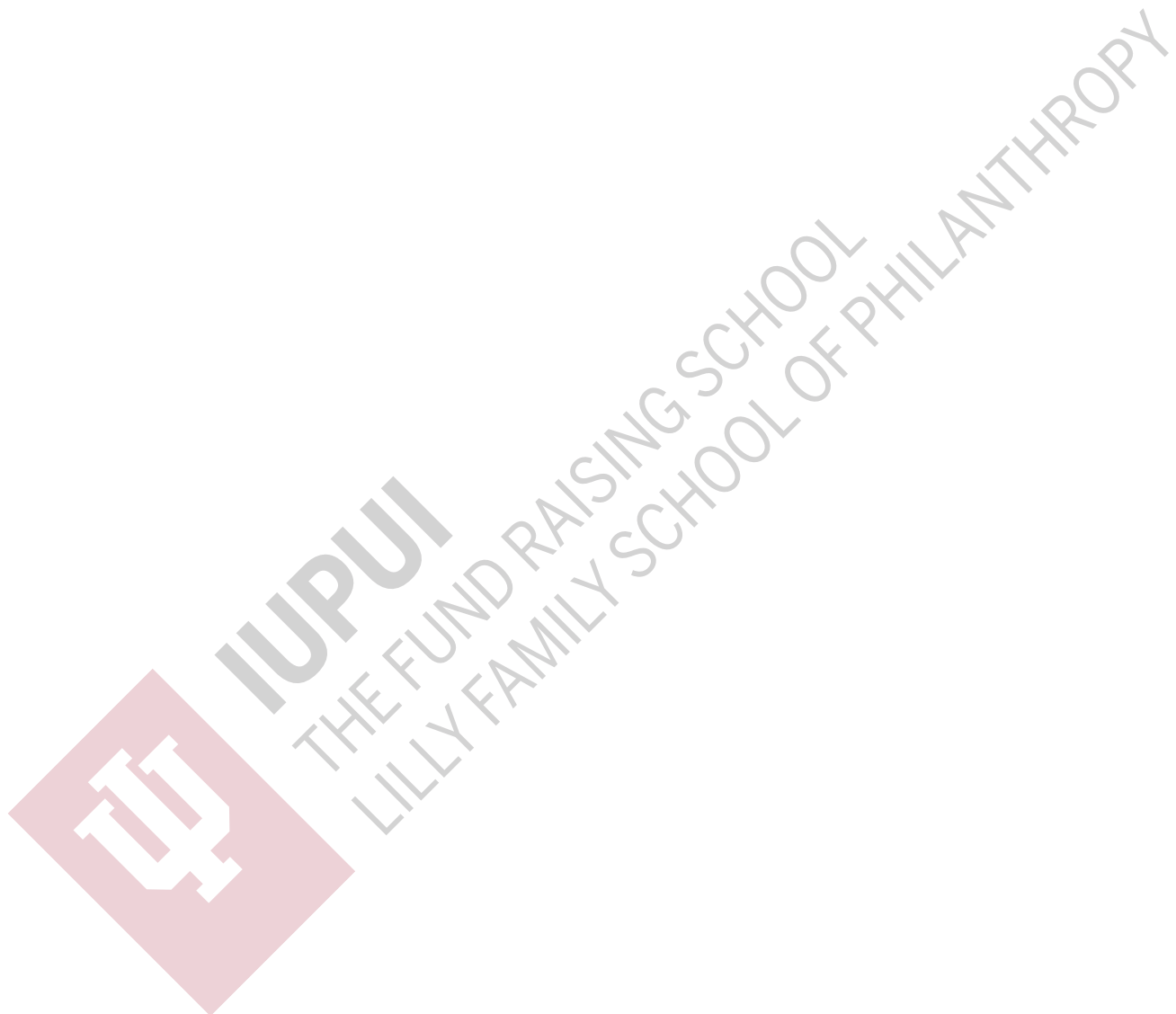
Transparency is the beginning of ethical behavior. Transparency means that organizations open their private organizational processes to public view because they serve the public good and as such they must accept responsibility for the public trust. Transparency will create larger public involvement, create public understanding, and enhance public trust.

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CHAPTER THREE

USING THE ETHICAL DECISION-MAKING CHART

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Fischer, Marilyn Ethical Decision Making in Fund Raising, 2000

Making a good ethical decision rests, in part, on whether one has asked enough good questions. Placing daily decisions in the context of the three ultimate concerns (organizational mission, relationships, personal integrity) is one way of ensuring that enough good questions are asked. After gathering all relevant information, you are ready to use the chart “Ethical Decision Making: Evaluating the Alternatives.” Begin by imagining all possible resolutions for the case. Include both good and obviously unethical alternatives. Analyzing the latter often brings out insights which can apply to less clear-cut solutions.

Now for each alternative, work down the chart. This will help you evaluate the case in terms of the three ultimate concerns. Ask yourself:

Organizational Mission:

1. Does this alternative promote or detract from the organization’s mission? Basic philanthropic values?
2. How does this alternative affect those ultimately receiving the services?

Relationships:

3. Does this alternative strengthen long-term relationship with colleagues, donors, volunteers and community members?

Personal Integrity:

4. In what ways does this alternative help or not help you develop into the person you want to become? How does it strengthen or weaken your own integrity?

There is no equation or formula which if applied correctly, will yield an “ethically correct” decision. Instead, we should think of ethical decision-making as a matter of interweaving ultimate concerns with the facts and considerations of a particular situation. It is always a matter of judgment. For many decisions there may be no one right answer. But there are plenty of wrong ones, and the hope is that after one reflects on the case in terms of the three ultimate concerns the wrongness of the wrong answers will be clear. One will then be able to choose among the others with sensitivity and good judgment.

INSTRUCTIONS: USING THE ETHICAL DECISION-MAKING CHART

After gathering all relevant information, you are ready to use the chart, “Ethical Decision Making: Evaluating the Alternatives.” Begin by writing in a few alternative ways of resolving the case. It is all right to start with alternatives as obvious as “do it” and “don’t do it.” Include alternatives with which you are pretty sure you disagree. Analyzing obviously unethical alternatives often brings out insights that can be applied to less clear-cut solutions...

Now work your way down the chart. For each alternative resolution, ask yourself:

- How does this alternative promote or detract from the organization’s mission?
How does it promote or detract from basic philanthropic values?
- How does this alternative affect long-term relationships with colleagues, donors, volunteers, and community members?
- In what ways does this alternative help or not help me develop into the person I want to become? How does it strengthen or weaken my own integrity?

There is no equation or formula that, if applied correctly, will yield an “ethically correct” decision. This is not a flowchart; you do not insert facts, add values, push a button, and wait for a correct solution to emerge out the other end. Ethics always involves judgment, and people of goodwill often disagree on how to interpret the facts or assess the values of a given situation. For many situations, there may be no one right answer; the ethics may be “gray” in one of the senses discussed above. But there are plenty of wrong answers, and the hope is that after reflection, the wrongness of the wrong answers will be clear. One will then be able to choose among the others with sensitivity and good judgment. If an alternative supports all three basic value commitments, you can be assured that it is ethically sound.

Alternatives	1	2	3	4
Organizational Mission Does this alternative promote or detract from the organization's mission or fundamental purposes? Basic philanthropic values?				
How does this alternative affect those ultimately receiving the services?				
Relationships Does this alternative strengthen long-term relationships with colleagues, donors, volunteers and community members?				
Personal integrity In what ways does this alternative help or not help you develop into the person you want to become? How does it strengthen or weaken your own integrity?				

LARRY JOHNSON

Larry Johnson, director of fundraising for the Community Youth Group (CYG), was bewildered. What started out as a very successful day had turned into a very confusing night.

The city had been beleaguered by an increasing number of crimes committed by neighborhood youth street gangs. Local businesses had been vandalized, elderly residents had been robbed, and more and more citizens feared walking the streets in the evening. Community unrest was growing and city officials were becoming uneasy as elections approached. The CYG board of directors listened to the citizens' pleas for help and felt the pressure from the city council. CYG was committed to counter the growing street gang violence and to lessen the opportunities for younger children to join the street gangs. CYG's response was to construct a new youth recreation center. Similar projects had been very successful in other cities suffering from street gang troubles.

It was estimated that the new center would serve over 3000 youths in the community. CYG hoped the center would provide programs to supplement the children's education, create a positive community atmosphere, and give the children an alternative to the lure of joining the youth street gangs.

Blueprints for the center were drafted and a tentative agreement with a building contractor was reached. The contractor agreed to build the center at cost if the project could begin within a year. This time constraint was demanded by the contractor due to his other job commitments. It was estimated that the center would cost \$1,000,000.

The CYG had a policy that the entire amount needed to fund a building project must be pledged prior to the beginning of construction. Larry Johnson was optimistic that the entire one million dollars could be raised within the one-year period.

After six months the fundraising plan was on schedule with nearly 60 percent of the necessary money pledged. Unfortunately Larry soon discovered that the remaining funds were more difficult to secure. With only a month to go, the project appeared doomed. Larry had exhausted all of the identifiable sources for fundraising and was still \$200,000 short of the goal. The pressure mounted for Larry when the contractor reminded CYG of the agreement that the ground-breaking had to begin within four weeks since the firm had other jobs. Larry began to wonder if the center would ever be built.

Larry received an unexpected telephone call. It was from a local businessman whom Larry had contacted over eight months ago for a contribution. He was a very successful export-import distributor who managed to maintain a relatively low public profile. The businessman sounded quite sympathetic to CYG's need for donations upon first contact. However, as the weeks passed, the businessman always seemed to find a reason to delay meeting with Larry or balked at making any sort of firm pledge to the center's building fund. Repeated efforts in an attempt to obtain a financial pledge from the businessman had exhausted Larry and his staff. A few weeks ago, Larry told his staff: "Let's not waste any more time with him. He obviously will never make a substantial contribution to the center's building fund."

Apparently the businessman had a change of heart. Not only was he interested in contributing to the youth recreation center's building fund, but he pledged the remaining

amount needed to reach its fundraising goal and begin construction of the new center.

After the telephone conversation Larry immediately began to develop plans for a full-scale media campaign announcing the pledge. He was considering a number of possibilities: a shovel-in-hand ground-breaking ceremony, a symbolic oversized check presented by the businessman to CYG with the amount – \$200,000 – prominently displayed, or dedicating the center in the name of the businessman.

In an effort to seek advice concerning the most appropriate media campaign and to share his personal triumph of achieving the goal for the center's building fund, Larry spent the rest of the day on the telephone. As he contacted various city officials, social service organizations, and corporate public relations officers, Larry excitedly shared with them his good news and discussed the alternatives to formally publicize the businessman's \$200,000 contribution to CYG.

After a long and exciting day Larry started to drive home. The events of the day were turning over in his mind. He was so relieved that the problem of acquiring the remaining funds had been resolved that he did not stop to wonder what might have caused the businessman to call today and pledge \$200,000.

That is, until Larry arrived home from work that night. As he sat back in his favorite chair to listen to the six o'clock news, his sense of personal triumph for achieving CYG's fundraising goal abruptly subsided. The top news story that night informed the audience that a local businessman, (the same businessman who earlier that day had pledged \$200,000 to CYG) was shipping pharmaceuticals to third world countries. The reporter announced that she had uncovered numerous boxes of drugs that had been manufactured in the United States but had not been

F.D.A. tested or approved. These boxes were discovered in the businessman's warehouse and were ready for shipment abroad.

Although the selling of these drugs to third world countries is not illegal (since the F.D.A. does not have international jurisdiction), many prominent physicians are critical of such practices. They challenge the selling of unapproved drugs on the grounds of potentially lethal side effects caused by the drug or the possibility of drug dependency.

The reporter outlined how the drugs are sold through a series of dealers so when the drugs reach the needy individuals the price of the drug is dramatically inflated. "Many people are making personal fortunes at the expense of the impoverished, unhealthy victims in third world countries," the reporter commented, "and a local businessman (CYG's contributor) is at the center of these operations."

After hearing the news, Larry wondered what he should do. What should he recommend to CYG regarding the \$200,000 pledge that the center so badly needed?

Institute for Nonprofit Organization Management
University of San Francisco

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Ethical Decision-Making

**IUPUI**THE FUND RAISING SCHOOL
LILLY FAMILY SCHOOL OF PHILANTHROPY

CHAPTER FOUR

THE ORGANIZATION AND MAJOR GIFTS

Institutional readiness and the capacity to manage a major gifts program are important in creating an environment that is hospitable for acquiring major gifts. The organization's leadership must understand the particular characteristics or organizational culture and what might need to be accomplished or what changes need to be made before major gifts are solicited.

Ichak Adizes, an organizational consultant, tracked organizational life cycles and determined they resembled the human life cycle in many ways. Unlike humans, however, an organization can check its position on the cycle and if necessary return to a more positive position that it holds. Applying these theoretical ideas to your organizational understanding will enhance your ability to ask for the right gift of the right prospect for the right cause and at the right time.

Adizes life cycle is explained like this:

- Courtship: the organization is not yet born but exists only as an idea.
- Infancy: there is much support and the organization is not expected to survive without help.
- Go-Go Years: Market-driven times when the demand for services causes growth.
- Adolescence: An organization begins to be concerned about its status and future. A time of turnover and upheaval, yet also a time for strengthening and reaffirming the mission.
- Prime: Energy is high and a strong current of entrepreneurial behavior persists.
- Maturity: This stage is characterized by stability. The goal is to sustain maturity.
- Aristocracy: A feeling of self-satisfaction and inability to do wrong. Excesses may occur and communication breaks down.
- Early Bureaucracy: A function of fear, inability to take responsibility for decisions, lack of trust and teamwork.
- Bureaucracy (decay): The ultimate in negative attitudes such as fear, manipulation and distrust.
- Death: A phase-out that is not deliberate.

Renewal can occur before an organization goes into decline, and often must occur if major gifts are to be sought. Renewal is the product of both stability and change. Renewal is possible through major gifts fundraising because a constant testing of the case for support — the legitimacy and validity of the organization's work — and the motivation and involvement of donors is in itself a renewal process. This is what keeps an organization from descending to Aristocracy and beyond.

Maturity is characterized by empowerment of the board and staff to aid the organization, and sustaining maturity means taking the leadership initiative in all aspects of the integrated development process.

Organizational culture, which is the shared sense of values, the driving force, the vision, the way we do things around here, is critical in guiding day-to-day behavior and in shaping a course of action. Organizational culture is one of the defining elements of where an organization resides on the Adizes cycle. Our constituents perceive the organization's culture and respond to their perceptions. Therefore we need to define our organizational culture so that we can determine how ready our organization is for seeking major gifts.

The elements of organizational culture include values, role models, rituals, celebrations, and institutional history (and storytellers). Awareness of what external perceptions of our organizational culture exist is vital to consider before approaching major gift donors, but we must also be able to read organizational culture from the inside.

There are times when, after assessing the status of the organization on the Adizes cycle and determining organizational culture, change has to be put into effect. Although some people thrive on change (and may indeed desire change for the sake of change) most people resist change. They engage in many activities in order to thwart change. The astute fundraising professional will consider what needs to be changed in order for the organization to ask for major gifts, what prevents change from occurring, and how to remove roadblocks to change.



ASSESSMENT OF ORGANIZATIONAL BELIEFS AND ATTITUDES ABOUT MAJOR GIFTS

Read the statements below and rate yourself by writing “yes” or “no” in the space provided. This is a checklist for you, so that you can determine your organization’s corporate culture and its readiness and capability for seeking and managing major gifts. There is no definite number of “yes” or “no” responses that you should aim to attain. Each response should be evaluated in terms of what is in place that supports major gift efforts, or what still needs to be done in developing a corporate culture that is amenable to major gifts programs. At the close of the questionnaire, you may wish to write notes on your reflections regarding your organization’s corporate culture and use these later in the course, and in your work, as you plan and implement a plan.

- ___ 1. Fundraising is a way for others to join in the fulfillment of the mission of your organization.
- ___ 2. Prospective donors respond to crises and urgent need.
- ___ 3. Fundraising offers people an opportunity to participate in something bigger than themselves.
- ___ 4. Securing a commitment of a major gift takes involvement, time, and perhaps a “no” or two.
- ___ 5. Donors make major gift decisions only on financial considerations.
- ___ 6. Donors recognize that major gifts do not always result directly in reaching personal goals.
- ___ 7. My organization has a credible history of discernible service.
- ___ 8. Donors achieve high levels of self-actualization through major gifts.
- ___ 9. Most decisions to give are spontaneous and made without consultation.
- ___ 10. My organization’s work meets a societal need clearly recognized by others outside the organization.
- ___ 11. The community clearly profits from the work of my organization.
- ___ 12. Prospective donors perceive how they can make a difference in meeting a need.
- ___ 13. Fundraising is begging and stems from organizational weakness.

- ____ 14. Effective fundraising emphasizes the needs of the organization rather than the needs of prospective donors.
- ____ 15. Donors seek primarily high levels of recognition for their major gifts.
- ____ 16. It's difficult to identify how my organization provides benefits to the community.
- ____ 17. My organization's work is so complex that professionals are the only effective spokespersons.
- ____ 18. The nonprofit organization is more important than the people it serves.

Adapted from A Self-Assessment of My Inner Game Attitudes, The Russ Reid Co. and Paul V. Edwards.



ASSESSING YOUR ORGANIZATIONAL READINESS

The following components of a fundraising program should be in place and functioning successfully before your organization begins asking for major gifts. Rate your organizational readiness on the following components, using a scale of 1-5, with 5 indicating the best degree of competence and readiness. In the right hand column make note of what you think must be “fixed,” added, developed, or changed.

Fundraising component	Rating	Notes
The leadership of the organization is supportive of major gift acquisition		
A case for major gift development has been formulated		
Case expressions have been prepared for major gifts		
A goal for major gifts has been set		
A gift range chart has been developed to determine the number of prospects needed for major gifts		
An appropriate budget has been prepared for a major gifts effort		
A major gift solicitation time line has been established		
The database contains enough prospects for major gifts		
A rating system for major gift prospects has been determined		
Prospect research procedures are in place		
Cultivation ideas have been formulated; these have been determined to be feasible for the organization and its personnel to implement.		
Appropriate rating forms have been developed		

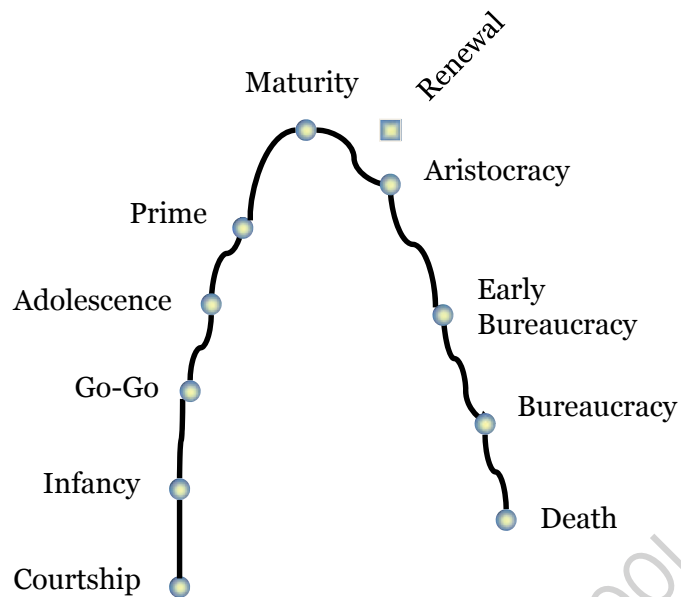
Database management is functioning well		
Appropriate software exists to handle the database		
Volunteers are available and trained for participation in major gift solicitation		
Reporting forms have been developed and volunteers are trained in their use		
Reporting procedures are functioning well		



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The Adizes Life Cycle



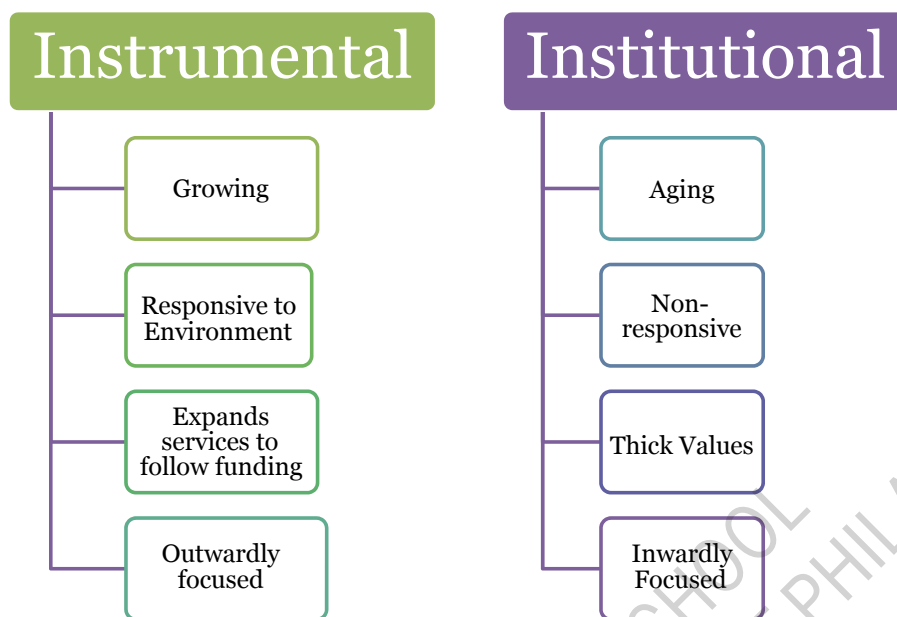
Source: Adizes, I. *Corporate Life Cycles*.
Englewood Cliffs, New Jersey: Prentice Hall



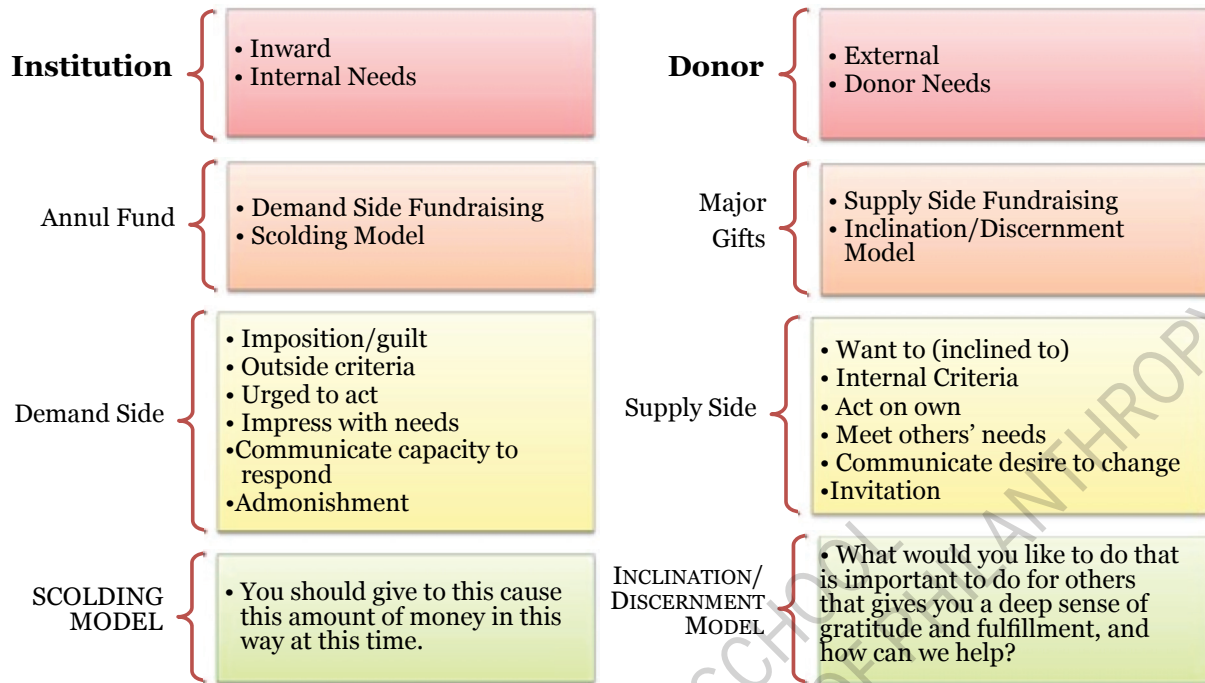
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Organizational Implications

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Organizational Focus


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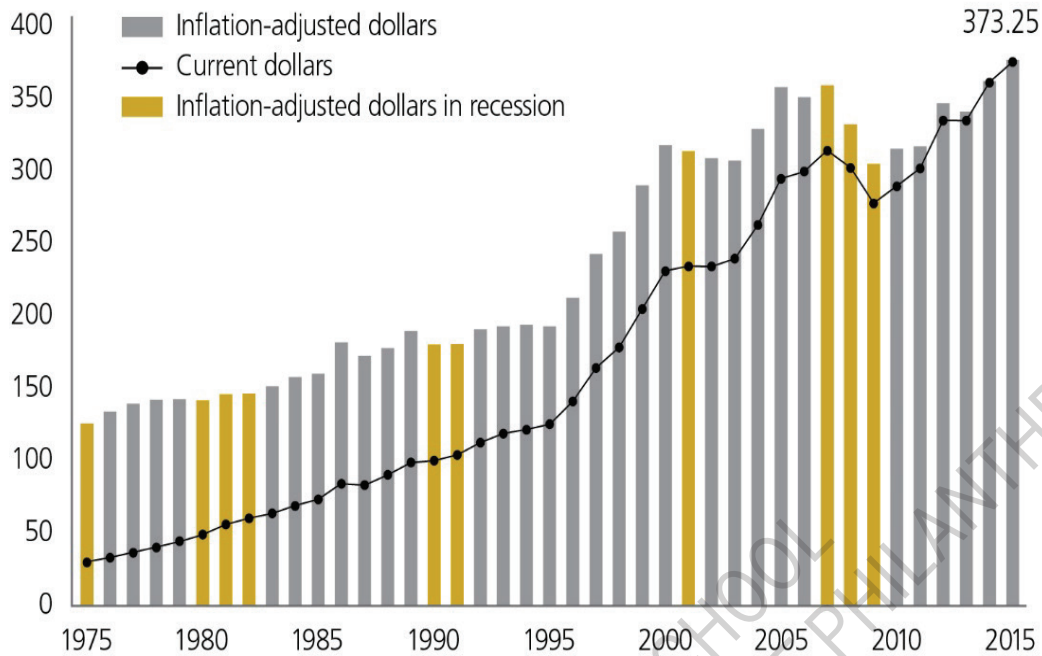
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Predictors of Charitable Giving

- S & P 500 - as assets rise, so does philanthropy (Wealth)
- Personal Income - growth in household income results in growth in philanthropy
- Charitable Giving - previous giving typically predicts future giving

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Trends in total giving 1975-2015



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SOURCE: Giving USA Foundation | GIVING USA 2016

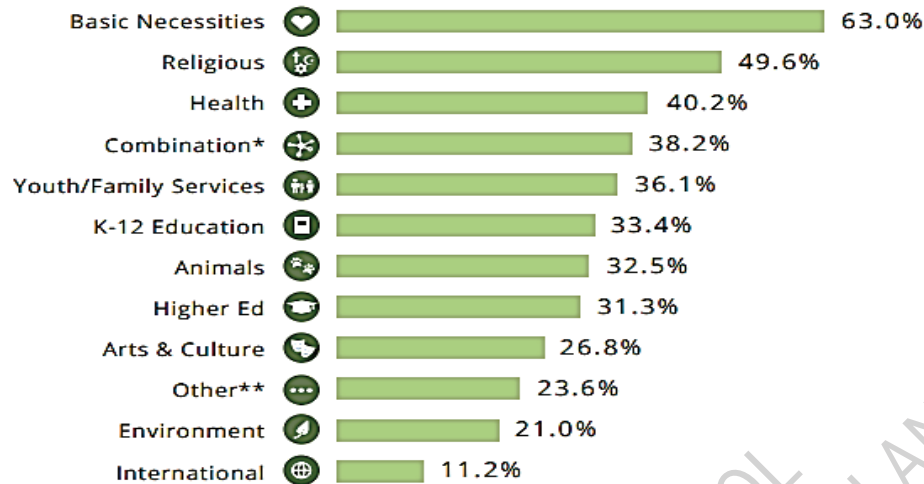


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High Net Worth Giving

HIGH NET WORTH HOUSEHOLDS REPORTING GIVING
TO CHARITABLE CATEGORIES



*Combined organizations include United Way, United Jewish Appeal, Catholic Charities, and community foundations, among others.

**Organizations in the "Other" category include LGBT organizations, veterans affairs, and neighborhood associations, among others.

©2016 Study of High Net Worth
SOURCE: The 2016 US Trust Study of High Net Worth Philanthropy

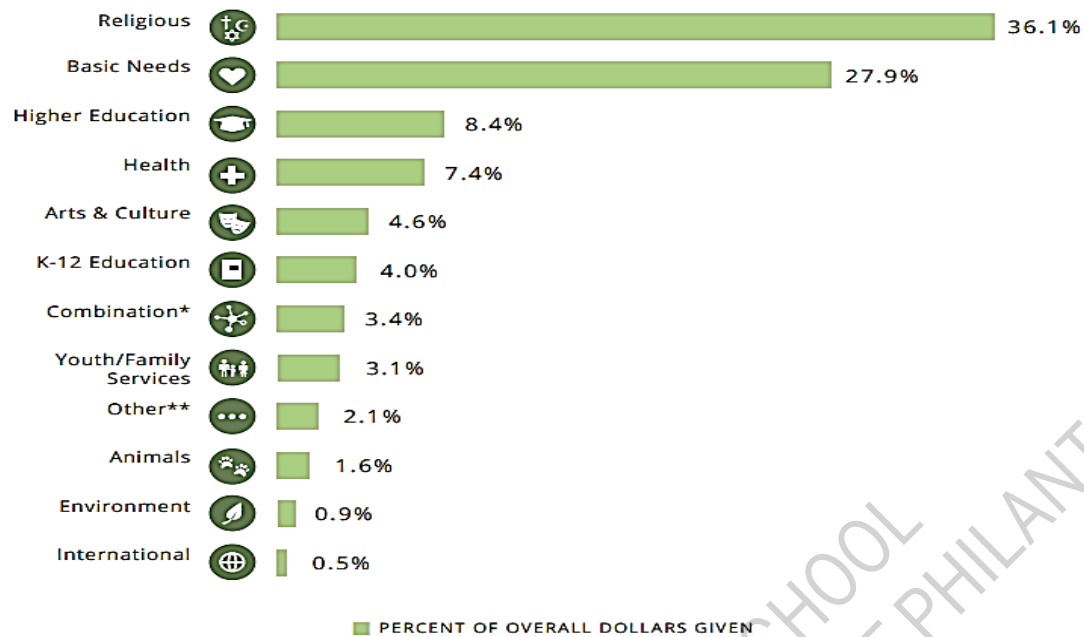


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High Net Worth Wealth

DISTRIBUTION OF HIGH NET WORTH DOLLARS
BY CHARITABLE CATEGORY

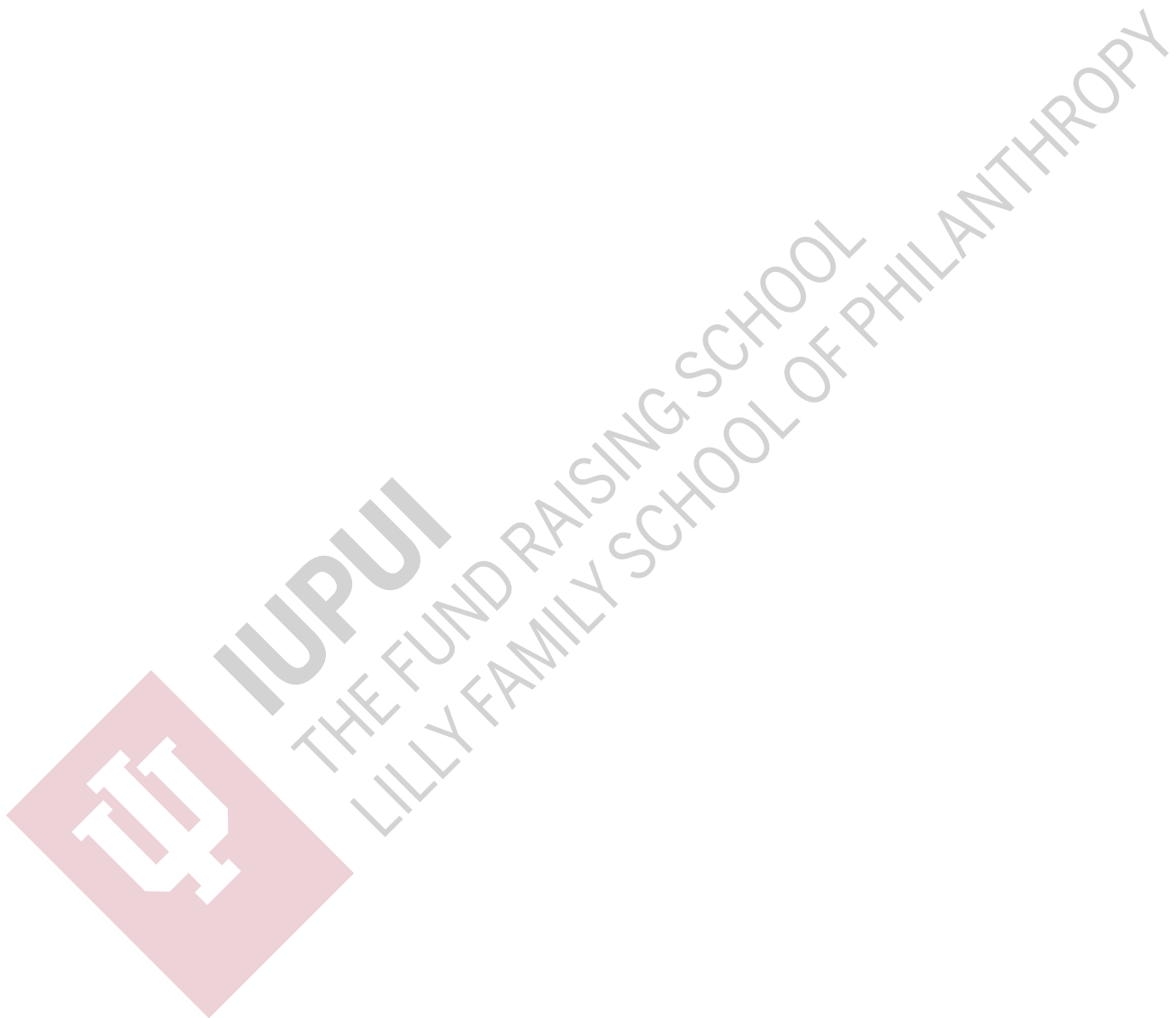


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CHAPTER FIVE

“HEADLINE WRITING” EXERCISE

Exercise: Headline or “Sound Bite”

- a) What newspapers do your board members read? How do they get their news — television, radio?
- b) Imagine getting a copy of the _____ [newspaper] five years from today and reading a headline about one of your agency’s programs or hearing a “sound bite” on network or cable news. That headline or sound bite reflects a tremendous accomplishment of your program – a major change in your community.
- c) Assignment: Write the copy (5 minutes)
 - Should reflect an accomplishment, a major change in the community
 - Do not mention name of your agency in the copy
 - Example: “Teen Pregnancy Rate Cut in Half for Southside Neighborhood, “Girls Graduation Rate Also Up Dramatically”
- d) Tables: Share copy, pick favorite
- e) Debrief: one copy per table
 - Ask after each is read: Can you raise money for that copy?
 - Ask group to consider: What made these headlines or sound bites powerful? Solicit several responses
 - Point out: headlines and news stories are about the future, about making change, can tell a story, about changing lives
- f) **Conclude:** This introduces “case for support.” Making your case is the art of making a powerful argument for funding your organization. Painting a vision for the future is one way of making a powerful case. Most donors want to feel they are solving a problem and changing lives, not just filling a hole full of needs.

The Case for Major Gifts

1. Introduce the basics briefly: Whom you serve, what services you provide, why the services are needed, and the history of your organization.
2. Focus on what makes you different from other groups that provide similar services.
3. Develop personal profiles into stories that feature successful outcomes.
4. Illustrate the impact more funding will have in providing better services.
5. Create a sense of urgency about why more funding is needed now.

Nonprofit Essentials: Major Gifts



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CHAPTER SIX

THE MAJOR GIFTS TEAM

Major gifts fundraising demands leadership — leadership at all levels, from the board chair to the president or executive director to the fundraising professional and to the volunteer. While it is essential for a team to be developed, and all members to be involved, achieving this ideal team may be difficult.

Fundraisers must develop leadership skills and help other members of their team realize how these skills function in the major gifts effort. According to John W. Gardner, founder of Common Cause and Independent Sector, there are nine tasks of leadership. These relate well to volunteer and staff fundraising leadership.

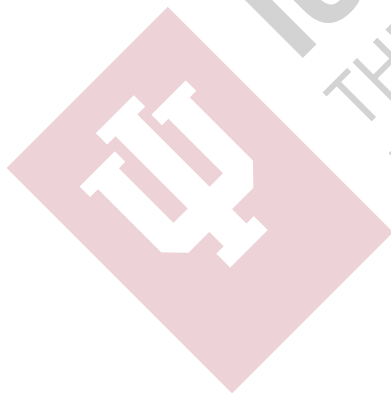
- A. Envisioning goals. Boards and staff need to have long-term goals and capture others in their vision.
- B. Affirming values. Values are basic to the exchange process, and these values must be affirmed to others.
- C. Motivating. Leaders don't motivate people. They find out what motivates people and provide appropriate circumstances for the motivation to take place.
- D. Managing. All good leaders are good managers! However, not all good managers are good leaders.
- E. Achieving a workable level of unity. This includes team building. A leader works toward the best possible level of unity.
- F. Explaining. A leader explains what an organization is all about, including the "why," the "what," and the "how."
- G. Serving as a symbol. We are the organizations which we represent to others.
- H. Representing the group externally. A leader functions as an ambassador.
- I. Renewing. Leaders are characterized in their actions by trust, teamwork, commitment, a sense of opportunity, and enthusiasm.

Leaders must know more than the "how" and the "what;" they must be able to answer the "why." As leaders in fundraising, the team enables people to realize their dreams, provides and shares a vision, and replaces apology for pride in assuming fundraising responsibilities.

The emphasis on a partnership between board and staff underscores the need for modeling leadership by both parties. The effective leader will motivate people to embrace new role demands and will encourage others to shift from status quo to vision, from tradition to innovation, to be proactive instead of reactive, and to think "opportunities" instead of restraints.

Board members and other volunteers must be taught or reminded of the following principles (and often staff may be in the same position of teachability):

- The organization's constituents are a primary consideration in identifying needs and prospects for major gifts. Those who are primary stakeholders of an organization will bring others into a closer relationship with the organization.
- The application of the LAI principles (linkage, ability and interest) to each major gift prospect is important and involves each member of the team.
- The strategies for major gift solicitation must be understood and implemented, but more importantly, the appropriate strategies for major donors must be utilized.
- Values exchange as it relates to nonprofit causes must be understood.
- The organization is responsible for responsiveness to its constituents.
- If people are to become askers/advocates, they must be empowered with the mission of the organization.



CHALLENGES WHEN WORKING WITH VOLUNTEERS

Volunteers lack:

- time to get involved
- knowledge on how to make the “ask”
- clarity regarding the fundraising role before joining the board
- understanding that giving satisfies donors’ needs
- a strategic or development plan to see where they fit into the scheme of things and how important volunteers are to the plan’s success

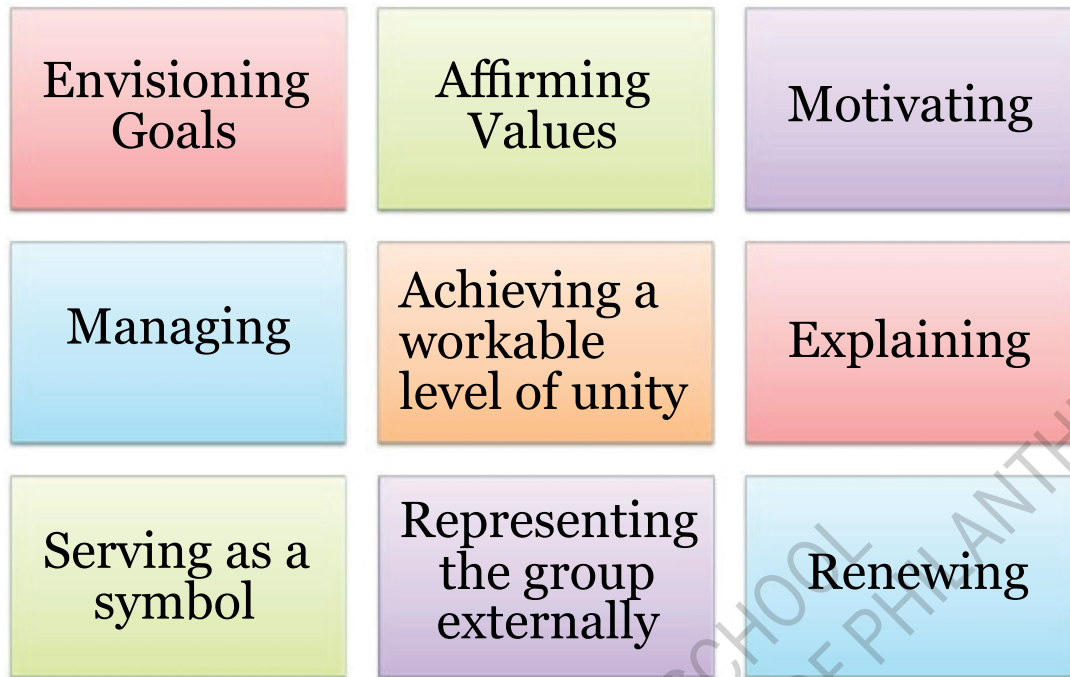
Volunteers also:

- abdicate their fundraising role to the staff
- are asked to perform work too demeaning for their station in life when it involves small tasks
- fear failure
- become unexcited about fundraising strategies due to lack of involvement in the planning
- may be involved in so many causes that they feel it is impossible to raise or give money for each one

New Directions for Philanthropic Fundraising. Vol. 39, *“Exploring the Relationship Between Volunteers and Fundraisers”* San Francisco, CA: Jossey-Bass, Inc., 2003



The Tasks of Leadership

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Board/Staff Teams for Effective Fundraising

Boards

Depend on staff's:

- Fundraising expertise, experience
- Knowledge of volunteer management
- Knowledge of community
- Professionalism
- Ethical behavior
- Sensitivity to board members' needs

Staffs

Depend on board members':

- Belief in mission
- Giving*
- Influence
- Knowledge of prospective donors
- Time, energy to do work
- Asking for gifts
- Pride in accomplishments

*Million Dollar Ready 2013 found an increase in the average board giving is associated with an increase in the number of million-dollar gifts received over the study period



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Knowledge Used by Professional-Volunteer Fundraising Teams

To what degree do you and your volunteer counterpart use these skills and knowledge?

- Prospect Information
- Relationship Building
- Solicitation
- Volunteer Involvement
- Management
- Accountability Requirements

New Directions for Philanthropic Fundraising, Vol. 39, "Exploring the Relationship Between Volunteers and Fundraisers" San Francisco, CA: Jossey-Bass, Inc., 2003



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Practices of Professional-Volunteer Fundraising Teams

To what degree do you and your volunteer counterpart use these skills and knowledge?

- Recruitment/Enlistment
- Orientation
- Training/Learning
- Planning
- Monitoring
- Recognition

New Directions for Philanthropic Fundraising, Vol. 39, "Exploring the Relationship Between Volunteers and Fundraisers" San Francisco, CA: Jossey-Bass, Inc., 2003

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Exercise on Building a Fundraising Team

Answer the following questions from your own perspective as a staff member.

- A. How would you describe the relationship between yourself and the organization's volunteers (including boards and committees) in carrying out fundraising tasks?

- B. How do you prepare yourself to provide leadership and direction for volunteers who may be from a more influential, affluent, socioeconomic stratum than you are?

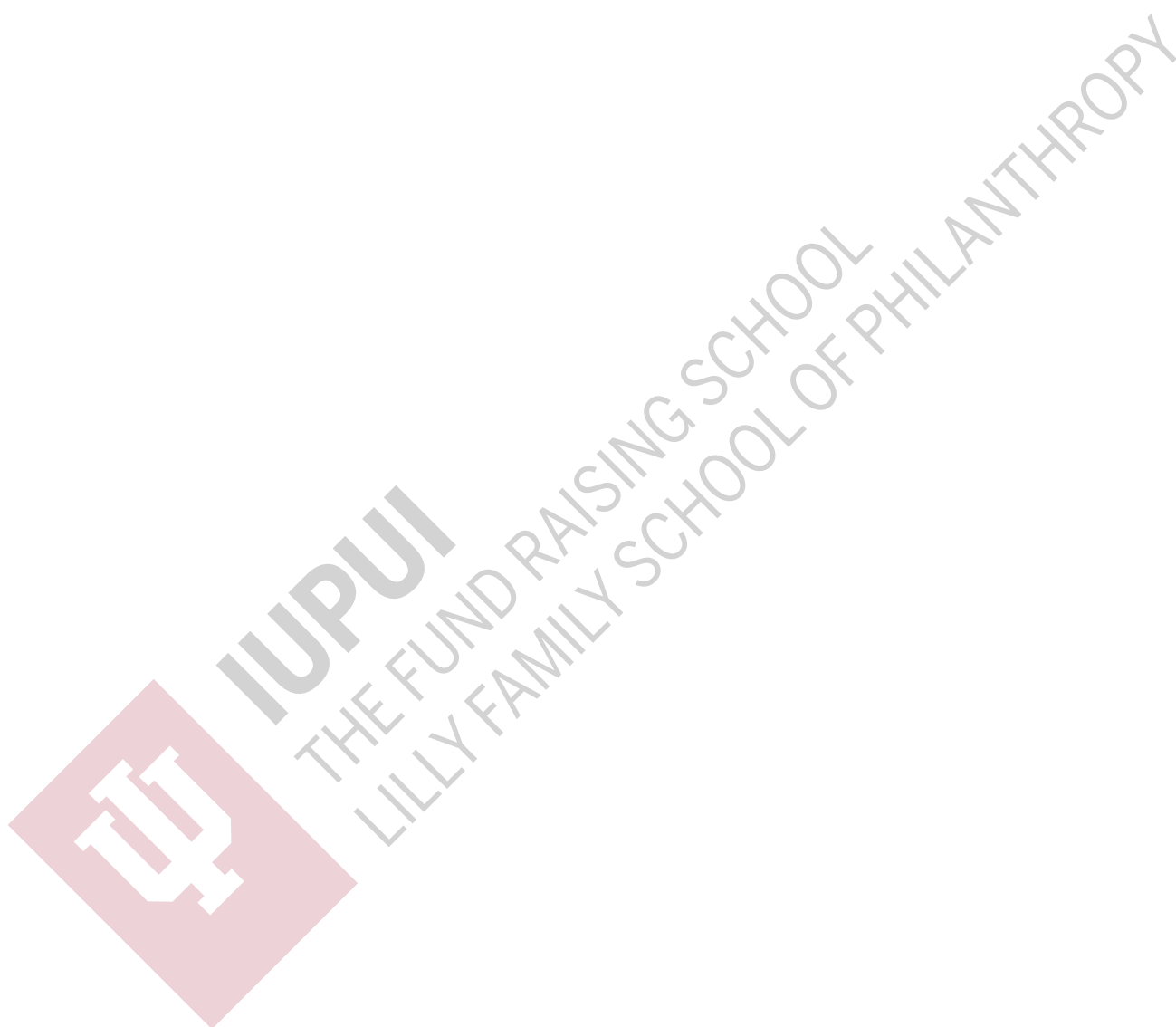
- C. If you do not work directly with trustees and other volunteers in the fundraising process, who is part of your fundraising team? How do you work with them in the fundraising process?

Communication Competence

What does a person have to know
or be able to do to communicate in
a personally effective and socially
appropriate manner

in order to meet our fundraising goals?

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CHAPTER SEVEN

UNDERSTANDING COMMUNICATION STYLE

In this section of the course we will learn what inherent communication behaviors exist and which we exhibit to donors. Communication styles have strengths and weaknesses. As fundraisers, we need to capitalize on our strengths and learn to modify, adapt or change our weaknesses in order for good communication to take place in our donor relations.

There are some general principles of behavior of which we should be aware. Later in the course we will identify your specific behaviors and how you use them for fundraising.

Behavior is a choice. Saying, "That's just the way I am," is only an excuse and often leads to miscommunication or difficulties in relationships. Behavior, however, is affected by environment. When under stress, people may react in ways that are not professional, or don't present them in a professional way. Therefore we acknowledge that behavior is not good or bad. Behavior is either appropriate or inappropriate for a given situation. This is critical because how people perceive us becomes a reality. People decide who we are based on our behavior, how we act and what we say. Their conclusions are based on what they see or hear, and no matter what you tell them or how often you say, "That's not really me," their minds are made up.

Fortunately behavior can be changed over time by either internal or external forces. Some of this change may take coaching or assistance from those closest to us. Other efforts may be internal, using our own will power to make the necessary change.

Psychologists have tried to develop tests that are indicators of our person type-our behaviors in communication and relationships. One of these was developed by an American psychologist named William Moulton Marston, who wished to explain the personalities of ordinary people.

In 1926 Marston published a book entitled *The Emotions of Normal People* and identified four personality factors: dominance, influence, steadiness, and compliance. Initially, his work was used primarily in the military as part of its recruiting process prior to World War II. Over the years, multitudes of researchers and consultants have expanded on his work and, at this point, the DiSC instrument and its various applications have become a cottage industry.

While Marston's work in the development of the DiSC concept is well known, he had other accomplishments as well. He was the inventor of the polygraph. Interestingly, because of his work with the lie detector test, which was based on systolic blood-pressure, Marston was convinced that women were more honest and reliable than men and could work faster and more accurately. In the 1940's, however (Marston's time), women were only portrayed

as tender, submissive, and peace-loving. He believed that girls needed a feminine model that showed force, strength and power, but none was available. As an educational consultant in 1940 for Detective Comics (DC Comics), he found a forum. In December, 1941 (coincidentally, the same time we entered WWII), he debuted a feminine character with all the strength of Superman plus all the allure of a good and beautiful woman —"Wonder Woman."

The DiSC is a useful instrument that identifies the behaviors of the four types: The "D" axis illustrates how the individual solves problems. The higher the "D" the greater the tendency the person will have to make decisions quickly based on available information. The lower the "D" the more inclined the individual will be to gather all relevant detail and base decisions solely on fact. The higher the "D" the quicker the decisions are made; the lower the "D" the slower or more cautious. The "D", therefore, focuses on PROBLEM.

The "i" axis indicates to what extent the individual will reach out and gravitate toward others. The higher the "i" the more enthusiastic, bubbly, and optimistic the person will be with a strong orientation toward people. The lower the "i" the more introverted and technically oriented the person will tend to be. It is not that the lower "i" individual does not like people, but he/she is just not as comfortable with people as with things (numbers, machines, data). The "i" concentrates on PEOPLE.

The "S" axis is indicative of the preference for change, variety, and pace. The higher the "S" the greater the desire for a slower, more relaxed pace. The person will be a supportive, relationship-oriented individual. The lower the "S" the greater the preference for a quick pace and mobility. The higher the "S" the slower the pace; the lower the "S" the faster the pace (how many balls can I juggle in the air at the same time?). The "S" focuses on PACE.

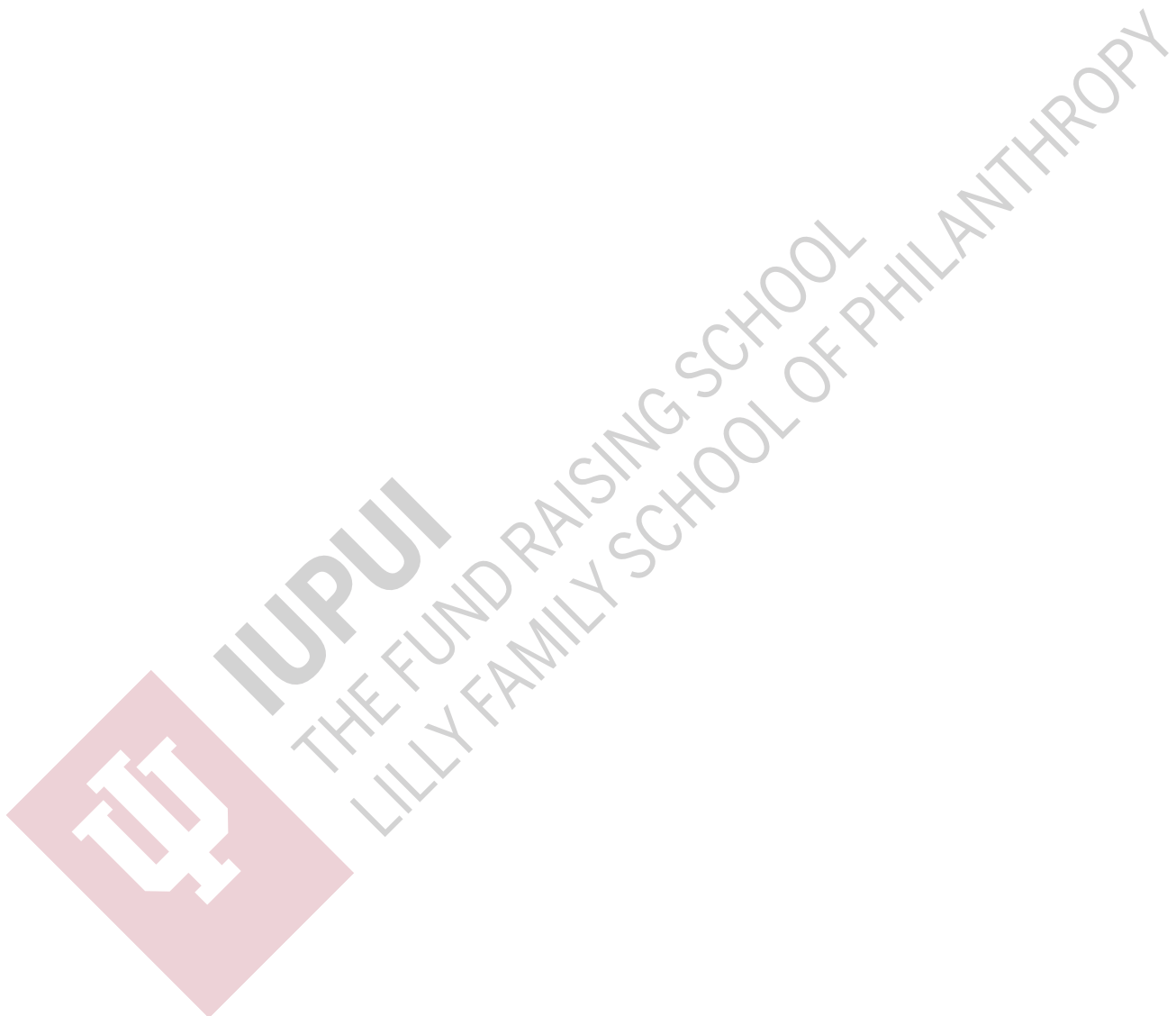
The "C" axis shows to what degree one prefers rules, regulations, policies, and procedures. The higher the "C" the more the person appreciates rules and will adhere to them more readily. The lower the "C" the more the individual will tend to adhere to rules only as the individual understands why. He/she will tend to create his/her own policies (or policies for others). As one participant once described it, for a low C "a stop sign is a suggestion." The "C" concentrates on PROCEDURE.

Other descriptive labels are also frequently used. These are synonymous with the above descriptions and enhance our understanding and recall of the behavior types. For example:

Driver, Dominance
Interpersonal, Expressive
Steadiness, Amiable
Compliance, Analytic

In this section of the course we will delve further into the general principles of behavior and examine the significant characteristics of the four types of communication. We will note the outstanding characteristics of each type.

In order to begin to apply the principles learned so far, we will consider the characteristics of both fundraisers and donors of the four behavior types. A key question is, “How would each type behave when seeking funds or when giving?” During this session you will have the opportunity to begin to identify your own, which will be verified later in the course. For this section, the objective is to understand behaviors and how they affect our communication with donors.



DiSC Quadrants

Active/Fast Pace

Enjoys a faster pace that is bold, assertive, and dynamic

Questioning/Logic Focus

on reason, ideas, or facts

D	i
C	S

Accepting/People Focus

on relationships or feelings

Thoughtful/Moderate Pace

Enjoys a moderate pace that is systematic, calm, and careful



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DiSC Fundraisers

<p>D</p> <p>Will make efficient use of the donor's time Can focus on outcomes to help donor see big picture Can think on his/her feet and quickly respond to donor's questions Can confidently address donor concerns</p> <p>Must be careful to match body language and pace Must be careful not to cut off donor questions, conversation Must focus on listening to donor to really hear the questions</p>	<p>i</p> <p>Will paint a compelling and emotional picture for the donor Can make the conversation enjoyable for the donor Can make the donor feel special Can help the donor find ways to give</p> <p>Must be careful not to do all the talking Must focus on listening to donor Must observe body language</p>
<p>C</p> <p>Will be highly prepared for presentation Will present factual information Will be able to answer technical questions and details Will make sure all points are covered</p> <p>Must be careful not to over explain, go into too much detail Must be able to quickly adapt to planned presentation if necessary Must watch body language and signs of impatience</p>	<p>S</p> <p>Will listen well to the donor's responses and concerns Will give the donor time to think through the issues Will be patient with a lot of questions Will make the donor feel like a part of the solution</p> <p>Must be careful not to over explain, go into too much detail Must be able to quickly adapt to planned presentation if necessary Must watch body language and signs of impatience</p>


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DiSC Donors want

<p>To hear outcomes, ability to achieve goals. the bottom line, not a lot of explanation unless you are asked. Literature must be to the point to spend as little time as possible -- make your point; ask how much time is available</p> <p>Don't try emotional appeals, don't go into long explanations Watch body language for clues Once you get a yes, don't drag out the conversation or ask for repetition</p>	<p>To hear how important he/she is to the cause (recognition) Opportunities to tell his/her story Stories, interesting explanations Literature should be exciting, interesting and colorful - less writing and more pictures</p> <p>Time depends on how much the donor is enjoying the conversation Don't give a canned speech, go into details with lots of facts and figures Watch body language for clues Once you get a yes, close the deal and move onto personal conversation</p>
<p>To hear outcomes and goals To hear that the campaign will be well managed (accuracy) Information about past accomplishments, future plans To see information in writing, details, charts/graphs Literature must be error free</p> <p>Will be patient and give you time - but ask how much time is available Don't rush the presentation or try to rush the decision - but agree to follow up time Don't rely solely on emotional appeal</p>	<p>To hear how others are being helped To hear that the money will be spent on the people (guarantees) To hear how the cause aligns with his/her principles/values To know information about the campaign - process Literature must give adequate information To hear a personal appeal from the fundraiser - 1-on-1</p> <p>Will be patient - but ask how much time is available Don't rush the presentation or try to rush the decision - but agree to follow up time Don't treat the donor like another name to check off the list</p>



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THE DiSC INSTRUMENT — KNOWING YOUR TYPE

The focus of this course is recognizing others' types. The DiSC (Marston's Model, see Chapter Seven) is based on two perceptions: the environment as favorable or unfavorable and the person as more or less powerful than the environment.

An important word in Marston's Model is the word "perception." How we perceive events and circumstances is more important than what those events and circumstances really are because of how we react — how we perceive our environment and ourselves in that environment. Marston's use of the word "environment" referred to everything outside of ourselves — people, events, circumstances, demands of the situation, and even the weather. As Marston researched the mental, emotional and physical reactions of the individual to the environment, he began to see patterns that sorted themselves into four responses. Contemporary research has added another layer to what influences behavior. These are the genetic traits we inherit.

What the DiSC describes is how people behave as they respond to their environment. The whole person, including genetic traits and core personality, responds to the environment. The responses are identified as Dominance, Influence, Steadiness, and Conscientiousness. These are often called surface traits because they are observable.

In Marston's Model, an individual perceives the environment as either favorable or unfavorable. Those who perceive an unfavorable environment see challenges, obstacles and possible pitfalls. Those who perceive a favorable environment see the fun, warmth among people, and the possible successes they will achieve. These responses are neither right nor wrong; they're simply different.

Another aspect of Marston's Model is that we perceive ourselves as more powerful or less powerful than our environment. This is related to how much impact or control we exercise in a situation. Those who see themselves as powerful believe they can achieve their goals by using will or force, or persuasion. Those who see themselves as less powerful believe they can achieve their goals by cooperation or adherence to guidelines. Again, these responses are neither right nor wrong; they're just different.

Therefore the four dimensions and their respective perceptions of self and environment are:

Dimension	Environment	Self
Dominance	Unfavorable	More Powerful
Influence	Favorable	More Powerful
Steadiness	Favorable	Less Powerful
Conscientiousness	Unfavorable	Less Powerful

The value of the DiSC is not so much that we learn how we perceive ourselves and our environment, but that we learn how we feel and behave in various situations. These behaviors will become apparent as you take the DiSC test and relate the traits to not just your behavior but to that of your donors. Perceiving and understanding the behaviors as exhibited by our current and potential donors, particularly in the cultivation and solicitation steps of the process, is crucial to successful interaction and communication.

Behavior can change, be adapted, and be situation-specific. Marston's Model indicates that as perceptions change, behaviors change also. This explains how an individual may behave differently from one situation to another. However, there are consistencies in behavior across a variety of situations which vary little over time and form the basis of who the individual is and what he or she does.

The DiSC is designed to help individuals understand their own dimensions of behavior, learn how their behavior affects their effectiveness, discover their strengths, value differences in others, explore ways to adapt behavior to meet situational needs, enhance individual and team performance, develop a willingness to accept others and adapt to their needs, reduce conflict and stress, and improve communications skills. Most of these DiSC objectives are valuable for the fundraising professional to achieve in donor relations and communication. The summary of behavior types following this chapter can serve as a quick reminder of DiSC types and behaviors.



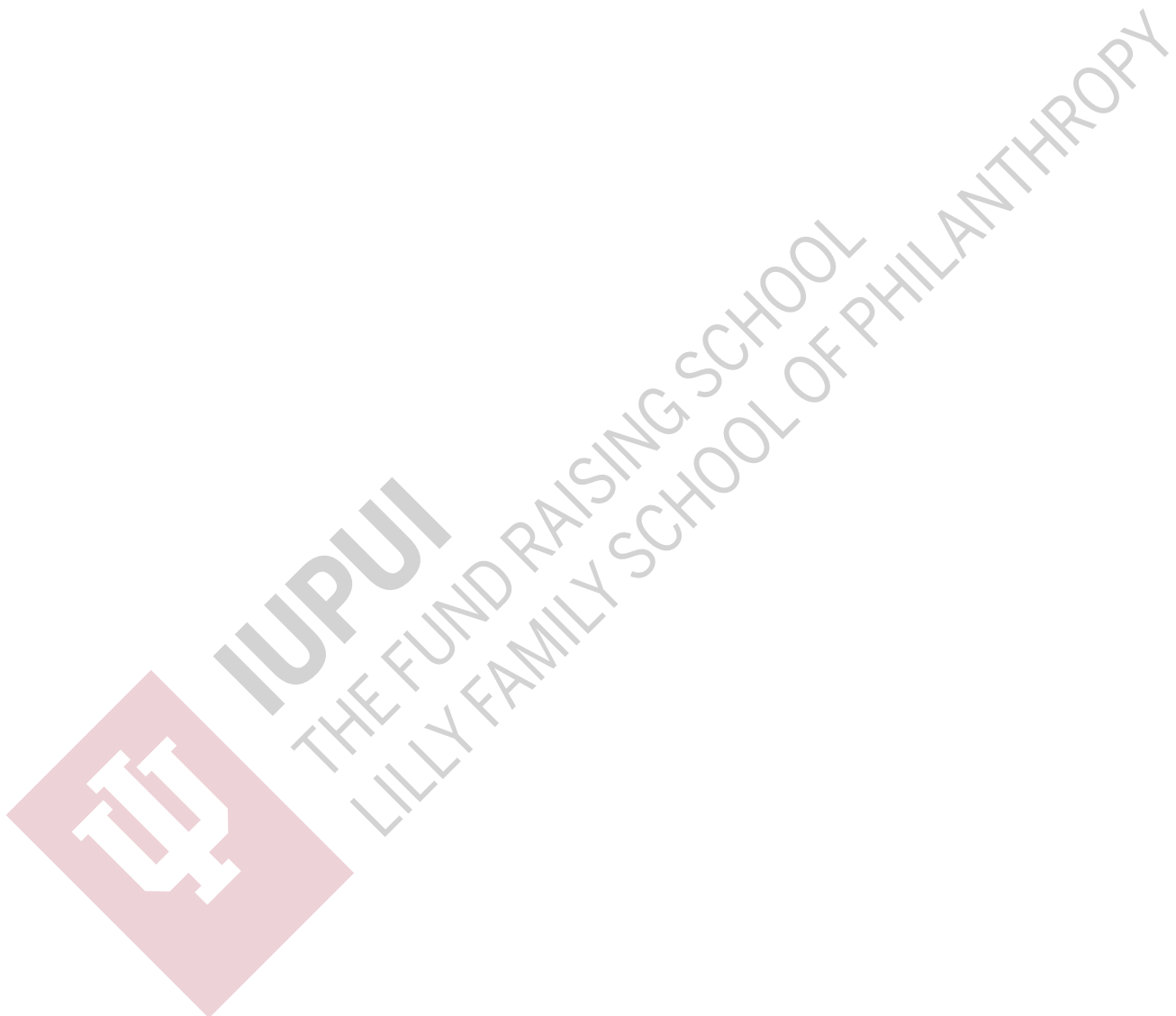
SUMMARY

Behavior Type	Decision Making/ Risk Taking	Change Agent/ Change Resistor	Conflict/Stress	Motivation/ Asset	Body Language/ Communication Style
Driver Dominant TASK THINKER	Decides quickly Little information/input May be quick and impulsive Willing to take risks Visionary Entrepreneurial	Change agent “How can we make this more effective — goal oriented?”	Meets conflict head on Under pressure, autocratic — “volcano syndrome”	“No one has ever done this!” Primary asset is <i>leading</i>	Assertive Fast talker Terse, to the point Seemingly unfeeling Bullet points
Interpersonal Expressive PEOPLE FEELER	Decides quickly May be based on emotions or what is popular Willing to take risks Visionary Entrepreneurial	Change agent “How can we make this more interesting?”	Needs excitement Under pressure, attacks — release is talking	“You’ll get your name in the program!” Primary asset is <i>motivating</i>	Assertive Really fast talker Captivating Can be overwhelming Wants to make it fun
Steadfast Amiable RELATIONSHIP FEELER	Decides more slowly Gathers input from others Decisions often based on needs of others Cautious, needs guarantees of security Historical perspective	Change resistant “How do we know this will work?” “What guarantees do we have?”	Greatest fear is confrontation, anger Under pressure, acquiesces, release is rest and sleep	“And you’ll be working with others on a team!” Primary asset is <i>being supportive</i>	Passive Talks more slowly Good listener Patient Respects space
Compliant Analytical TASK THINKER	Decides more slowly Gathers information and data Decisions are objective and fact based Cautious, must be assured of facts and probable outcomes Historical perspective	Change resistant — depressed in chaos “What data did you use? “How do we know this is right?”	Avoids conflict Under pressure, avoids — release is having private time	“This has to be done right!” Primary asset is <i>being systematic</i>	Passive and controlled Little inflection Makes sure of words Likes charts and graphs

MIX AND MATCH

What if we had a **High D** donor and a **High S** fundraiser? How would the **S** adapt to the **D**?
What if we had a **High i** donor and a **High C** fundraiser? How would the **C** adapt to the **i**?
Conversely, how would a **D** fundraiser adapt to a **S** donor? How would an **i** fundraiser adapt to a **C** donor?

Are there any general guidelines you would give individuals when interacting with behaviors unlike their own?



STRENGTHS AND WEAKNESSES OF THE FOUR STYLES

Your style developed as you learned to cope with life, attempting to keep your tensions at a manageable level.

Dominance:	Determined	Pushy
(Driver)	Tough-minded	Severe
Decisive	Dominating	Harsh
	Efficient	

Manage their tensions best by asserting themselves and maintaining tight control over their emotions. As assertive and self-controlled persons, they make an effort to get their way with people via their assertiveness even while controlling themselves not to show emotion and feelings too readily. They are task-oriented.

Influence:	Personable	Opinionated
(Expressive)	Stimulating	Manipulating
(Interpersonal)	Enthusiastic	Excitable
(Persuader)	Dramatic	Reactive

Manage their tensions best by asserting themselves while relaxing control of their emotions. Being highly assertive and feeling means they are not at all hesitant about making their feelings known. Rather than trying to control their emotions, they are reactive and often impulsive about showing both positive and negative feelings. They place more importance on relationships than on tasks.

Steadiness:	Supportive	Conforming
(Amiable)	Respectful	Retiring
(Relator)	Willing	Noncommittal
	Dependable	Undisciplined
	Personable	Emotional

Manage their tensions best by asking and releasing their emotions. They display their feelings openly, but are less aggressive and assertive and more interested in being supportive and agreeable in their behavior. They combine personal reserve with emotional expression in their relationships. They also place more importance on relationships than on tasks.

Conscientiousness:	Industrious	Uncommunicative
(Analytical)	Persistent	Indecisive
(Compliant)	Serious	Cool
(Conventional)	Vigilant	Exacting
	Orderly	Impersonal

Manage their tensions best by asking and maintaining emotional control. They are perceived as those who ask questions and gather facts in order to examine all sides of a given situation. They place more importance on the details of the task than on relationships.

STRESS

It should be remembered that no style is perfect for all situations. Those outstanding behaviors that result in success *in a compatible climate* are the same characteristics that may become limiting factors in a *stressful, pressured situation*.

Each individual has limitations. We all must understand these possible limitations and be prepared to cope with them, since they tend to surface when they do the most damage.

STYLE	STRENGTHS	UNDER STRESS
Driver/ Dominant	Determined Objective	Domineering Unfeeling
Expressive/ Interpersonal	Enthusiastic Imaginative	Overbearing Unrealistic
Steadfast/ Amiable	Supportive Easygoing	Conforming Permissive
Analytical/ Compliant	Precise Systematic	Nit-picking Inflexible

VERSATILITY

Versatility is defined here as the perceived ability to make other people comfortable by the way you relate to them. It is a key leadership quality for development professionals.

Versatility tends to reflect the degree of social endorsement people receive from others.

Any person's social style can be limited in or excel in versatility. Versatility has no correlation with an individual's social style.

A person is seen as having versatility if they:

- Utilize interpersonal skills;
- Try to meet the needs of others;
- Tend to make people comfortable.

Because fundraising is donor/prospect centered, these skills are critical for success. Versatility is not a stable, unchanging measurement. Rather, it can change from situation to situation.

There are certain types and patterns of behavior that indicate the degree of versatility ascribed to us by others. Some of the most important ones are:

Low Versatility

Shows limited adaptability to meet other's needs

Tends to be a specialist with defined interests

Prefers certainty

Tends to stand on principle

Emphasizes position power

Is consistent in behavior

Tends to be single-minded, purposeful

High Versatility

Shows ability to meet other's needs

Tends to be a generalist with broad interests

Accepts ambiguity

Tends to be negotiable

Emphasizes personal power

Is flexible in behavior

Tends to look at many sides of an issue

VERSATILITY CONSEQUENCES

The following are probable perceptions of people of low versatility in the four social styles:

Conscientiousness:

A tendency to stick to business, use facts and maintain deliberateness in most situations.

A tendency to overuse analysis, conservative thinking, modesty, and standard operating procedures.

Would be more effective with more:

- Willingness to change pace and approach to accommodate others.
- Understanding of the importance of feelings.
- Willingness to take risks, shortcut procedures, and to make decisions from the gut when appropriate.
- Initiative, taking independent action.

Influence:

A tendency to work through the relationship, use feelings and quick action in most situations.

A tendency to overuse praise, enthusiasm, optimism and overselling.

Would be more effective with more:

- Deliberateness and objectivity.
- Careful analysis of data, attention to detail.
- Emotional control.
- Control of time, focus on results.

Dominance:

A tendency to stick to business, work independently of others and control others in most situations.

A tendency to overuse impatience, bluntness, competition, and overbearing attitude.

Would be more effective with more:

- Empathy.
- Understanding of impact on others.
- Patience and people concern.
- Pacing of personal effort, relaxation.

Steadiness:

Perceived as maintaining Ask-Assertive and Emote-Responsive behavior no matter who the other person is.

A tendency to work through the relationship, use feelings and deliberateness in most situations.

A tendency to overuse nondirect approach, kindness and tolerance of others.

Would be more effective with more:

- Initiative and sense of urgency.
- Strength, firmness, self-assertion.
- Directness with a stand on issues.

For all four types, people of high versatility are perceived similarly.

- Attempting to adapt to the needs of others.
- Making other people comfortable with who they are.
- Open, negotiable, taking an “it depends” position.
- Empathic.

VERSATILITY GUIDELINES

- Everyone is versatile to some degree in their relationships with others.
- Some people are more versatile than others.
- Versatility is not fixed; it can be changed, improved.
- The more versatile you are, the greater your ability to deal with people whose social styles differ from yours

BECOMING MORE VERSATILE

In part, versatility grows out of a wide range of interests. The greater range of interest and experiences a person has, the greater the probability that he/she can relate successfully to many different kinds of people.

Feelings of common interest have universal magnetism. Persons who practice satisfying others needs by developing common interests are, by definition, highly versatile. They will not only be well accepted, but also more effective.

One of the most attractive features of a leader's job is the opportunity it affords to learn from a wide range of people about a host of other fields and interests. In this sense, becoming more versatile requires no more than openness, curiosity, and the willingness to expand one's own boundaries.

You can use your knowledge of type to become more competent and versatile — through modifying your type. You can strengthen people's perception of your leadership skills and your organization's value.

In modifying your type, you try to move closer to other peoples type, becoming more or less assertive or more or less responsive in order to make others more comfortable with you.

Of course, as others become more comfortable with you, you have to pay the price of internal tension. However, since the change is only temporary, the tension is usually not difficult to handle. And the more accustomed one becomes to adapting to different situations, the easier it becomes to remain comfortable most of the time.

Type modification begins with becoming more accepting of the other person's type and accepting it as a type dissimilar from one's own. Next is trying to flex your type to accent those qualities common to the other person. Modification is like being your own athletic coach. You place yourself into a role and coach yourself the same way a coach would the players.

This doesn't mean that you must become like the other person. But it does mean that you need to communicate in an accepting manner that meets the other person's needs and expectations. Good leaders are good communicators.

OUTSTANDING CHARACTERISTICS OF A HI “D”

- Key characteristics:
 - o Aggressive
 - o Decisive
 - o Pragmatic
 - o Self-starter
 - o Forceful
 - o Efficient
 - o Results
 - o Independent
 - o Critical
 - o Demanding
 - o Competitive
- Referred to as “Dominant” or “Driver”
- Entrepreneurial and visionary
- Solve problems quickly and decisively, often without input from others
- Task takes precedent over interpersonal relationships
- Work at a fast pace
- Focus on achieving results
- Risk takers
- Change agents
- Do not rely on policies and procedures for guidance
- Communication is brief and to the point
- Not generally good listeners
- Will pressure others for decisions and actions
- Thinkers

OUTSTANDING CHARACTERISTICS OF A HI “I”

- Key characteristics:
 - o Spontaneous
 - o Future oriented
 - o Fun loving
 - o Outgoing
 - o Trusting
 - o Poised
 - o Enthusiastic
 - o Impulse buyers
 - o Not into details
 - o Initiates projects
 - o Cheerful
- Referred to as “Interpersonal,” “Expressive,” or “Persuader”
- Highly optimistic
- Highly persuasive, good motivators
- Solve problems quickly, often with little information, but consider others’ acceptance
- Gravitate toward people, comfortable in social situations
- Work at a fast pace
- Most talkative
- Risk takers (but often overestimate results)
- Change agents (but often overcommit)
- Communication is lengthy but entertaining
- Feelers

OUTSTANDING CHARACTERISTICS OF A HI “S”

- Key characteristics:
 - o Patient
 - o Steady
 - o Possessive
 - o Relaxed
 - o Conventional
 - o Family oriented
 - o Supportive
 - o Diplomatic
 - o Loyal
 - o Cooperative
 - o Grudge holders
- Referred to as “Steadfast,” “Amiable,” or “Relator”
- Most team oriented
- Solve problems by gathering facts and input from others
- Use caution when making decisions
- Highly relationship oriented, generally care about others
- Slower work pace, prefer bringing things to closure
- Quality oriented
- Not risk takers
- Change resistant
- Historical perspective
- Good listeners, easy communicators
- Feelers

OUTSTANDING CHARACTERISTICS OF A HI “C”

- Key characteristics:
 - o Logical
 - o Systematic
 - o Conscientious
 - o Serious
 - o Thorough
 - o Past oriented
 - o Prudent
 - o Detail oriented
 - o Passive
 - o Orderly
 - o Cautious
- Referred to as “Compliant” or “Analytic”
- Driven towards correctness, accuracy, and attention to detail
- High sense of order
- Not comfortable in working in chaos
- Solve problems based on logical assessment, careful research
- Prefer to work alone
- Prefer slower work pace to ensure tasks are “done right the first time”
- Decide more slowly than others – not risk takers
- Resist change – must be supported with facts and indications of probable success
- Communication is deliberate – want to make sure they send the message they want
- Thinkers

Exercise

Develop a “donor” profile for each of the behavior types, answering the questions:

What does he/she want to hear?

How does he/she want to hear it?

How much time will you get?

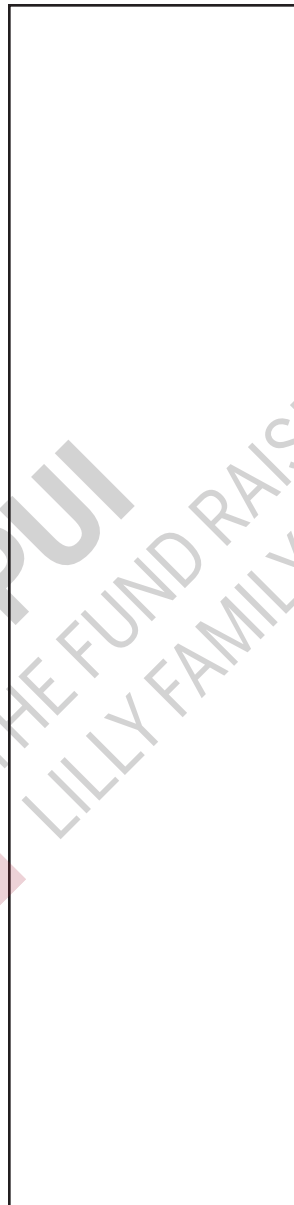
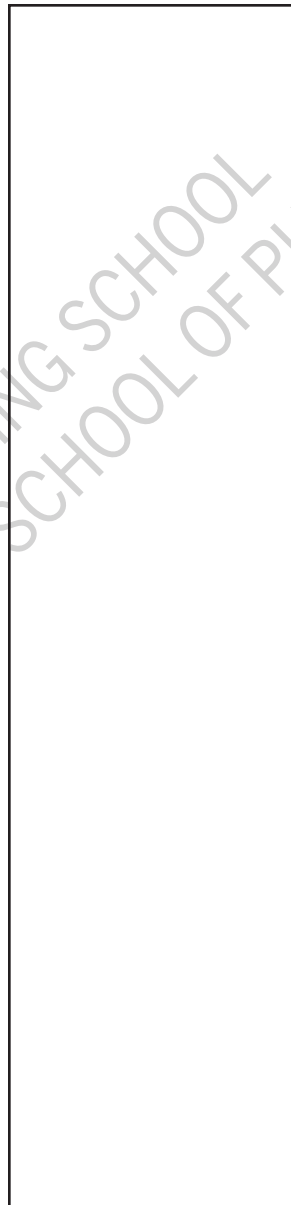
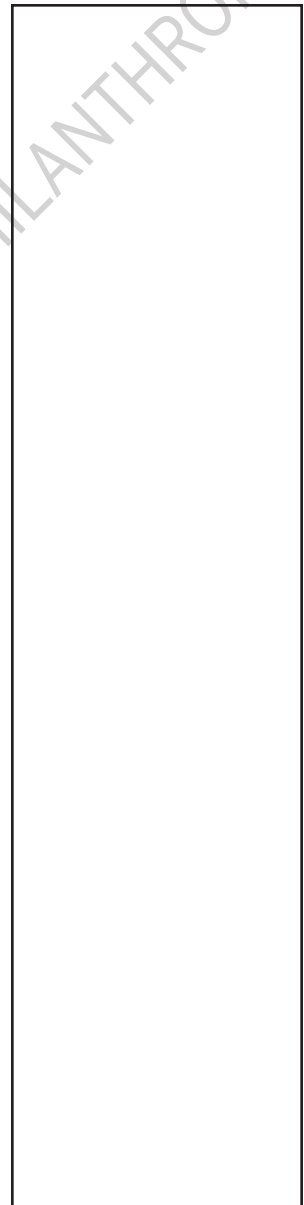
What will be a turn off?

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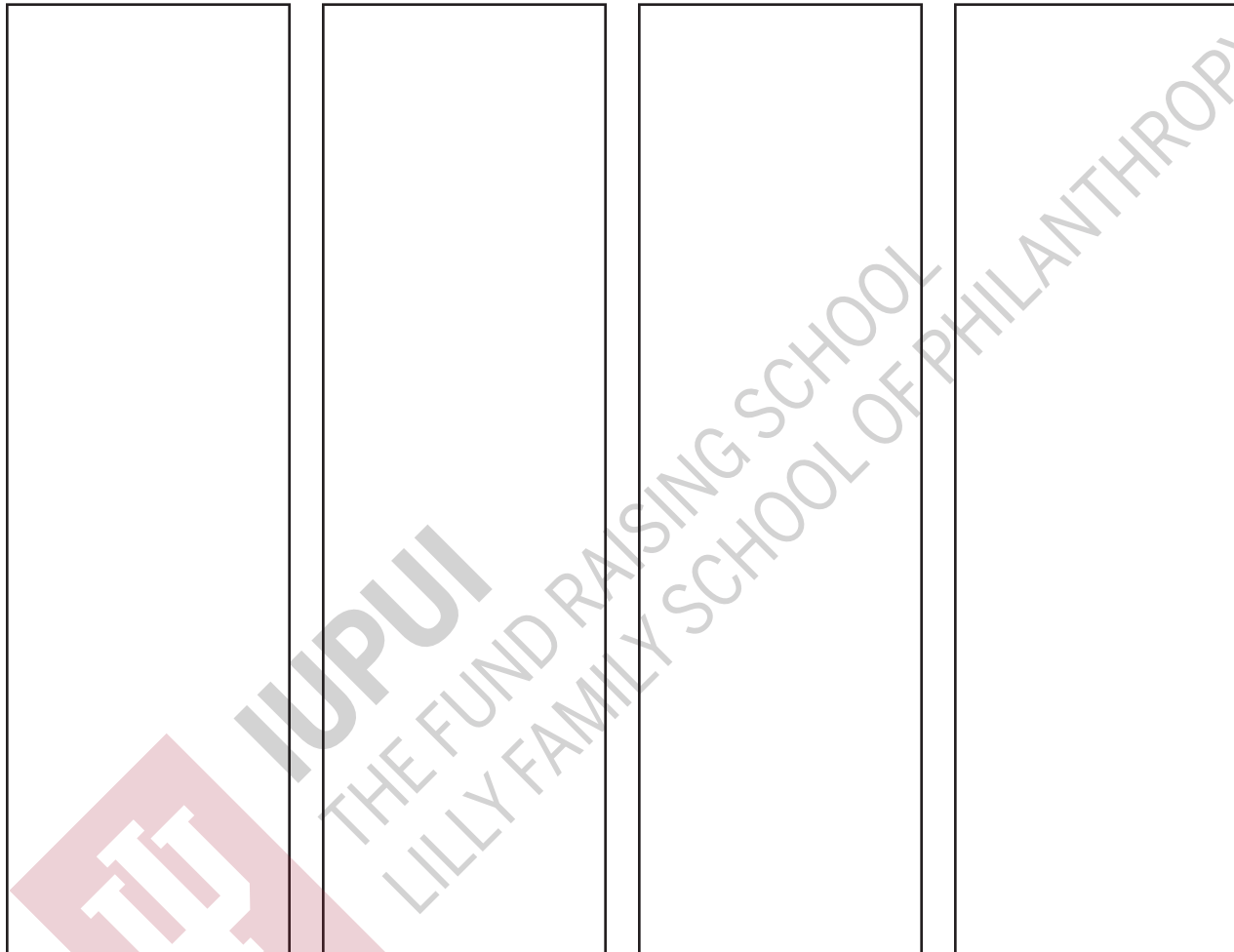





Develop a “successful fundraiser” profile for each of the behavior types, answering the questions:

What strengths will this fundraiser bring to the relationship?

What will this fundraiser need to watch out for (personal behaviors)?

“Successful” is defined as the ability to get the gift and further develop the relationship.



The image shows four empty rectangular boxes arranged horizontally, intended for developing fundraiser profiles. A large, diagonal watermark is overlaid across the boxes, reading 'IUPUI THE FUND RAISING SCHOOL LILLY FAMILY SCHOOL OF PHILANTHROPY'.

D

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S

C

“Fundraising is not a simple exercise, nor should it ever be. Fundraising is the complex process of seeking to involve people in a case that is responsive to human needs and this is worthy of gift support. Through people involvement, the organization creates an advocacy force that constitutes the core of its strength and assures its advancement into the future.”

Henry A. Rosso, CFRE
 Founder and Director Emeritus, The Fund Raising School

CASE STUDY

Dorothy Martin, 75, was the quiet-spoken matriarch of a strong willed family. Her husband, Buddy, died last year after a short but hard-fought battle against cancer. The ordeal had been terribly difficult for her four children, who rallied around Dorothy for the last four months of Buddy's life. The Martins were a loving family but, as in all families, sometimes the dynamics would pose difficulties.

Buddy had founded a company that had a patent on an automobile gasket, so Dorothy was financially secure upon his death. A couple of the children took it upon themselves to oversee their mother's financial affairs, particularly the oldest and youngest boys.

Dorothy's neighbor and friend, Alice, was a volunteer for a cancer society. She knew how devastated Dorothy had been with Buddy's death and they often talked about "if only there had been a cure." After several of these conversations with Alice, Dorothy mentioned that she would like to leave a large portion of her estate to the cancer society upon her death and asked Alice who to talk to. Alice did her homework and made the connection for Susan Brown, who worked in the planned giving area for the cancer society.

Susan was relatively new in her position but very bright and with good instincts about people. She had previous experience in fundraising as well as attendance at several sessions offered by The Fund Raising School. She was very excited about the potential opportunity with Mrs. Martin. Susan had had two very positive conversations with Dorothy, and she felt that Dorothy was prepared to talk to her attorney about bequeathing a substantial sum to the organization. When Susan arrived at Dorothy's home for a third, and hopefully, final meeting one evening about the gift, she was somewhat taken aback to find Dorothy's four children present.

Mary Elizabeth, Dorothy's second child, welcomed Susan and offered her coffee. Mary Elizabeth began by explaining that her mother had shared with them her intentions of changing her will and they thought they would just like to meet Susan and find out exactly what had been discussed. Mary Elizabeth then began making introductions.

Frank, the oldest at 46, was married and the father of two children, one in college and one in high school. Upon introduction, Frank stated up front that he was very concerned that his mother had been "talked into this" by well-intentioned but busy-body Alice. As he sat with his arms folded, straight up in a chair, he wanted to know exactly why his mother should give such a large sum when it might be frittered away on administrative costs. He had read too many stories about how little fund-raising dollars actually went to the researchers.

Mary Elizabeth was obviously embarrassed by this outburst by Frank (attributing it to a hard day at work), and began telling Susan that Alice had been a dear friend for a number of years, but when her husband passed away she seemed to gravitate toward Dorothy for companionship. Why, just last year they both went on a shopping trip to the outlet mall . . .

Charlie, the youngest child at 33, sat quietly on the couch next to his mother, with several of the society's annual reports in front of him on the coffee table. Susan could see markers on some of the pages and a yellow legal pad with notes. While he looked somewhat relaxed, Susan really couldn't read his face or body language, unlike Frank. Charlie politely interrupted Mary Elizabeth's shopping story and said, "we just want to make sure we have all the facts before Mother makes any final decisions."

Mary Elizabeth finally introduced Sharon, who sat farthest away. Slumped in a chair, it was still difficult for her to talk about her father's death. After Sharon's divorce two years ago, Buddy took on an even more important role to her. Sharon knew that Frank was opposed to the gift, but she also knew how much it meant to her mother. She really didn't even want to be at the meeting but promised Dorothy she would come. As they talked, she would shift her glances between Frank and her mother.

Susan had a bad feeling. She wasn't sure of the influence each or any of the children had on Dorothy, but if she didn't figure it out soon, this meeting would be a disaster. Susan hadn't been fund-raising for long, so she was still learning — "why didn't I ask how the children would feel about this?" she asked herself. Then she quickly thought about the section on "Behavior Styles" in her "Interpersonal Communication" course she just took. Maybe if she could figure out what might motivate each of them, she may get that bequest yet.

Your Challenge:

With the little information you have, how would you describe each of the children in terms of the "behavior types?" Why?

What challenges might Susan have with each of them?

What advice would you give her in interacting with each of the children?



CHAPTER EIGHT

DONOR MOTIVATION

Donor Motivation



An introduction to David and Barbara Jacobs

by TheJSoM video:<http://youtube.com/watch?v=Rx1ESdOccRs>



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Donor Motivation

Motivations	Percentage of Respondents
Basic needs	43.0
Poor help themselves	36.7
Make community better	36.7
Make world better	35.4
For equity (responsibility to help those with less)	27.9
Own decision about money	25.3
Services govt. can't/won't	23.4
Solve problems in world	17.5
Same opportunity	16.4
Support friends & family	13.8
Diversity	6.0
Ties across communities	4.6
Other	2.3

Source: Center on Philanthropy at Indiana University, using data from Knowledge Networks

Center on Philanthropy, Understanding Donor
Motivations for Giving, New York: CCS.



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Determinants of Charitable Giving

- Communities of participation *association*
- Frameworks of consciousness *identification with cause*
- Invitation to participate *asked to give*
- Discretionary resources *accepted capacity*
- Models/experiences from youth *positive examples*
- Urgency and effectiveness *philanthropy meeting needs*
- Demographic characteristics *circumstances affecting giving*
- Intrinsic and extrinsic rewards *positive outcomes*

Material adapted from research by Paul G. Schervish.
For further explanation see www.bc.edu/research/swri.



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Diverse Giving Population Trends

Race Ethnicity	Gender	Generation	Orientation	Religious Affiliation
<ul style="list-style-type: none"> • Latino donors tend to be cause oriented, and were the largest donor groups to The Red Cross after Hurricanes George and Mitch. • African American households give 25% more of their discretionary income to philanthropic activities than Whites • Asian-Americans who have built fortunes in finance and technology are joining boards and making multimillion-dollar gifts to universities, museums, and other institutions. • Charity Navigator, 2012 	<ul style="list-style-type: none"> • Women volunteer at a higher rate than men • Female-headed households are more likely to give to charity • Women are more likely to be motivated by responsibility to help with those with less <p>• Women's Philanthropic Institute, 2012</p>	<ul style="list-style-type: none"> • Great and Silent generations most likely to give to poor relief • Millennial generation most likely to think globally and give to improve world • Generation X most likely to volunteer to make a difference followed closely by Millennials <p>• The Next Generation of American Giving 2012</p>	<ul style="list-style-type: none"> • LGBT donors are twice as likely to donate to health and arts causes than other donors • LGBT donors support advocacy or civil rights organizations • LGBT donors most likely to donate to organizations that are efficient, and well reputed,; least likely to give to receive a gift or attend and event <p>• Horizons Foundation and Center on Philanthropy, 2006</p>	<ul style="list-style-type: none"> • Those parts of the country that are more religious are also more generous. • Black Protestants, followed by Roman Catholics and Jews, were the most likely to give out of the desire to help the needy. • Forty-one percent of all charitable gifts from households went to congregations <p>• Connected to Give: Faith Communities; National study of American Religious Giving</p>



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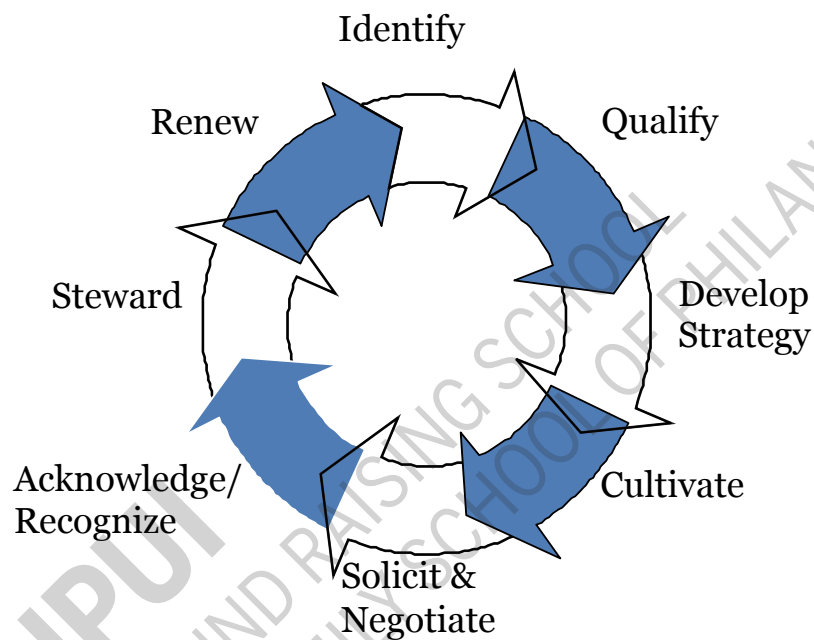
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CHAPTER NINE

THE EIGHT STEP MAJOR GIFT MANAGEMENT CYCLE

The Eight Step Major Gift Management Cycle

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STEP 1. IDENTIFICATION

Please fill out this page on a major gift prospect for your own organization. In subsequent exercises dealing with the eight-step process, you will find it helpful to have this specific prospect in mind.

8-STEPS

1. Identify
2. Qualify
3. Develop Strategy
4. Cultivate
5. Solicit and Negotiate
6. Acknowledge/Recognize
7. Steward
8. Renew

1. What are the significant characteristics of the prospect you have identified that make you think he/she could make a major gift? (E.g., makes gifts on a regular basis, has been loyal over time, is involved in the organization)

2. Why did you choose this prospect? (E.g., suggested by a volunteer or board member, prospect's giving habits, linkage to the organization).

3. The qualities of a prospect are usually the following:

Aware
 Interested
 Involved
 Concerned
 Committed
 Capable of giving
 Accessible
 Experienced
 Desire for fulfillment

Which of these qualities does your prospect have? Circle them, please, and indicate on a scale of 1-5 how strong the circled qualities are, with 1 being the weakest and 5 the strongest.

Step 1: Identification

- **CAPACITY**
- Most Major gifts come from within the organization's donor base.
- Look at:
 - Frequency
 - Recency
 - Size of gifts
- Consider Screening Research databases

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Portraits of Donors



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IDENTIFICATION: HIGHLIGHTS OF PROSPECTIVE DONOR RESEARCH FOR MAJOR GIFTS

Adapted by permission from
Kent Dove and Vicky Martin

- A. Peer referrals are the best type of proactive research. Peers can engage in group discussion for both identification and qualification and can provide group or individual ratings.
- B. Reviewing periodicals is another way to identify and qualify major donor prospects. Pertinent newspapers and business journals provide valuable information. Some reviewing can occur on the Internet.
- C. Push technology, still underutilized, pushes information to your desktop via e-mail.
- D. Reactive research begins with an initial cold call which provides general information such as address and phone. Selected prospects will be researched in detail, defining linkage, ability and interest.
- E. Corporate research can be done through the Internet. A company's financial status can be determined, as well as their social responsibility goals to see if they might be interested in your institution. Determining a possible relationship between an organization's staff and corporate personnel is vital.
- F. Foundation research should include a careful review of giving guidelines and also a determination of possible relationships between the organization's and the foundation's personnel. The Foundation Center and Guidestar web pages are two of the best resources on the Internet.

STEP 2. QUALIFICATION

Please fill this out for the prospect you selected and began to work with in Step One. This form will be adapted by you to use in peer rating sessions with a team, including volunteers.

Name of your prospective donor:

Primary link (person who best knows the prospect and could work with him or her)?

Secondary link? _____

Who is the best contact? One of the above or a staff member or someone else?

What is the known or possible interest this prospect has that would match your organization's mission and function? _____

What is the possible ability to give? _____

What philanthropic motivations can be assigned to this prospect? _____

Who might be willing to ask the person for a gift when the right process has been accomplished? _____

Comments? _____

8-STEPS

1. Identify
2. **Qualify**
3. Develop Strategy
4. Cultivate
5. Solicit and Negotiate
6. Acknowledge/Recognize
7. Steward
8. Renew

Step 2: Qualification

- INTEREST AND LINKAGES
- Evaluate Linkage, Ability, Interest – LAI
 - Top Annual Fund Donors
 - Board of Directors
- Indicators that current donor may be ready for increased gift
 - Increased annual giving
 - Empty nest situation and/or children have graduated from college
 - Job promotion
 - Sale of a business
 - Retirement

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QUALIFICATION: THE PROSPECT EVALUATION PROCESS

In identifying the key people you would like to develop for major gifts and planned giving, it is essential to pare down your list so that you and your team can spend your limited time and resources on the most ideal prospects. Your prospect development team may consist of your major gift or planned giving committee, board or staff members, and other volunteers from your organization.

Let us say that your team has identified 250 major gift prospects for cultivation. Each organization will have different criteria for establishing who is a major gift prospect. In your organization, the criterion may be a donor who has given at least \$2000 annually for the past three years.

Once you have identified your major gift prospects, the next step is to have each member of the prospect development team review the list of 250 names and, one by one, establish each major gift prospect's financial capacity.

Financial Capacity

Financial capacity is defined as "what a prospect is capable of giving today taking into consideration his or her present business or financial situation." Financial capacity is a broad measure of a person's ability to give and is not based on what they have given in the past, but rather their potential to give.

Each prospect can be given a rating on a scale of 1-9 regarding his/her capacity to make a gift. If your team indicates that Mr. Smith could give a gift of \$25,000, then he would be rated as a 9, the highest score for financial capacity.

For example, Mr. Smith has given the organization \$1,500 in 2001, and \$1,000 in the two previous years. He is on our list as one of the 250 major gift prospects. The prospect development team meets to evaluate the list prospects. Mr. Smith is known by two of your volunteers on the team. Both volunteers agree that Mr. Smith has a high financial capacity or potential to give a gift if he were to be asked today.

Interest

Financial capacity alone is not enough to make Mr. Smith a potential major gift prospect. We must also evaluate Mr. Smith's interest in our organization and our mission. Our prospect evaluation process must take into account Mr. Smith's interest in our goals and objectives as an organization.

If Mr. Smith is actively involved as a member of our organization, has participated in our special events for the past five years, and has involved his family and friends in the

organization's events and activities, the prospect development team would be correct in assessing Mr. Smith's interest level as high.

If we find many of our identified prospects are rated as low financial capacity and low interest, we realize we can better spend our time developing others with more interest and greater financial potential.

If we find many of our prospects have an average financial capacity and are involved in limited ways with the organization, we must spend more time developing a relationship with them and getting them more involved in our organization's activities before we ask them to give larger and more significant gifts.

This prospect evaluation process is ongoing and subject to frequent review by our prospect development team. The most important feature of this process is to cue you and your team as to where your energies should be concentrated in order to maximize your efforts.

The next step after evaluating your prospects is to assign a board member or other volunteer to each of your ideal prospects and to begin cultivating a relationship with those prospects for a larger gift. It would also be the responsibility of board members and volunteers to develop your prospects who were rated higher than average financial capacity with limited organizational involvement. Through ongoing consultation, these prospects will begin to raise their interest level and thus raise their interest evaluation. With an increase in their interest level, they will be better prepared to give at their financial capacity.

Prospective Donor

By adding two numerical ratings (capacity and interest), an organization can determine each prospect's rating. The higher the rating, the higher the prospect's priority. The higher the prospect's priority, the more cultivation steps (structured contacts designed to bring a prospect closer to making a major gift) an organization will want to make on the prospect in a given period (usually a calendar year).

As a guide to determining how much cultivation a prospect gets, it is recommended that the organization use a cultivation quota—the sum of the two numerical ratings, multiplied by two. This quota represents the minimum number of cultivation steps an organization should hope to make with a prospect each year. For example, one prospect is rated 3/1 (that is, a capacity rating of 3 and an interest rating of 1); another is rated 1/3; both have cultivation quotas of 8. At the moment, the first seems a rather unlikely prospect for a \$10,000 gift; the other is a fairly likely prospect for a \$2,500 gift. Their cultivation quotas tell the organization to plan for eight cultivation activities on each of these prospects in a year. But the organization may have to decide which prospect will get its attention first. With the first prospect, a longer cultivation period may result in a larger gift; with the second, a smaller gift can be more readily realized.

Cultivation quotas are flexible guidelines. Staff and volunteers should have the authority to make more or fewer than the recommended number of contacts, as circumstances

may dictate. Another important point is that ratings — and therefore cultivation quotas — can change during the year. To return to the previous example, in the opinion of the organization the person rated 3/1 has a gift potential of \$10,000 to \$24,999 but has not demonstrated much past interest. Nevertheless, a staff member or volunteer who calls on the prospect discovers that the prospect has become much more interested. This discovery changes the prospect's interest rating to 3, and this change in turn increases the cultivation quota to 12. Therefore four additional contacts will be called for over a year.

Prospect Rating Codes for Nonprofits whose Largest Single Gift is Less than \$1 Million.

<i>Giving Capacity Code</i>	<i>Estimated Giving Capacity</i>	<i>Interest Code</i>	<i>Description</i>
1	\$2,500–5,000	1	Not involved, no record of interest
2	5,000–10,000		
3	10,000–25,000	2	Minimal interest, occasional donor, attends meetings infrequently, and so on
4	25,000–50,000	3	Moderately active or formerly very active
5	50,000–100,000	4	very active, major donor, club member, committee person
6	100,000–250,000	5	Member of governing board, other boards, or executive groups
7	250,000–500,000		
8	500,000–1,000,000		
9	1,000,000 or more		

Prospect Rating Codes for Nonprofits whose Largest Single Gift is \$1 Million or More.

<i>Giving Capacity Code</i>	<i>Estimated Giving Capacity</i>	<i>Interest Code</i>	<i>Description</i>
1	\$5,000–25,000	1	Not involved, no record of interest
2	25,000–50,000		
3	50,000–100,000	2	Minimal interest, occasional donor, attends meetings infrequently, and so on
4	100,000–250,000	3	Moderately active or formerly very active
5	250,000–500,000	4	very active, major donor, club member, committee person
6	500,000–1,000,000	5	Member of governing board, other boards, or executive groups
7	1,000,000–2,500,000		
8	2,500,000–5,000,000		
9	5,000,000 or more		

SAMPLE EVALUATION FORM

Name: John Doe

Primary link? Susan Smith

Secondary link? none

Name of best contact:

Susan Smith

Known or suspected interest:

Academic achievement

Ability: A (B) C D

I am ☒ am not ☐ willing to ask this person.

Comments: Is loyal to the institution and

active on an advisory board

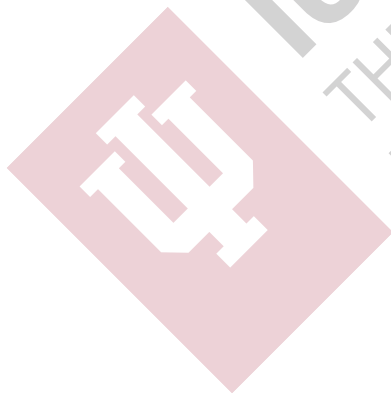
Be sure your name is on your envelope before you turn in your lists. Thank you so much.
Please keep the process confidential.

INSTRUCTION SHEET FOR PEER RATING SESSION (SAMPLE A)

Thank you for agreeing to participate in our peer rating activity. This is a vital step in our ability to identify those individuals in the community who will have the greatest interest in our programs and be most willing to contribute to our funding campaign. **The process proceeds without discussion and is confidential.**

The enclosed lists were drawn from existing and new lists put together for fundraising purposes. In each case, the name and address are noted, and opposite the name are boxes for you to check and places to comment.

1. We are asking you to evaluate each individual according to linkage [do you know this individual, and how well (primary link); or does someone else (secondary link) know them who might be willing to contact them]. Also, please indicate whether you are willing to contact the individual.
2. We would also like to know your estimate of their ability to give. We have set this up to make it easy for you — just circle a number opposite each name:
A — \$25,000 and above
B — \$10,000 - \$25,000
C — \$5,000 - \$10,000
D — \$2,500 - \$5,000
3. Interest is an important factor: please indicate what areas of interest, within our programming (or similar organizational programming) the prospect has supported or might support.



INSTRUCTIONS FOR PEER RATING SESSION (SAMPLE B)

Used with permission by

Paul Pribbenow, Ph.D., CFRE

Ernest Vargo II, CFRE

Johnson, Grossnickle and Associates

We want you to identify people you believe have the capacity to give \$25,000 or more over a five-year period. So, as you review the names and identify someone who you believe has the capacity, please use the following columns to tell us:

1. If the staff needs some assistance in meeting this person, would you be willing to help?
2. How well do you know the person?

As we use the information you and others have given us, we will use the answer to this question to help deal with differences in estimates of giving capacity and inclination.

3. What do you believe this person's giving capacity is over a five-year period?

Please answer this question without regard to whether the person will actually give this amount. A rule of thumb for estimating capacity is five percent of net worth.

4. What is the person's inclination to give?

Not everyone who has the capacity to give is inclined to do so. The answers will help us work with this person.

5. Please note anything you think would help us work with this person.

Perhaps you know that this person came from family money, which is not always easy information to find. Perhaps you know he/she is philanthropic to another school. Perhaps you know of sale of a company. This is the place to tell us.

PEER SCREENING

<u>Name</u>	<u>Location</u>	<u>Introduce</u>	<u>I know this person</u>	<u>Giving Capacity</u>	<u>Inclination</u>	<u>Comments</u>

STEP 3. DEVELOPMENT OF STRATEGY

Factors to consider:

- | 8-STEPS |
|----------------------------|
| 1. Identify |
| 2. Qualify |
| 3. Develop Strategy |
| 4. Cultivate |
| 5. Solicit and Negotiate |
| 6. Acknowledge/Recognize |
| 7. Steward |
| 8. Renew |

1. For what purpose should the individual be asked?

2. How does this gift support the mission?

3. What do we know about the prospective donor? Interests? Concerns? Previous gifts? Other involvement with our organization?

4. Who should be involved in the solicitation? From the organization?
From the prospective donor's perspective? Spouse? Financial Adviser? Others?

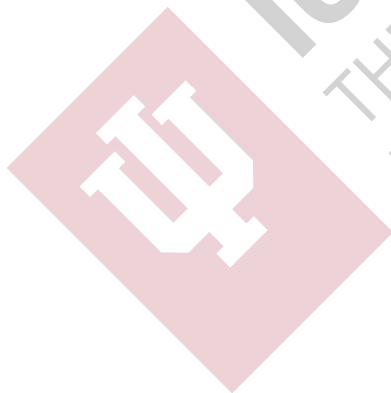
5. Who should ask for the gift?

6. When is the right time to ask? _____

7. What is the specific gift request (dollar amount)? _____

8. In what form should the gift be solicited? _____

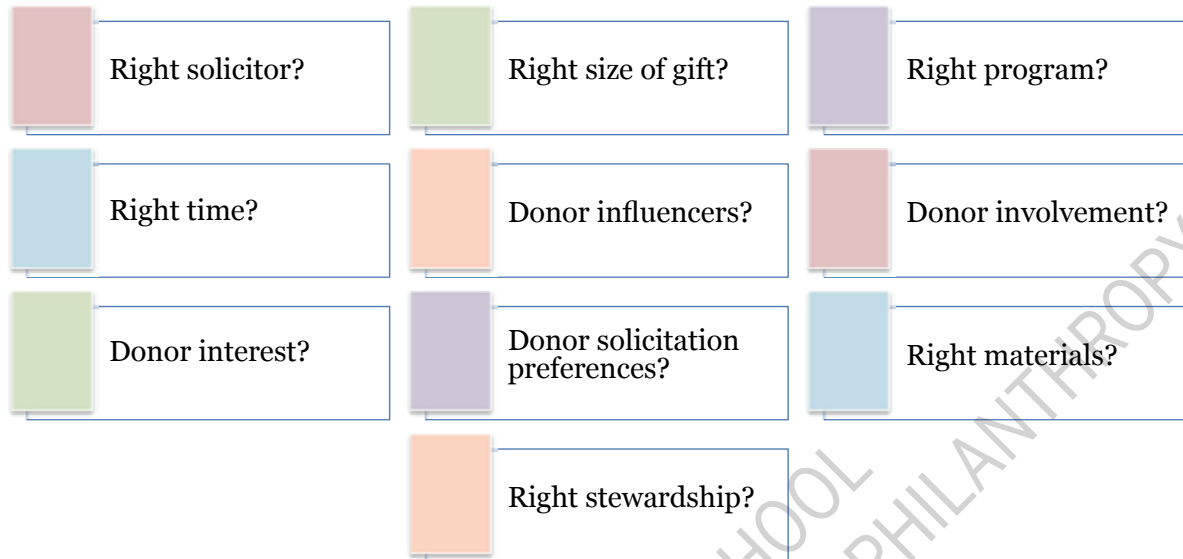
9. How much time will be involved (from getting the appointment to asking for the gift to negotiating the details)? _____



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Step 3: Strategy

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DEVELOPMENT OF STRATEGY: PROSPECTIVE DONOR MANAGEMENT PROGRAM

Used with permission by
Kent Dove and Vicky Martin

I. Objectives of Prospective Donor Management

- A. Systematic approach to identifying and tracking major gift prospective donors
- B. Goal is to maximize support
- C. Improve gift fundraising and measure effectiveness: achieved in three ways
 1. Create and maintain an appropriate database
 2. Regular review of requests for assignment
 3. Regular prospect review sessions

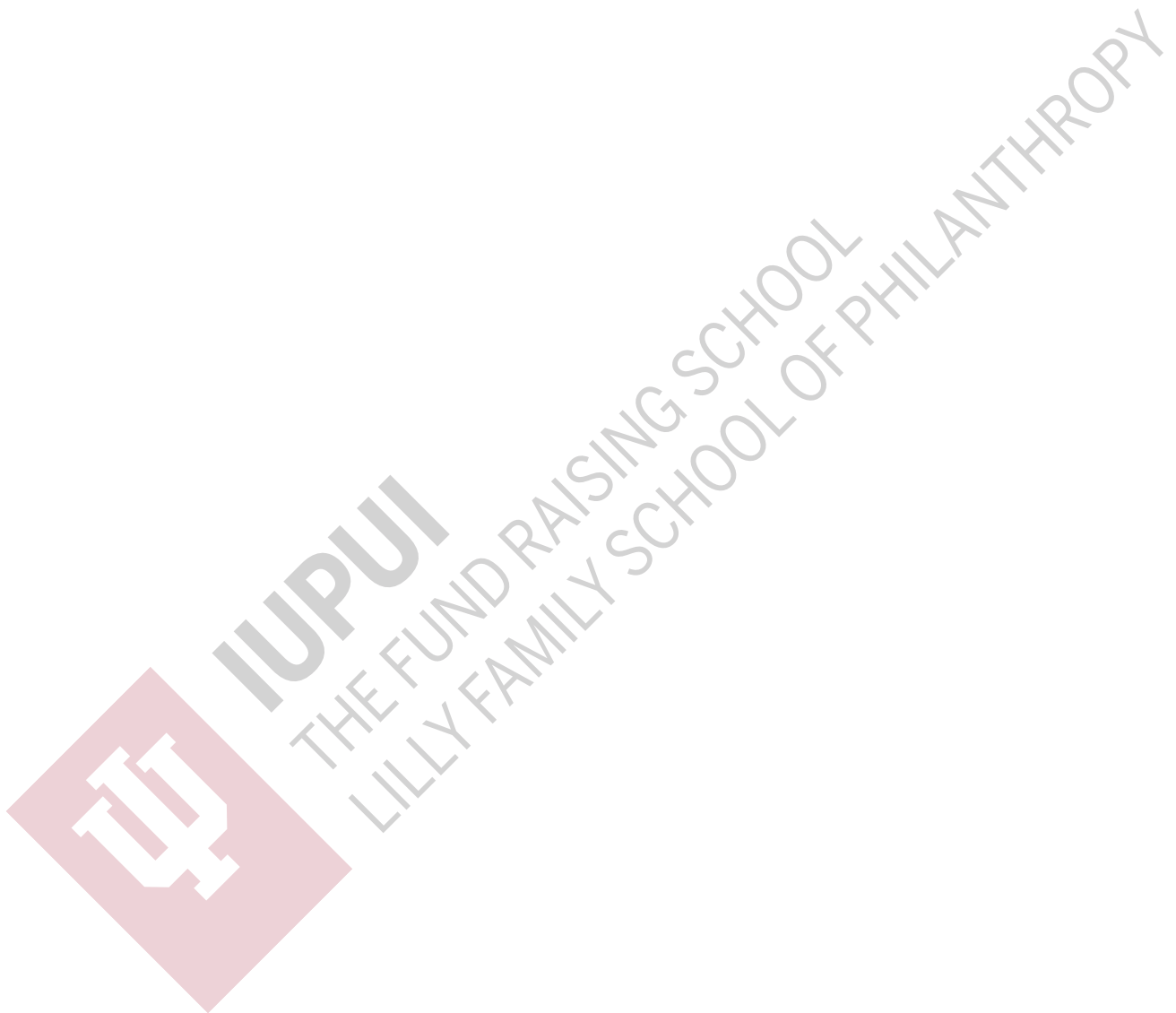
II. Data Elements

Identification

- | | |
|------------------------|----------------|
| • Name, address, phone | • Status |
| • Title, salutation | • Giving areas |
| • Geographical region | • Staff |
| • Source | • Volunteer |
| • Wealth code | • Solicitation |
| • Class or degree | • Connections |
| • Gift rating | • Identifiers |
| • Interest rating | • Tickler |
| | • Comments |

III. Prospective Donor Management Subsystems

- A. Rating System
- B. Priority System
- C. Accountability System
- D. Approach System
- E. Report System



SAMPLE INITIAL INPUT FORM

Constituent: _____

Prospect Manager: _____ Input Date: _____

Campaign Gift

Add Proposal Information: Amount: \$ _____

- Purpose: ☐ Unknown ☐ Unrestricted ☐ Seminarian Housing ☐ Guest House
☐ Wellness Facility: ☐ CE Housing and Facilities ☐ St. Thomas Aquinas Chapel
☐ Facilities for Center for Youth and Vocations
☐ Faculty Salaries and Benefits Endowment ☐ Monastic Healthcare Endowment
☐ Endowment for Wellness Facility ☐ Endowment for Learning Resources
☐ Endowment for Center for Youth & Vocations ☐ Church Leadership Center Endowment
- Proposal Status: ☐ Needs Intro to SM ☐ Needs Initial Visit by Prospect Manager
☐ General Cultivation ☐ Focused Cultivation
☐ Ready to be Asked ☐ Solicited M Stewardship

Constituent

- Prospect Status: ☐ Commitment (9) ☐ Participation (8) ☐ Concern (7)
 (Interest) ☐ Interest (5,6) ☐ Knowledge (4) ☐ Awareness (2,3)
☐ Not Aware (1)
- (Capability) ☐ \$500,000+ (9) ☐ \$250,000–\$499,999 (8) ☐ \$100,000–\$249,999 (7)
☐ \$25,000–\$99,999 (6) ☐ \$10,000–\$24,999 (5) ☐ \$5,000–\$9,999 (4)

Next Steps: _____ Due Date: _____

_____ Due Date: _____

_____ Due Date: _____

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SAMPLE CONTACT REPORT FORM

Constituent: _____

Contacted by: _____ Contact Date: _____

Contact Location: _____ ☐ Office ☐ Home ☐ Other
(City, State)

If Other, please explain _____

Contact Information

Type of Contact: ☐ On Hill Visit ☐ Off Hill Visit ☐ Mail
☐ Phone ☐ E-Mail ☐ Other

Purpose of Contact: ☐ Initial Visit ☐ Cultivation ☐ Consult re: Other Prospect
☐ Solicitation ☐ Discuss Gift Details ☐ Inquiry Follow-up
☐ Stewardship ☐ Volunteer Recruitment/Management
☐ Other

Campaign Gift

Add/update Proposal Information: Amount: \$ _____

Proposal Status: ☐ Needs Initial Visit by Prospect Manager
☐ General Cultivation ☐ Focused Cultivation
☐ Ready to be Asked ☐ Solicited ☐ Stewardship

Constituent

Prospect Status: ☐ Commitment (9) ☐ Participation (8) ☐ Concern (7)
(Interest) ☐ Interest (5,6) ☐ Knowledge (4) ☐ Awareness (2,3)
☐ Not Aware (1)

(Capability) ☐ \$500,000+ (9) ☐ \$250,000–\$499,999 (8) ☐ \$100,000–\$249,999 (7)
☐ \$25,000–\$99,999 (6) ☐ \$10,000–\$24,999 (5) ☐ \$5,000–\$9,999 (4)

Next Steps: _____ Due Date: _____

Narrative/Details of Contact: _____

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SAMPLE MAJOR GIFTS FUNDRAISING GUIDELINES

Donor Contact Expectations

- Manage a pool of approximately 150 individuals. This pool should represent a balance of individuals at various stages in the development continuum. As a guideline, the following distribution is recommended: (the mix might change based on the status of a campaign or project).

Cultivation	65	43%
Solicitation	35	24%
Stewardship	50	33%

- Everyone in the pool should receive at least one meaningful contact each year. Individuals in the solicitation stage require several substantive personal contacts yearly, with particular attention paid to the value of the contact in moving the prospect towards closure of a gift.
- Make or cause to be made an average of 180 meaningful calls per year. Based on past experience, a major gifts officer can be expected to make 180 face-to-face personal calls per year. However, meaningful phone and written contacts are also possible. Each meaningful contact should be reported through the prospect management system. Non-meaningful contacts, such as birthday/holiday cards or calls should only be reported if they significantly advance the prospect relationship by creating an opportunity for an ongoing dialogue. Delivering basketball tickets or sending a card may be ways to stay in touch, but a meaningful contact motivates a prospect to consider an outcome you've discussed.
- Make or cause to be made a minimum of 30 major gifts solicitations per year. This should produce 15-20 gifts.
- Identify 15-25 new prospective donors to be managed through the prospect management system who have the inclination and capability which qualify them as major gift prospects. In general, 50 individual contacts will be made to identify and qualify 15-20 new prospects and these prospects will replace individuals who have been removed from the prospect pool.
- Make or cause to be made stewardship calls on all donors in the pool. Using the proposed pool distribution, this could require 50 individual contacts. The nature of stewardship contacts may take a variety of forms ranging from individual meetings to invitations to special events. As the major gifts officer expands her/his donor base, it will be essential to rely on a variety of institutional contacts to accomplish the stewardship function.

Note that given the capacity of 180 face to face personal calls for a full time major gifts officer and the need to make calls in all areas, it is clear that the number of calls may exceed the capacity of a staff member. Solicitation calls should receive the highest priority, with cultivation calls and new prospect identification secondary. Stewardship calls, although critical, may require the use of other institutional contacts to accomplish the stewardship function.

In Pursuit of Major Gifts

To be successful as a major gifts officer, it is necessary to maintain a high degree of professional awareness, practice sound prospect management principles, and effectively utilize resources available to assist you.

Professional Awareness

Understand program objectives and priorities.

- Are aware of and can interpret institutional and/or unit specific priorities.
- Seek “good” gifts that help achieve financial and academic goals.
- Recognize that some gifts are more important than others.
- Make the “case” for priorities to potential donors.

Knowledge of gift options, products and services.

- Do not assume that tax law changes or implications of those changes motivate the donor; instead focus on the donor and donor’s interest in supporting the institution.
- Understand the various types of gift vehicles available.
- Ask questions that help donors discern whether a life income agreement is appropriate or which asset is the best one to gift.
- Know who to call about estate/gift planning questions.

Open communication with campus colleagues.

- Follow established procedures.
- Understand and act like you belong to the development community.
- Trust that your colleagues are working for the good of the institution.
- Report/disclose the facts appropriate to the gift process.
- Share with colleagues what you are doing and why.
- Recognize, acknowledge, and respect donor relationship with development colleagues.

Actions must have sound purpose.

- Know that every activity has a purpose that leads toward an expected or hoped for outcome.
- Do not waste donor’s or colleague’s time.

Integrity in conduct.

- Put the donor first and follow up in a timely and efficient fashion.
- Do not over promise.
- Listen without publicly judging.
- If an error is made, admit it.

Prospective Donor Management**You represent (name of organization).**

- Know and be able to articulate the key issues impacting the organization.
- Communicate the priorities.
- Listen to the prospect/donor to understand her/his interests and passions.

Focus on capable prospects.

- Cultivate and solicit prospective donors for approved funding priorities.
- Contact and solicit prospective donors with the capacity to make a major gift.

Document Contacts.

- Prompt preparation of contact reports, copies to all interested parties.
- Know when and how to document sensitive information pertaining to a prospect/donor, i.e., reference contacting gift officer for further details.
- Report all information gathered from a prospect/donor—no selective reporting.

Effort toward closing gifts is key — eliminate redundant and unproductive work.

- Have a clear, definable purpose for each contact at the onset; write out purpose statement prior to meeting/contact including goals for conversation.
- Focus on next move needed to push the gift discussion along as quickly as appropriate.

Follow established protocols — rule of “no surprises”.

- Request proper prospect assignment.
- Coordinate activities as appropriate, involve others in visits if helpful.
- Record contacts promptly and fully.
- Treat colleagues with respect.

Resource Utilization**Travel efficiently for intent, effect and outcome.**

- Know what you want to accomplish and why before you make the appointment.
- Plan for the most important appointments first and fill in accordingly.
- Include contact reporting time in your itinerary.

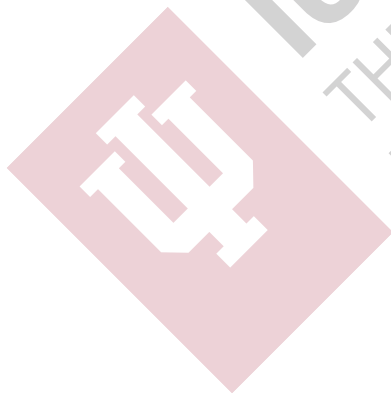
No events for events sake.

- Know from the outset what you want to accomplish, and with whom.
- Know your audience.
- Ask yourself if “how it’s been done in the past” is coloring you’re thinking today.
- Remember to involve volunteers in the planning whenever possible.
- Have clear next steps following the event.

Use research, stewardship and legal services judiciously — think things through first.

- Familiarize yourself with what resources are available.
- Do you have all the information you need to go to the next step?
- Have all legal documents (such as gift agreements, trusts) been reviewed before showing donor?

Adapted from Indiana University Foundation



SAMPLE MAJOR GIFT PROSPECT MANAGEMENT PROGRAM

Purpose

The Major Gift Prospect Management Program (MGPMP) is intended to

- A. Bring order to the sometimes unpredictable process of cultivating, soliciting, and stewarding major gift prospects for and donors to the organization by encouraging communication and coordination between development officers in their activities;
- B. Maintain focus on individual major gift development and increase amounts raised;
- C. Provide a framework of procedures that are readily understood and followed by all who perform major gift fundraising work.

Principles of MGPMP

- A. Systems to support fundraising are intended to maximize support for the organization or a unit of the organization.
- B. Fundraising is donor driven. It is donors' interests, not individual or unit projects and agendas, which dictate how development officers interact with donors, with each other, and how conflicts among officers are resolved.
- C. Simplicity of operation, with limited paperwork requirements, should infuse the system.
- D. Collegial conduct is expected at all times. Good communications, and following the rules are required.

Procedures

- A. **Individual** prospects/donors may be assigned to staff or volunteers for contact management.
- B. For assignment purposes, a major gift prospect is, in the judgment of the requestor, capable of making a major gift of **\$25,000 + in a single gift and/or a multi-year gift of \$5,000 or more.** (Amounts will vary by organization.)
- C. A **demonstrated connection** with the prospect must be explained in the strategy plan portion of the request for assignment. This may be face-to-face contact, extensive phone/email/correspondence contact or a special interaction — perhaps initiated by the prospect.
- D. All **substantive** contacts with the prospect are to be recorded in a **contact tracking report** usually filed within two weeks after the visit.

- E. Prospect assignments are **reviewed regularly for progress** in moving prospects from cultivation to solicitation to stewardship stages.

Categories of Assignment

When prospects are requested for assignment, the development officer must choose the category of assignment. They are:

- **Cultivation** — This is generally intended for the early stages of relationship building, but also applies to individuals in the process of making gifts over time. The performance standard for maintaining a cultivation assignment is a minimum of **two substantive interactive contacts** (not birthday or holiday cards) in any 12-month period.
- **Solicitation** — This category is requested as the relationship progresses toward making a proposal or ask. The assignment is good for **six months**, and may be extended given the appropriate need and further contact with the donor/prospect.
- **Stewardship** — This category is designed to ensure that we are not taking our major donors for granted. The goal is to maintain the relationship, and to show appreciation for past gifts while keeping the door open for future ones. **One substantive contact** per year is recommended.

The MGPMP system administrator monitors and enforces standards of performance.

STEP 4. CULTIVATION

Cultivation is the involvement of the prospective donor with the organization.

The organization must manage this process towards continuing involvement that leads either to solicitation or to the prospect being disqualified as a major gift prospect.

8-STEPS

1. Identify
2. Qualify
3. Develop Strategy
- 4. Cultivate**
5. Solicit and Negotiate
6. Acknowledge/Recognize
7. Steward
8. Renew

1. When a major gift prospect is identified and qualified, and a strategy has been planned, the cultivation step commences. This is an ongoing process and varies in length of time. Cultivation is important to plan so that the right person, materials and activities are used, matching the needs and interests of the prospect.

2. Cultivation may come in these general formats:

Materials and information

Personal contact (office, home, organizational visit; telephone conversation)

Events and dinners

Tangible items

3. Identify three methods of cultivation under each of these headings which are most appropriate for your organization to use and be prepared to share them with other course participants.

Materials and information _____

Personal contact _____

Events and dinners _____

Tangible items _____

A SCENARIO OF THE MAJOR GIFT SEEKING PROCESS

A. **Initial Meeting** — observant and social.

- If past gifts, thank.
- Explore individual's history with your organization
- Link above to current events, priorities.
- Learn about job circumstances, volunteer involvements with church, etc. — belief system, values.
- Learn family status, how children/siblings doing in life.
- Pay attention to surroundings — elaborateness of home or office for clues of interests.
- If meeting goes well, ask if other acquaintances share enthusiasm for the organization.
- Close by asking to visit again to share information about private support of the organization.
- If unwilling to meet again, probe for why but always encourage annual gift support — make a friend, move on to other prospects.

B. **Follow-up** — begin financial support discussion.

- Recap initial meeting.
- Thank again for support and remind that you were going to share data about private support and cases for it.
- Suggest ways she/he could support the organization based on info gathered before — gift types associated with assets owned (real estate, stock, etc.).
- Gauge reaction, re-emphasize points of interest, compliment on willingness to consider support.
- Offer projections if possible planned gift.
- Set date to call again.

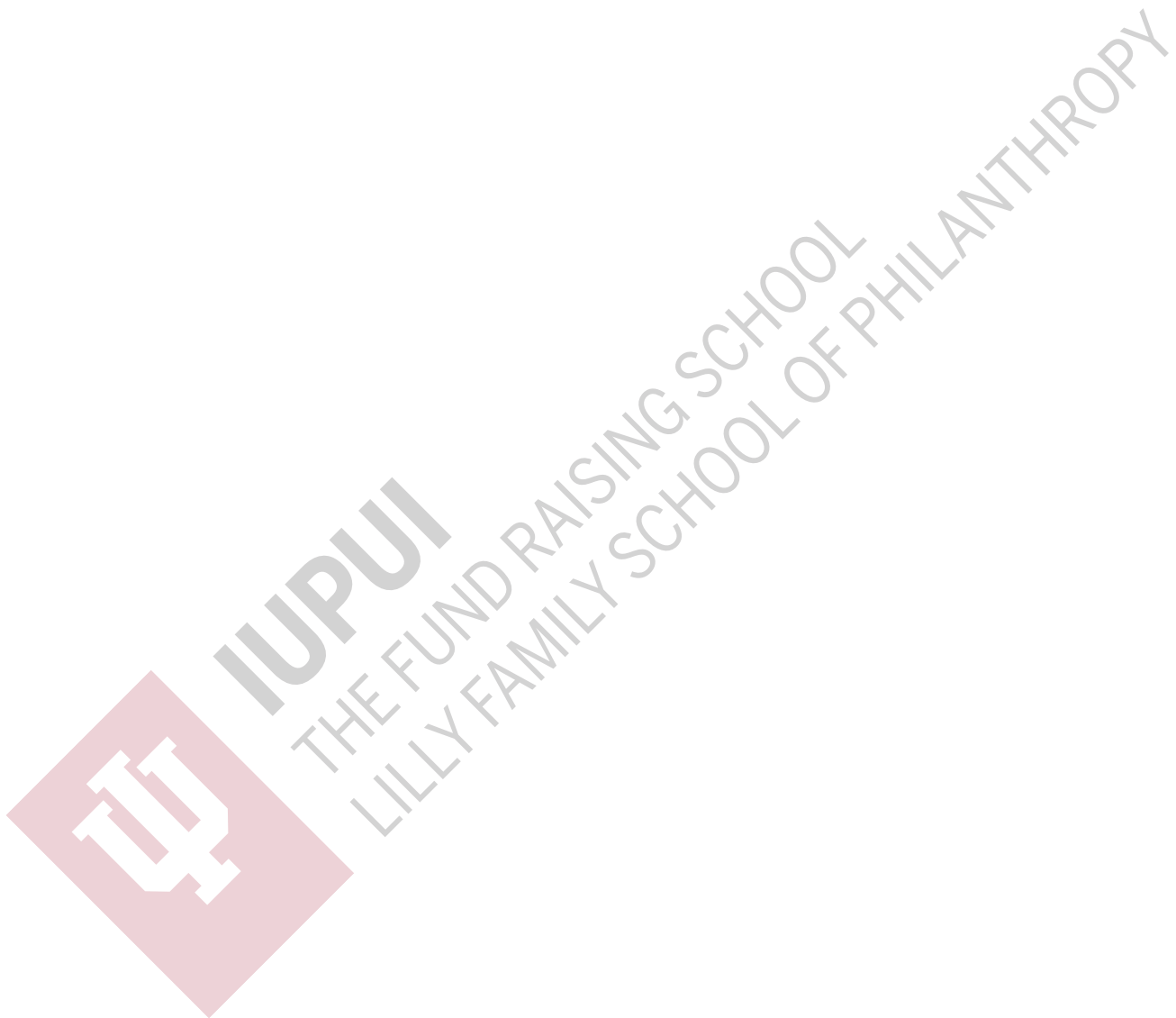
C. **Follow-up** — hone in on financial support.

- Recap last meeting, personal values expressed.
- Ask for further thoughts on items discussed before.
- Provide additional data that support earlier discussions.
- If estate planning is appropriate, indicate how you can help — referrals, meet with planned gift staff, provide materials.
- Conclude by promising a written proposal for consideration.

D. **Proposal delivery** — talk it through.

- recap.
- discuss proposal.
- ask for decision, but don't push.
- set another visit if necessary.

Adapted from Indiana University Foundation



CULTIVATION/INVOLVEMENT SUGGESTIONS

Questioning Techniques

When involved in a one-on-one or small group dialogue, be sure to vary your questions. These are the three most effective types of questions:

Open-ended questions broaden the conversation and encourage the person to whom you are talking to give richer answers, many of which are laced with important personal information including value.

Examples:

“Tell me about your experiences since leaving law school...”

“Tell us more about what XYZ has meant to you...”

“What else have you been concerned about...?”

Closed-ended questions influence the conversation in a specific direction. These questions can be answered with a “yes” or a “no” and are good indicators of where your conversation is going.

Examples:

“Would you agree, then, that continued support for financial aid is an important investment . . . ?”

“Is there anything else you’d like to know about our new curriculum program?”

Possibility (or “if/then”) questions let you try out the idea of a next step.

Examples:

“If we sent you more information, would you consider making a pledge?”

“Would a visit with a professor from the English Department be something you would like me to arrange before you make a commitment?”

Handling Objections In A Solicitation Or Presentation

There are four basic kinds of objections, each of which requires a special response. There is one rule about handling an objection: *meet it, don’t beat it*. Never argue with someone. Objections are a window into a person’s values, and sometimes mask vulnerable and important areas that can impede or enhance a relationship.

The types of objections are:

1. **Misunderstanding** — “I don’t understand...”

This is the easiest kind of objection to overcome. You can clarify and gently correct with facts.

Example:

“I can see how all this might seem very confusing. Let me see if I can clarify it for you...”

2. **Indifference** — “I don’t care.”

This kind of objection often masks a bad experience the individual may have had with XYZ or with giving. Use closed-ended questions that will help your prospective donor rediscover her/his feelings about XYZ.

Examples:

“I’m sorry to hear that you feel disconnected from XYZ. Has this happened recently, and can you tell me why you feel this has happened?”

“It is easy to feel overwhelmed by the serious problems of hunger and homelessness in our community, and to feel like your gift to education can’t make a difference. May I take a little more time to tell you how — and why — a gift to XYZ University is an investment in young people who have the potential to influence the future?”

3. **Skepticism** — “I don’t believe...”

The doubter will need an expert witness — or comprehensive information — who will support and reinforce what you have been saying. Your word will not be enough.

Example:

“I don’t blame you for being concerned about how your gift will be invested in XYZ — I would want my money to be well managed, too, particularly for something as important as this. I’d like to set up a meeting for you with someone from our development staff who can explain exactly how the money will be used. What would be a good time for me to arrange that?”

4. **Real Drawback** — “I don’t like it.”

This is a highly charged objection, and must be handled carefully. Use a four-part process:

- a. **Clarify** the objection to make sure you understand it.
- b. **Acknowledge** the feelings behind it. Restate the objections as a question, and use further questions to narrow the objection to one management issue.

- c. Try to **minimize the impact of the objection**, and emphasize the greater good or the bigger picture.
- d. Try to **gain a neutral position**, by balancing the objection against the larger picture of XYZ's history, reputation and standing. Ask if the objection will keep the prospect from joining in supporting the program/service. Summarize graciously and complete the conversation (in person or phone) if the person maintains her/his reluctance to give (or to set an appointment for you).

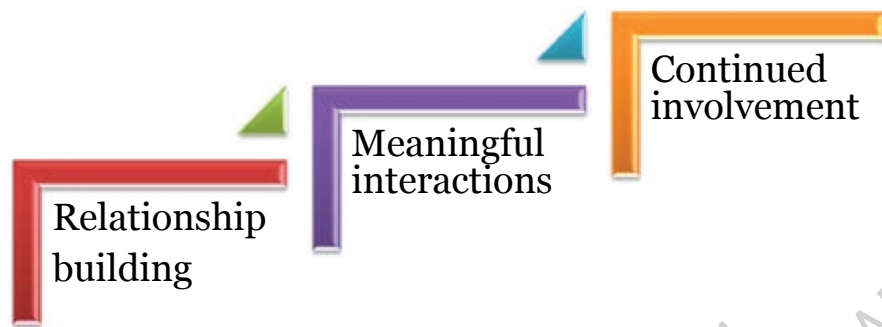
The key to overcoming most objections is to look for a point or area where you can agree with their views, at least in part.

Major Gift Solicitation Errors

- a. Not understanding that the best major gift prospects are past donors.
- b. Not asking for a gift; leaving it open-ended.
- c. Not asking for a large enough gift.
- d. Failing to cultivate prospect's interests.
- e. Lack of knowledge about prospect's interests.
- f. Asking for the gift too soon.
- g. Not fully understanding case for support.
- h. Failing to talk about benefits for giving.
- i. Failing to involve right person in solicitation.

Step 4: Cultivation

INTERACTION over TIME



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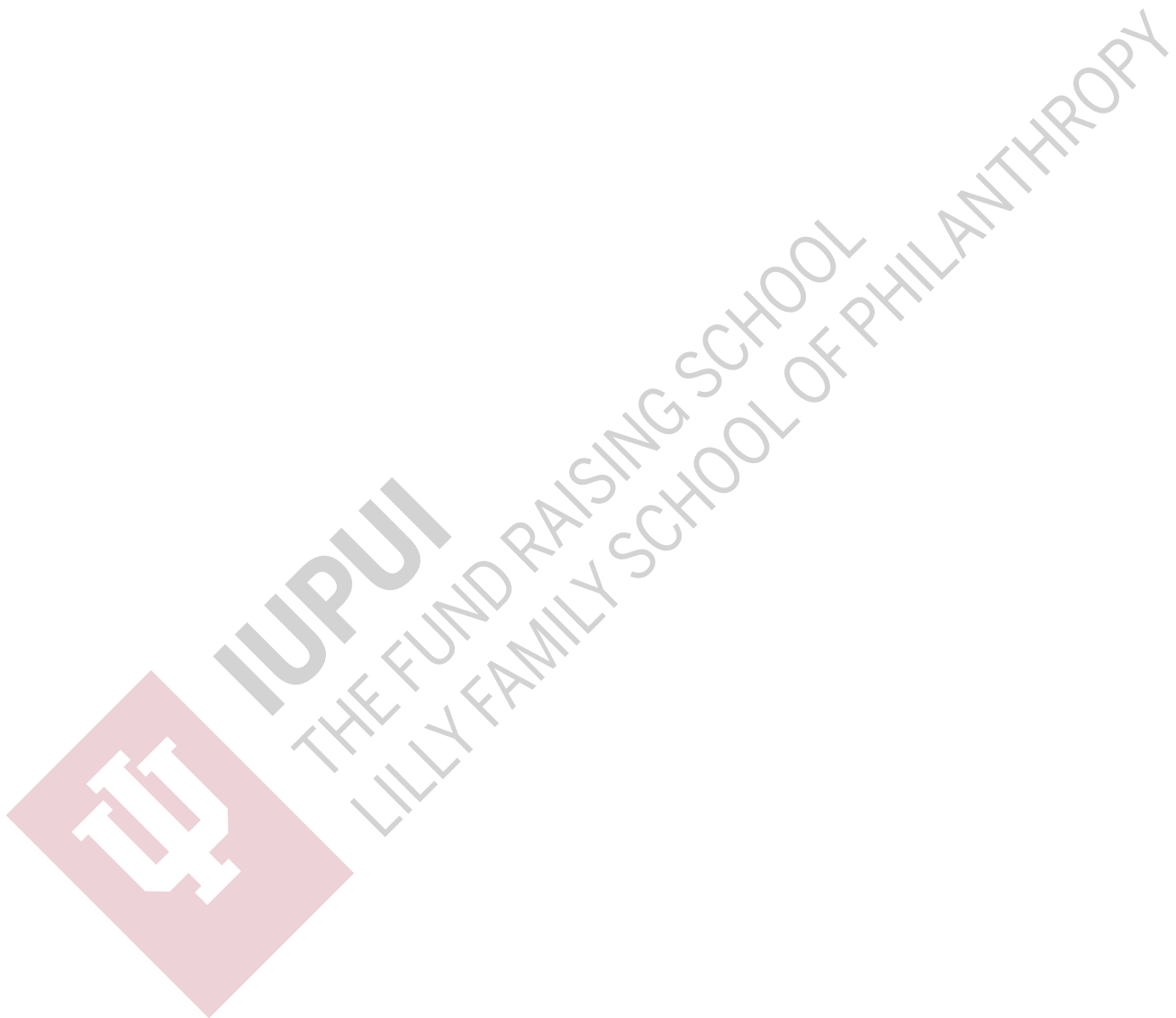
Step 5: Solicitation

We'll come back to this...



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STEP 6. ACKNOWLEDGMENT/ RECOGNITION

8-STEPS

1. Identify
2. Qualify
3. Develop Strategy
4. Cultivate
5. Solicit and Negotiate
- 6. Acknowledge/Recognize**
7. Steward
8. Renew

1. In acknowledging our major gift donors, we need to remember the following truisms:
 - Everyone needs to be thanked.
 - Donors need to be thanked several times a year (probably five to seven times).
 - Part of acknowledgment needs to include documentation of how the contribution was used.
 - Involvement of volunteers in the acknowledgment process is desirable and very effective.
 - Acknowledgment of gifts should start at the lowest level of gifts to assure long-term investment in the organization (i.e., major gifts).
2. Ask yourself: What are we trying to accomplish in the acknowledgment step of the eight-step process?

Appreciation of the gift

Expressed by whom? _____

In what way? (Telephone call, letter, visit, something tangible?) _____

Recognition of the gift.

Format? (Honor roll, something visible, something private?) _____

Who's involved? _____

Personal attention.

If each major gift is a campaign in itself, so is the acknowledgment of the gift.

How do we know/learn what is appropriate for each donor? _____

Who is responsible/accountable for whatever personal acknowledgment is offered?

How does each acknowledgment strengthen the bond between the donor and the organization? _____

Do we need a plan for acknowledgment? If so, how will we proceed? Who develops the plan? Executes it? Monitors progress? Evaluates?



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Step 6: Acknowledgement & Recognition



Timeliness

Appropriateness

Determination of who is involved

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SAMPLE ACKNOWLEDGMENT AND RECOGNITION STANDARDS

All donors who have given \$2,000 or more will be recognized on the donor wall as follows (Amounts and ranges to be determined as appropriate to the organization.):

- Friends
- Sponsors
- Patrons
- Benefactors
- Honored Benefactors
- Distinguished Benefactors

Included in the recognition will be donors of cash, real estate, planned gifts. Life gifts will be recognized at cash value until maturity of the policy.

Appropriate recognition items will be given in addition to above.



SAMPLE MINIMUM STANDARDS FOR ACKNOWLEDGMENT (should include details of the following)

- Thank you letter procedures — time, who writes, who signs, what letters at what gift levels.
- Levels of giving and appropriate tangible recognition gifts.
- Reporting to donors: narrative mailings, financial reports, etc.
- Direct contact from leadership of organization.
- News releases.
- Published annual report with special recognition of major donors along with list of all donors.
- Donor recognition walls or plaques.
- Celebratory events.
- Definition of types of gifts (cash, bonds, securities, all planned gifts, insurance, commemorative).



SAMPLE GIVING CLUB GUIDELINES

Boosters Club: \$1,000–\$1,999 (Amounts will vary according to organizational goal and policies.)

- Two additional tickets to a donor dinner.
- A book written by an author related to the cause.
- Name on a recognition plaque.
- Monthly newsletter. **Silver Circle:** \$2,000–\$3,499
- Personalized plaque.
- Special informational meeting (breakfast) with the president.
- Monthly newsletter and an “insider’s info” weekly e-mail newsletter.
- Print of major site on campus.

Golden Guild: \$3,500–\$4,999

- Guaranteed parking (free) at annual event.
- Special dinner with president.
- Limited edition of pottery produced by resident artist.

Founder’s Forum: \$5,000–\$9,999

- Invitation to a special board meeting.
- Appreciation event with visiting celebrities and talent.
- Priority seating at football game.
- Two copies of book by director emeritus, noted in his/her field.

President’s Society:

- Personalized recognition, with a choice of book, print, or pottery.

SAMPLE GIVING CLUB GUIDELINES

Circle of Champions (\$1000+amounts to be designated)

- Quarterly newsletter
- Annual report
- Invitation to one special event

Friends Club

- All of the above plus name listed on donor plaque

Ambassadors

- All of the above plus VIP identification card for 10% discount at participating stores and organization's gift shop.
- Invitation to the annual meeting.

Sponsors

- All of the above plus names added to special plaque at main entrance, invitation to annual recognition dinner and subscription to the president's letter (free).

Patrons

- All of the above plus two tickets to the annual black-tie ball and a personal, personalized gift.

STEP 7. STEWARDSHIP

Stewardship is the guiding principle in philanthropic fundraising. It is defined as the philosophy and means by which an institution exercises ethical accountability in the use of contributed resources and the philosophy and means by which a donor exercises responsibility in the voluntary use of resources.

8-STEPS

1. Identify
2. Qualify
3. Develop Strategy
4. Cultivate
5. Solicit and Negotiate
6. Acknowledge/Recognize
7. **Steward**
8. Renew

Please do this worksheet as part of your own reflection on what stewardship means in your organization.

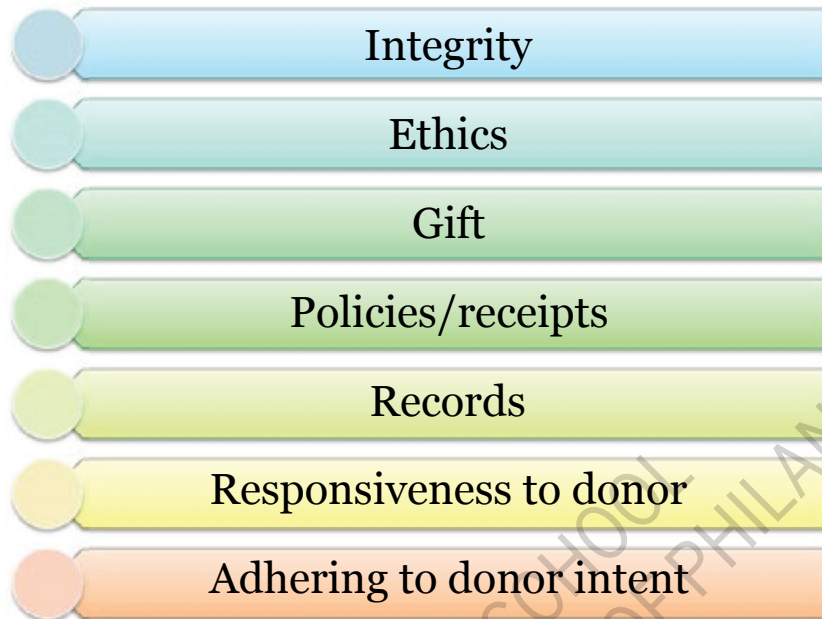
1. What is your definition of stewardship? Is it the same or different from your organization's definition? If different, how?

2. Now, please reflect on the six steps covered so far. During which steps of the cycle would you practice stewardship, how and why?

1. Identification. _____
2. Qualification. _____
3. Development of strategy. _____
4. Cultivation. _____
5. Solicitation and Negotiation. _____
6. Acknowledgment. _____

3. Is your organization ready to practice stewardship in the major gifts process? If yes, please explain this readiness. If no, please state what should be done in order to prepare the organization for stewardship. _____

Step 7: Stewardship

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STEP 8. RENEWAL

Instructions: On the first day, as Step 2, Qualification, was discussed, you worked on a silent prospecting exercise. At this time you were asked to work with a prospect whom you identified — one that would qualify as a potential major gift donor to your organization. We also recommended you use this same donor for other exercises involving the eight-step process for major gift development.

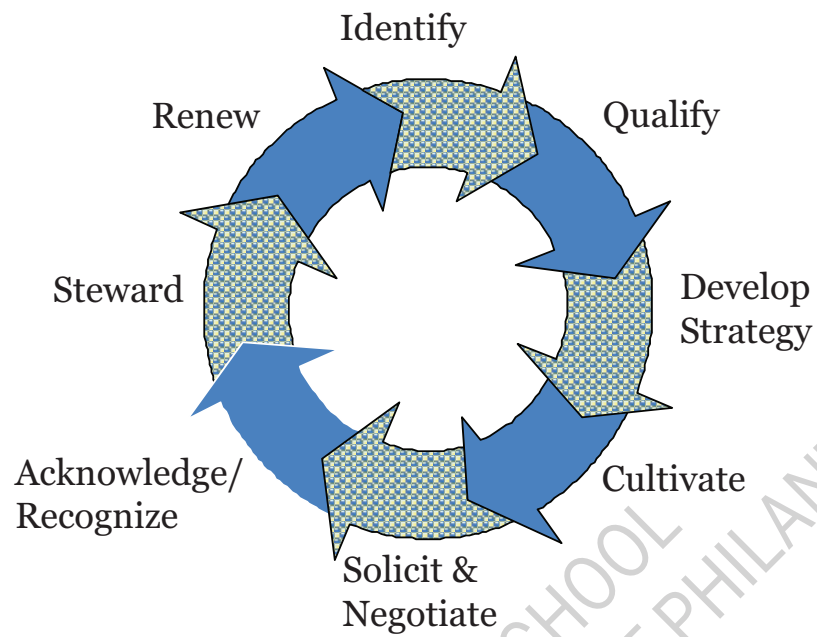
8-STEPS	
1.	Identify
2.	Qualify
3.	Develop Strategy
4.	Cultivate
5.	Solicit and Negotiate
6.	Acknowledge/Recognize
7.	Steward
8.	Renew

Using this same prospect, review your prospect development plan and come to a hypothetical conclusion; i.e., your prospect which you identified and qualified has made a major gift. Assume this is not a one-time major gift. What steps will you take in order to prepare the prospect and the institution for a renewal of the gift at the appropriate time?

Outline five important steps that are appropriate for your prospect who has now become a donor. Indicate who will be involved, a timeline, and what changes you might make as a result of your first experience with this donor.

Steps	Persons involved	Timeline	Important Considerations in strategy
Step 1			
Step 2			
Step 3			
Step 4			
Step 5			

Renewal

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CHAPTER TEN

SOLICITATION EXERCISE

This exercise is the culmination of what you have learned in the course. You will bring together what you have learned about DiSC type and how you perceive type in others as well as how you understand yourself, listening and verbal skills, nonverbal language, negotiation, and supportive and defensive behaviors.

First, number off in groups of four.

#1 will be the board member.

#2 will be the development director.

#3 will be the prospect.

#4 will be the uninvolved observer.

As you begin this exercise, all four individuals will meet and #3's will reveal their DiSC type. Then #1's and #2's will meet together, in pairs, and develop a case for support and a solicitation plan for the organization represented by #2, the development director. Prepare for a \$10,000 solicitation.

The prospects will meet outside of the classroom and discuss how each type will present itself as a donor. Review the donor type indicators and preferences below.

The solicitation team will prepare their case and solicitation to accommodate the prospect's type and try to anticipate reactions and expected responses. Consider, as a team, how you need to adjust your styles to meet the donor's needs and preferences.

During the solicitation, the observer for each group will take notes on what happens and will report during the follow-up discussion.

Follow-up discussion will focus on how knowledge of types can enhance your solicitation, and will also consider how the concepts you've learned in this course will help you relate and communicate better with your donors.

D donor

Wants to hear outcomes, ability to achieve goals.

Wants the bottom line, not a lot of explanation unless you are asked.

Literature must be to the point.

Wants to spend as little time as possible — make your point; ask how much time is available.

Don't try emotional appeals, don't go into long explanations.

Watch body language for clues.

Once you get a "yes," don't drag out the conversation or ask for repetition.

i donor:

Wants to hear how important he/she is to the cause (recognition).

Wants to hear opportunities to tell his/her story.

Wants stories, interesting explanations.

Literature should be exciting, interesting, colorful-less writing and more pictures.

Time depends on how much the donor is enjoying the conversation.

Don't give a canned speech, go into details with lots of facts and figures.

Watch body language for clues.

Once you get a "yes," close the deal and move onto personal conversation.

S donor:

Wants to hear how others are being helped.

Wants to hear that the money will be spent on the people (guarantees).

Wants to hear how the cause aligns with his/her principles/values.

Wants to know information about the campaign — process.

Literature must give adequate information.

Wants to hear a personal appeal from the fundraiser — one-on-one.

Will be patient and give you time — but ask how much time is available.

Don't rush the presentation or try to rush the decision — but agree to follow up time.

Don't treat the donor like another name to check off the list.

C donor:

Wants to hear outcomes and goals.

Wants to hear that the campaign will be well managed (accuracy).

Wants information and details about past accomplishments, future plans.

Wants to see information in writing, details, charts/graphs.

Literature must be error free.

Will be patient and give you time — but ask how much time is available.

Don't rush the presentation or try to rush the decision — but agree to follow up time.

Don't rely solely on emotional appeal.

SOLICITATION PRACTICUM

Participants in the major gift solicitation.

#1. Board Chair

For the past three years you have chaired the Board of Trustees of your nonprofit organization. You are passionate about the organization's mission and eager to share "the story". You have been on several major gift fundraising solicitations and are calm and confident. You know the prospective benefactor relatively well; you are in Rotary together, occasionally play tennis with the same doubles group, and your children have attended the same elementary school for the past three years. You are an upper level manager directing marketing for a computer-service business and have been very successful. You have three children, the youngest of whom attends school with the donor's child. You make an annual gift of _____ (appropriate amount for the organization you have selected) and will ask for a gift of the appropriate size. Your salary is (appropriate for the size of gift you make.) In addition to tennis, you are also an avid golfer.

#2. Development Director

You have served as Director of Development for two years and are recognized as a leader in the organization and within the community. You are inspired by the work and by the leadership of your board chair. You work well together and have met the prospective donor several times at events held by the organization. You contribute \$500 annually to the organization and your salary is \$48,000. You are confident the donor will be cordial and that the amount requested is respectful and appropriate to his/her philanthropic capacity and inclination. Your organization has had an annual direct mail appeal for many years and holds a successful annual fundraising event. Although you have received major gifts in the past, there has been no concerted major gift program to speak of for your organization.

#3. Prospective Donor

You have been engaged appropriately by this organization and have had personal visits from both volunteers and staff members. Additionally, you have been to donor luncheons and receptions as well as annual fundraisers. You receive the organization's newsletters and have been asked to serve on a task force to evaluate the organization's publications. You are an investment manager and have given the organization some pro bono advice over the years. You have made seven or eight gifts to the organization over a ten-year period of time of \$1,000, \$750, \$2,500, and \$1,250. You are self-employed and your average gross income per year is _____ (appropriate for the size of the solicitation). Your spouse is a development officer for a local college. You have two children, both of whom are in elementary school with the youngest child of the board chair.

SOLICITATION PRACTICUM

What is the gift amount you, the solicitor, are seeking? \$ _____

What is the overall goal of your fundraising effort? \$ _____

Can pledges be made over a period of years? What period is acceptable: _____ to _____ years?

Are cash gifts the only gifts you are willing to take?

Why are you engaged in this major gift fundraising effort?

How will a major gift help you and your organization make a difference in the lives of those whom you serve? Specifically who will benefit?

How will philanthropy help you to be more effective and efficient?

What are the benefits to the donor of making a gift?

What are the specific solicitation strategies and tasks. Who makes the introductions, the case, the solicitation? Who answers various donor questions, e.g., how the gift can be made, who else is participating?

What is the donor type/motivation?

How does knowing this donor type affect your solicitation?

What might be special information needs that should be stressed in the proposal?

What may be some particularly important emotional needs that should be considered in this solicitation?

What do you think are some key values for this donor?

What might be donor objections to this solicitation at this time? Who will address these objections and how?

Would any particular information interest this donor? For example: a challenge grant, names and amounts other major donors contributed to the drive (if ethical and cleared in advance), a gift in memory or tribute to someone?

List three important questions you may wish to ask the potential major donor and who will ask the questions.

RESEARCH PROFILE FOR THE SECOND CALL (SOLICITATION)

Donor Number 1:

- Gives because of strong belief in the cause.
- Volunteers regularly at the organization (pro bono investment advisor).
- Attends the organization's special events.
- Gives because someone in family was helped by the organization.
- Contributes to the annual fund at various levels.
- Has made seven or eight gifts over ten years between \$750 and \$2,500.
- Has always given unrestricted gifts.
- Has requested information about trust and estate planning, but never wants a personal visit to discuss information.
- Frequently requests information about trust and estate planning, but never wants a personal visit to discuss information.
- In the last solicitation meeting, asked Development Director how this major gift drive is going; has volunteered to be a part of the committee to plan the major donor recognition dinner for the campaign.

Donor Number 2:

- Gives because of the warm glow he/she gets from philanthropy.
- Lives in the best neighborhood in town.
- Is an executive in a local investment management firm.
- Knows several board members socially.
- Has given between \$750 and \$2,500 to the annual fund.
- Since the last solicitation meeting, has mentioned to a board member how impressed they were with the impact the organization is having in the community; requested and was sent an annual report; in response to a board member's inquiry if a major gift could be personally rewarding, if strategic gifts could have an impact, the question seemed to "strike a chord" with the donor.

Donor Number 3:

- Gives because of tax incentives.
- Works in a local investment management firm.
- Gives regularly in varying amounts from \$750 to \$2,500.
- Always gives at year-end.
- Is funding a college education fund for their young children.
- Mentioned attending the "Leave a Legacy" program for another charity in the local community.
- Since the last solicitation meeting, held a large party in honor of spouse's 45th birthday.
- Has requested a brochure, Tax Wise Giving, and accepted an invitation to attend a seminar on the same topic at another nonprofit organization.

Donor Number 4:

- Gives because of peer pressure.
- Has a spouse who is a college fundraiser and understands the organization's mission.
- Plays tennis with the Board chair.
- Has given between \$750 and \$2,500 in the last ten years.
- Since the last solicitation meeting, the spouse has been invited to join another nonprofit board and has accepted. The spouse also was asked to consider being chair of that organization's next fundraising special event.

Donor Number 5:

- Gives because of recognition.
- Has not been a sponsor to this organization's special events in the past.
- Has been an annual donor giving between \$750 and \$2,500 the last 10 years.
- Volunteers at the nonprofit's special event that is the social event of the season.
- Since the last solicitation, inherited a very substantial sum of money from the spouse's parents who died in a car accident. The spouse is using some of this inheritance to make a leadership gift to their college employer.
- Has asked why the organization didn't have a "Hall of Benefactors" and "hid their light under a basket" by not publishing donors at various giving levels, adding that a special luncheon is being held for the spouse to recognize a new major gift to the college.

DISC & SOLICITATION REMINDERS

High D's want others to be direct, straightforward, and open to their need for results.

- communicate briefly and to the point
- respect their need for autonomy
- be clear about rules and expectations
- let them initiate conversation
- show your competence
- stick to the topic
- eliminate time wasters

Be prepared for blunt, demanding approaches, lack of empathy and sensitivity, don't expect much social interaction.

High I's want others to be friendly and emotionally honest, and to recognize their contributions.

- approach them informally
- be relaxed and sociable
- let them verbalize thoughts and feelings
- keep the conversation light
- provide written details
- give public recognition for individual accomplishments
- don't hesitate to use humor

Be prepared for attempts to persuade or influence you and others, their need for the limelight, and their vulnerability to perceived rejection.

High S's want others to be relaxed, agreeable, cooperative, and appreciative.

- try to be logical and systematic in your approach
- provide a consistent and secure environment
- let them know how things will be done
- show their importance to the organization
- use sincere appreciation
- accept that they will adapt slowly to change

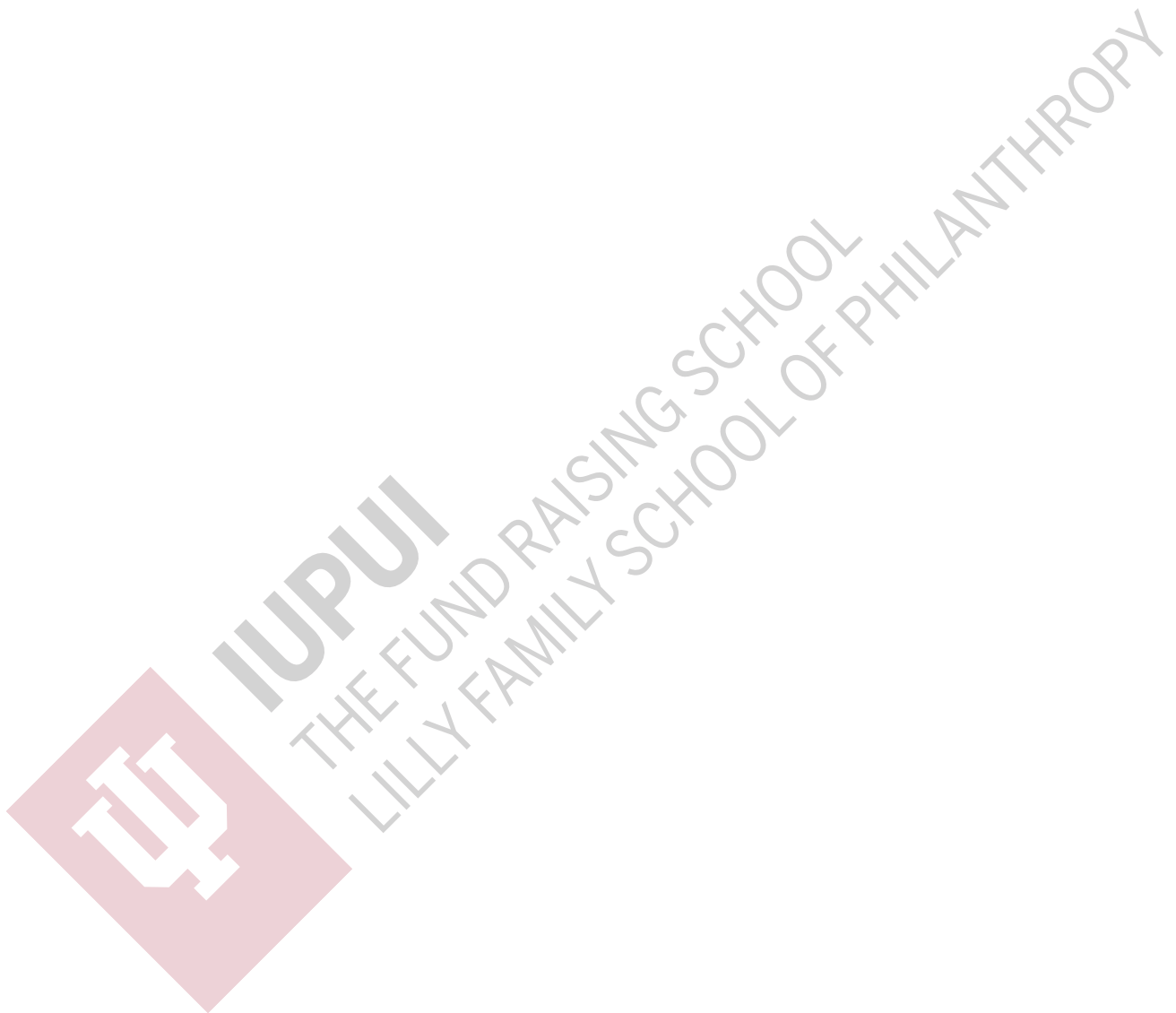
Be prepared for friendliness, resistance to change, difficulty in identifying priorities, and difficult with deadlines.

High C's wants others to minimize socializing. They want details and value accuracy.

- give clear expectations and deadlines
- show dependability and
- demonstrate loyalty
- be tactful and emotionally reserved
- be precise and focused
- maintain high standards

Be prepared for discomfort with ambiguity, resistance to vague or general information, and the desire to double-check what you're saying.





CHAPTER ELEVEN

PLANNING, MEASURING, IMPLEMENTING AND MANAGING THE MAJOR GIFTS PROGRAM

The institutional plan is a road map. It is organized by goals, which flow out of the vision and enable action based on mission. Planning embraces change, and change is a force that can lead to growth or decay in any organization. Leaders who emphasize growth keep their organizations vibrant. Leaders who respond to change with fear keep their organizations in the decay portion of the change cycle.

The plan for nonprofit organizations should have several basic components. These include the program, the organization, personnel and fundraising. Other areas are usually desired, but these are essential.

Plans can be long-range or strategic. Formats for plans vary greatly. What is vital is that your organization have a road map for its major gifts programs.

Developing the plan requires the participation of the fundraising team, as well as external members who are involved with your program. An annual planning session is recommended. Adequate staff preparation ensures a smooth planning process, one in which board and other volunteers feel they are equal partners in the process and product.

Implementation of a successful major gifts program requires planning, leadership and partnership, and the ability to recognize, implement and deal with change. Each major gift solicitation is a mini-plan in itself, which is set in the context of a larger fundraising and organizational plan.

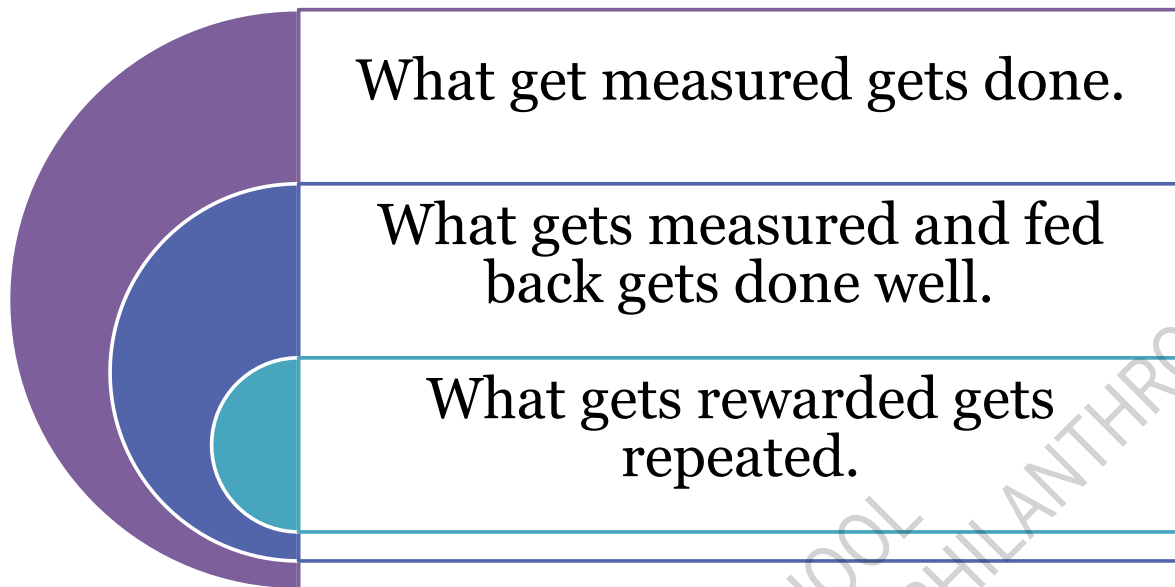
This section of the addresses the following:

- What and why we measure.
- Getting and sharing a vision.
- Managing the major gifts program.
- Long-range planning.
- Putting it all together.

Materials included in this section are:

- Measurement samples and tools.
- Exercise in getting and sharing a vision.
- A long-range planning model set of worksheets.
- Information on putting it all together and on-going activities of a major gifts program.
- Information for providing an ethical framework for major gift fundraising.

On Metrics....Why Measure?



Measuring Major Gift Officer Performance, Matt Ter Molen and David Lively, CASE V&VI 2013



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Sample Major Gift Fundraiser Expenses

Salary	\$
Benefits (-28% of salary)	\$
Budget (travel, entertainment, etc.)	\$
Supplies (computer, phone, letterhead, etc.)	\$
Research (% of prospect research/management staff, etc.)	\$
Database (% of license/staff support, etc.)	\$
Space (office space, etc.)	\$
Other misc. expenses	\$
Training (TFRS courses, AFP, CASE, etc.)	\$
Opportunity costs (how else could \$ be used?)	\$
Total Expenses	\$

Measuring Major Gift Officer Performance, Matt Ter Molen and David Lively, CASE V&VI 2013



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What to Measure



Measuring Major Gift Officer Performance, Matt Ter Molen and David Lively, CASE V&VI 2013



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Sample Metrics – Major Giving ROI

Metrics	Individual MGO Quarterly Goals	MGO1 1 st Quarter Actual	MGO 2 1 st Quarter Actual	MGO3 1 st Quarter Actual	Total Quarterly Results
Visits					
Proposals submitted					
Proposals closed					
Yield percentage					
Dollars raised					
Cost of employment					
Net Dollars Raised					
Return on Investment Percentage					

Measuring Fundraising Return on Investment, WelathEngine



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Sample Metrics – Major Giving ROI

Metrics	Individual MGO Quarterly Goals	MGO1 1 st Quarter Actual	MGO 2 1 st Quarter Actual	MGO3 1 st Quarter Actual	Total Quarterly Results
Visits	48	24	16	50	85/144
Proposals submitted	6	4	3	6	13/18
Proposals closed	3	1	1	4	6/9
Yield percentage	50%	25%	33.33%	66.66%	41.66%
Dollars raised	\$250,000	\$100,000	\$340,000	\$125,000	\$565,000/ 750,000
Cost of employment	Salary 82,600 Benefits 23% Total Salary \$101,598 /4 \$25,400	\$25,400	\$25,400	\$25,400	\$76,200
Net Dollars Raised		\$74,600	314,600	\$99,600	\$488,800/ 673,800
Return on Investment Percentage		293%	1238%	392%	641%/


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Sample Goals

- Major Gift officers (MGO's) identify, qualify, cultivate, and solicit major gifts of \$25,000 and higher by matching donors' philanthropic interests with needs of the university
- MGO's average 18-24 solicitations of \$25,000 and up per year
- MGO's carry a major gift prospect portfolio of 120-150 major gift prospects in active solicitation cycle (those not in perpetual stewardship)
- MGO's maintain 20-30 top prospects who will move through the solicitation cycle in 12-18 months
- MGO's maintain 20-30 emerging prospects whose proposal is not yet in negotiation and cultivate them to become top prospects within 12-18 months

NC State University Relationship Management Best Practice, February 2009 – WealthEngine



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GETTING AND SHARING A VISION: WHY IT IS ESSENTIAL TO MAJOR GIFTS DEVELOPMENT

A vision of the future is the dream the organization has of the world as it would be if its mission is fulfilled. Sharing the vision with board, staff, key volunteers and potential donors is an important part of major gift fundraising. It is at the center of the social exchange process. Without a clear vision, major gifts fundraising becomes nearly impossible. The donor cannot find the value or values that encourages her/his investment. The process is sometimes difficult, but well worth investing the necessary time and energy.



Sharing YOUR Vision Exercise

It's a bright sunny Tuesday morning. Your first Monday after The Fund Raising School course is safely behind you, and the rest of the week actually looks manageable. You arrive early to get a head start on the day because you have a lot to accomplish today. As you sit down, you notice the following memo resting in your chair. It is now 7:30am...

MEMORANDUM

To: YOU

From: Your Boss

Re: Your Vision of the future

As a result of a late afternoon meeting yesterday with the board, we have realized that we need to get a clearer sense of what our vision is for our organization. We have scheduled a special board meeting this morning to review the direction we see ourselves going in the next several years and this vision is a key piece of that road map.

I'd like you to make a brief presentation, no more than five minutes, highlighting the vision you feel is essential for us to embrace in order to move ahead in the area of major gifts development. Obviously, we must enroll the board in this vision and so the words you choose will be very important. We want to build a team: to motivate, inspire, and inform. A bit order, but worth the effort! I realize this is short notice, but I know I can count on you to come through. Perhaps the following will help you in your thinking:

1. As you look five years ahead, what is your vision of what our organization will be like? What leadership skills will be required? Who will provide them?

2. What will we have created or accomplished? How will we want to be measured?

3. How will a stronger major gifts program help us achieve this vision, and what must it look like to be effective? What will we have to do to put it in place? How will we want to be measured or evaluated?

The meeting will begin at 10:00am, and you will be the first presenter.

Many thanks!



Part One

Using the questions on the previous two pages as a guide, prepare a presentation about your own organization for the meeting. You will have five to seven minutes to present your vision.

Blank lined paper for writing.

Part Two

As you consider the vision you have for your organization, there are most likely elements that will require you to set goals and objectives, implement changes, enroll others in your vision, and identify other key people and strategies to bring about the realization of this vision.

1. What will have to change in your organization in order for this vision to be realized?

2. Who is responsible for these changes, and what kinds of leadership will you exercise to get those people aware of your vision so they will want to make the changes?

3. What obstacles do you see on the way to fulfilling this vision?

4. What will you need to do in order to overcome these obstacles?

5. What are the strengths in your organization that will help you in understanding this leadership challenge?

6. Who are the key people to enroll in this vision?

Final thoughts?

Action Plan

Date _____ Project _____

Page _____

Task or Responsibility	Responsible Person(s)	Date Due	Date Done	Comments



CHAPTER TWELVE

MAJOR GIFTS BOOKS

Dove, Kent E., Alan M. Spears, Thomas W. Herbert. *Conducting a Successful Major Gifts & Planned Giving Program*. San Francisco, CA: Jossey-Bass, Inc., 2002.

This is the fifth volume in the Dove on Fundraising Series. This valuable resource will give you the information necessary to plan successful major gift and planned giving programs. The authors clearly define the law as it pertains to planned giving. The book also includes a resource section that contains samples of real-world examples.

Fredricks, Laura. *Developing Major Gifts: Turning Small Donors into Big Contributors*. Sudbury, MA: Jones & Bartlett Publishing, Inc., 2003.

Every fundraising organization will be able to use this guide in how to make major gifts a successful reality. Step-by-step instructions for every size of organization.

Greenhoe, John CFRE. *Opening the Door to Major Gifts (In the Trenches Series)*. Rancho Santa Margarita, CA: Charity Channel Press, 2013.

The book provides specific strategies that will increase your odds for success when you are ready to meet your donors. You will learn to “warm” your prospects so they are receptive to your outreach, to make allies of the gatekeepers who control access to the decision makers, and to conduct a qualification call that is both casual and purposeful. All of these methods are designed to initiate a comfortable and meaningful relationship that will one day result in a significant philanthropic investment.

Hart, Ted and James M. Greenfield, Pamela M. Gignac, Christopher Carnie. *Major Donors: Finding Big Gifts in Your Database and Online*. San Francisco, CA: Jossey-Bass, Inc., 2006. *Major Donors: Finding Big Gifts in Your Database and Online* supplies strategies for navigating the ever-changing world of fundraising on the Internet. Includes cross-cultural tips about conducting cultivation and solicitation in various countries.

Hodge, J.M. “Major Gifts” In *Achieving Excellence in Fundraising*, 4th ed. Hoboken, NJ: John Wiley & Sons, Inc., 2016. This volume is the definitive resource in applied philanthropic research. In this chapter on *Major Gifts*, Hodge provides practical guidance for engaging donors in transformational philanthropy.

Irwin-Wells, Suzanne. *Planning and Implementing Your Major Gifts Campaign*. Excellence in Fund Raising Workbook Series. The Fund Raising School at the Center on Philanthropy at Indiana University. San Francisco, CA: Jossey-Bass, Inc., 2001. This invaluable aid for fundraisers will demystify the process of designing and implementing a major gifts program. It gives step-by-step information on how to identify prospects, identify and train volunteers, and boost solicitor confidence through role-playing, script planning, and rehearsals. Includes many forms, letter templates, how-to worksheets, and much more.

McKinnon, Harvey, *How Today's Rich Give: What You Need to Know to Raise a Lot More Money from Wealthy Donors*. San Francisco, CA: Jossey-Bass, Inc., 2003. Practical ideas on how to identify and approach the new millionaires, how to speak their language, and what challenges fundraisers may encounter in approaching them. An accompanying slide presentation helps listeners apply these insights within their own development programs, offering fundraisers both new insights about their existing donor bases and solid, tested methods for expanding their prospecting to promising new arenas.

Tempel, Eugene R., and Dwight F. Burlingame (Eds.). *Understanding the Needs of Donors: The Supply Side of Charitable Giving*. New Directions for Philanthropic Fundraising. Vol. 29. San Francisco, CA: Jossey-Bass, Inc., 2001. The contributors cover such areas as the motivations behind giving, how to motivate donors, the financial and psychological determinants of donor's capacity, with insights into the supply-side aspects/demand-side of giving.

Walker, Julia Ingraham. *Nonprofit Essentials: Major Gifts (AFP Fund Development Series)*. San Francisco, CA: Jossey-Bass, Inc., 2006. Nonprofit Essentials: Major Gifts takes the reader from the early stages of establishing a program through the core elements of all major gift programs: identifying and rating prospects; preparing the case; training volunteers; cultivating donors; making the ask; and providing recognition and stewardship for the gift.

BLOGS AND WEBSITES

<http://philanthropy.com/section/Blogs/208/>

The Chronicle of Philanthropy provides up-to-date events in the nonprofit sector.

<http://www.thegatesnotes.com/>

Gates Notes gives information about books, education, energy, development, and health within the philanthropic realm. Great list of possible reading resources and excellent blogs on improving global health and education.

<http://philanthrofiles.org/>

Philanthrofiles offers great resources to executive directors, CEO's, President's, or board chairs. There is a wealth of information about board advice and possible ways to run a nonprofit more successfully.

<http://pndblog.typepad.com/pndblog/>

Offers opinion and commentary on the Philanthropy News Digests. Great resource for helping to understand philanthropy and to hear professional opinions about current trends, giving, and movements.

<http://www.fsg.org/KnowledgeExchange/Blogs/FSGBlogs.aspx/>

FSG provides current news and research topics within the field of philanthropy. Discusses and evaluates research in an unbiased manner.

<http://blog.givewell.org/>

Give Well provides information that could be useful in running nonprofits. Their blogs give tips on best practices and critique current methods.

<http://www.philanthropyjournal.blogspot.com/>

Inside Philanthropy provides current news. Some tips on running effective board have been provided in the past.

<http://www.philanthropy.blogspot.com/>

Philanthropy 2173 provides a diverse look at philanthropy and its relationship with the outside world. Very unusual blog with creative tips and ideas outside of the philanthropic realm.

<http://www.cofinteract.org/rephilanthropy>

Philanthropy offers opinions on how to operate a more effective nonprofit. Discussion topics range, but the site is updated daily.

<http://www.ssireview.org/blog>

The Stanford Social Innovation Review provides reviews on recently published papers within philanthropy. Create site to help review scholarly suggestions and thoughts.

<http://www.effectivephilanthropy.org/blog/>

The Center for Effective Philanthropy gives advice on running large and small nonprofits. Most blogs are to help professionals develop best proactive methods.

<http://www.philanthropy411.wordpress.com/>

Philanthropy 411 provides resources and current research that might be helpful in nonprofit administration.

<http://www.impact.upenn.edu/blog/>

The High Impact Philanthropy blog gives information about general philanthropic topics. Updated daily to showcase a wide variety of current trends.

<http://www.philanthropydaily.com/>

Philanthropy daily offers opinions and facts about the nonprofit sector. Great resource if you are looking for a broad spectrum of topics within one site.

http://www.vanguardcharitable.org/advisors/resource_center/blog

Vanguard Charitable is a site that gives great tips on nonprofit governance. Has many great discussions to help in the understanding of nonprofit economics.

<http://www.fundraisingcoach.com/>

The Fundraising Coach provides the basics in running nonprofits. Suggests possible trainings, practices with social media, and annual campaign funding ideas.

FUNDRAISING MANAGEMENT DATABASE TOOLS

Donor Perfect

Donor Perfect is the easy solution to keeping track of all fundraising efforts & donations. By collecting all incoming information in one location, the system allows users to easily communicate with volunteers and members.

http://www.donorperfect.com/landing/info-ntenidealware.asp?id=1947&ad=findoutwhy&gclid=CKKohv_667kCFWho7AodZhgAcQ

ETapestry

eTapestry offers an affordable option to track and manage all fundraising needs like maintaining donor relationships, event planning and more. The system automatically backs up activity, so no information is ever lost.

<http://www.blackbaud.com/fundraising-crm/etapestry-donor-management?gclid=CImW073767kCFdp7AodZ28ADA>

Trail Blazer

Trail Blazer is dedicated to making non-profit management easier than ever. The software has an easy-to-use interface that can quickly create mass email campaigns, track finances and organize events.

<http://www.trailblz.com/non-profit-donor-management-software/default.aspx>

Kindful

Providing easy integration with a variety of third-party systems and a unique performance-based approach to pricing, Kindful offers a fresh approach to donor management with a sleek, intuitive interface.

<http://kindful.com>

The Raiser's Edge

The Raiser's Edge maximizes your non-profit fundraising strategies by offering tools for monitoring and managing contributions, providing this data in comprehensive reports or simple dashboards.

<http://www.blackbaud.com/fundraising-crm/raisers-edge-donor-management?gclid=CPLKzf b767kCFWWho7AodZhgAcQ>

The Financial Edge

For nonprofits and government entities seeking a powerful, user-friendly financial system, industry leader Blackbaud offers The Financial Edge, a scalable, intuitive solution that manages funds, grants, HR, projects and more.

<http://www.blackbaud.com/fund-accounting/financial-edge?gclid=CIOX1or867kCFWZk7Aod AhgAIA>

Denali Fund

Denali Fund by Cougar Mountain Software is robust accounting software solution designed specifically for nonprofit organizations. It is fully GAAP-compliant and supports FASB reporting features.

<http://www.cougarmtn.com/accounting/nonprofit/Nonprofit-Accounting-Software>

MatchMaker FundRaising Software

For organizations seeking to create more donor-focused fundraising strategies, MatchMaker FundRaising Software is a scalable, user-friendly solution for small to midsize nonprofits that helps build and nurture relationships.

<http://www.matchmakerfrs.com/>

DonorPro CRM

DonorPro offers a range of tools for donor management, volunteer management, marketing and outreach and more. It's web-based, accessible on an iPad and offers unique features such as a database query tool to track member records.

<http://www.towercare.com/fundraising-software>

NeonCRM

NeonCRM by Z2 Systems has been improving the way nonprofit organizations manage their constituents, track donations, plan events and more. We like the customizable online fundraising pages that mimic the nonprofit's brand.

<http://www.z2systems.com/neoncrm/features/nonprofit-crm>

PROSPECT RESEARCH RESOURCES AND WEB ADDRESSES

AFP's Donor Bill of Rights

http://www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf

APRA's Statment of Ethics

<http://www.aprahome.org/p/cm/ld/fid=110>

Center on Wealth and Philanthropy

<http://www.bc.edu/content/bc/research/cwp/publications/by-topic/wealthphil.html>

Giving USA

<http://www.givingusareports.org/>

The Study of High Net Worth Philanthropy

<http://hdl.handle.net/1805/11234>

Rural Policy Research Institute

<http://www.rupri.org/entrepreneurship.php>

Chambers of Commerce Links

<http://www.usachamberofcommercedirectory.com/Indiana/index.html>

<http://www.2chambers.com/indiana2.htm>

Zoominfo

<http://www.zoominfo.com/>

Foundation Center Online

<http://foundationcenter.org/>

Guidestar

<http://www.guidestar.org>

National Center for Charitable Statistics

<http://nccs.urban.org/>

Federal Exchange Commission

<http://www.fec.gov/>

FEC Political Contributions Filings

<http://herndonl.sdrdc.com/fecimg/advindsea.html>

Open Secrets

<http://www.opensecrets.org/>

Securities and Exchange Commission

<http://www.sec.gov/edgar.shtml>

Yahoo Finance

<http://finance.yahoo.com>

Morningstar

<http://insiders.morningstar.com/trading/insider-summary.action?ops=clear>

NETROnline

<http://publicrecords.netronline.com>

Indiana Assessor and Property Tax Directory

<http://www.publicrecords.onlinesearches.com/Indiana-Assessor-and-Property-Tax-Records.htm>

Indygov Department of Local Government Finance

<http://www.in.gov/dlgf/4931.htm>

Purdue Extension Farmland Values

http://www.agecon.purdue.edu/extension/pubs/farmland_values.asp

Zillow

<http://www.zillow.com/>

Salary.com

<http://salary.com/>

Jobstar

<http://jobstar.org/tools/salary/sal-prof.php>

Physician Salary Survey

<http://www.profilesdatabase.com/resources>

Indiana Professional Licensing Agency

<http://www.in.gov/pla/3119.htm>

INSPIRE Indiana

<http://wzu8fr6nk5e.cs.serialssolutions.com/>

Indianapolis Marion County Public Library (for Reference USA)

http://www.ilibrary.org/cgi-bin/ilib_authorize.pl

Indiana State Library

<http://www.in.gov/library/databases.htm>

Google Advanced Search

http://www.google.com/advanced_search

Google Search Guide

<http://www.googleguide.com>

Google Alerts

<http://www.google.com/alerts>

Fagan Finder

<http://www.faganfinder.com/engines/>

Switchboard

<http://www.switchboard.com/>

Zabasearch

<http://www.zabasearch.com>

Pipl

<http://www.pipl.com>

Biznar

<http://www.biznar.com/>

LinkedIn

<http://www.linkedin.com/home>

Corporation Wiki

<http://www.corporationwiki.com/>

Mukety

<http://www.muckety.com>

Blue Golf

<http://iga.bluegolf.com/bluegolf/iga/handicap/index.htm>



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THE FUND RAISING SCHOOL
LILLY FAMILY SCHOOL OF PHILANTHROPY

RECENT DATA ON GIVING AND VOLUNTEERING

June 2017

Selected by



IUPUI

THE FUND RAISING SCHOOL
LILLY FAMILY SCHOOL OF PHILANTHROPY

Contains Key Data From:

Giving USA (2017)

www.givingusareports.org

Volunteering in America (2016)

<https://www.nationalservice.gov/vcla>

The Foundation Center (Highlights of Foundation Yearbook 2015)

www.foundationcenter.org

Study of High-Net Worth Philanthropy (2016)

www.philanthropy.iupui.edu/research



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**Giving
USA™**

Shared intelligence.
For the greater good.

Highlights

An overview of giving in 2016*

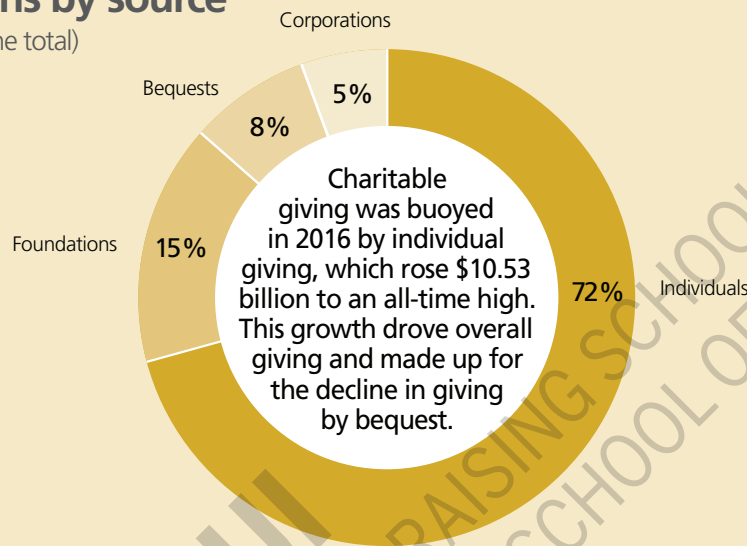
Total 2016 contributions: \$390.05 billion

+2.7%
Total estimated U.S.
charitable giving

increased by 2.7 percent,
to \$390.05 billion, in 2016

Contributions by source

(by percentage of the total)



+3.9%
Giving by
Individuals

is estimated to have
increased by 3.9 percent.

+3.5%
Giving by
Foundations

is estimated to have
increased by 3.5 percent.

-9.0%
Giving by
Bequest

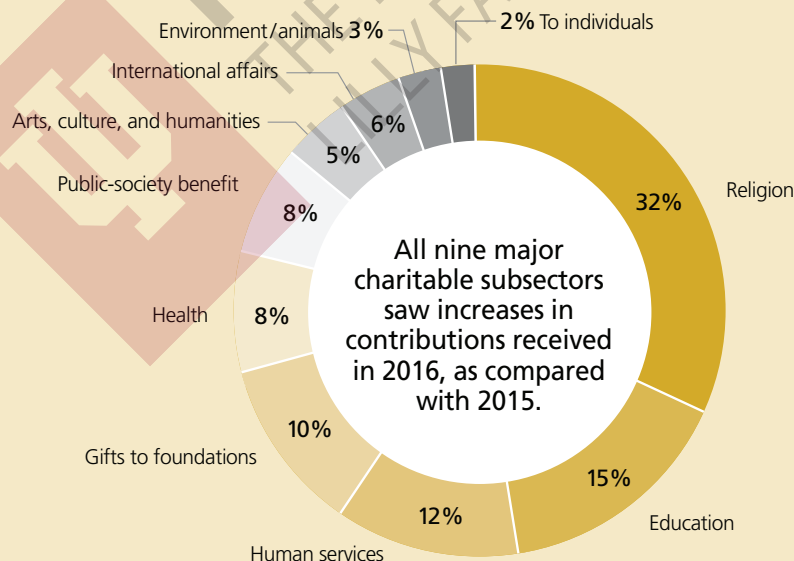
is estimated to have
declined by 9.0 percent.

+3.5%
Giving by
Corporations

is estimated to have
increased by 3.5 percent.

Contributions by recipient category

(by percentage of the total)

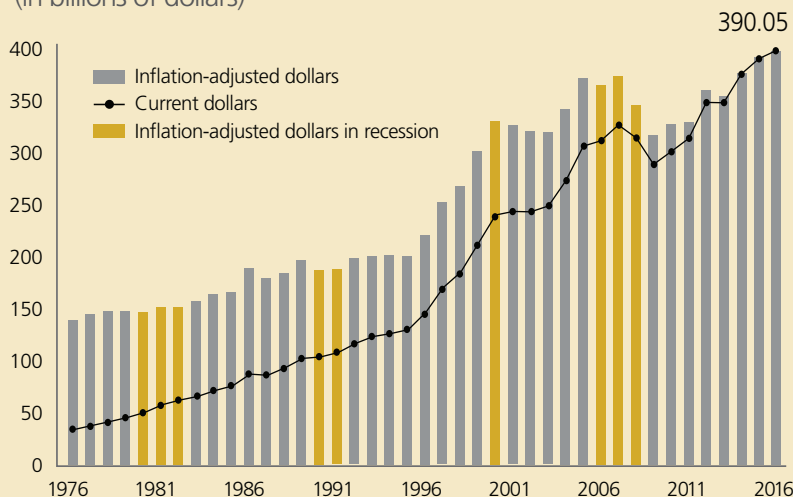


* All figures on this page are in current dollars.

An overview of giving in 2016

Total giving: 1976–2016

(in billions of dollars)

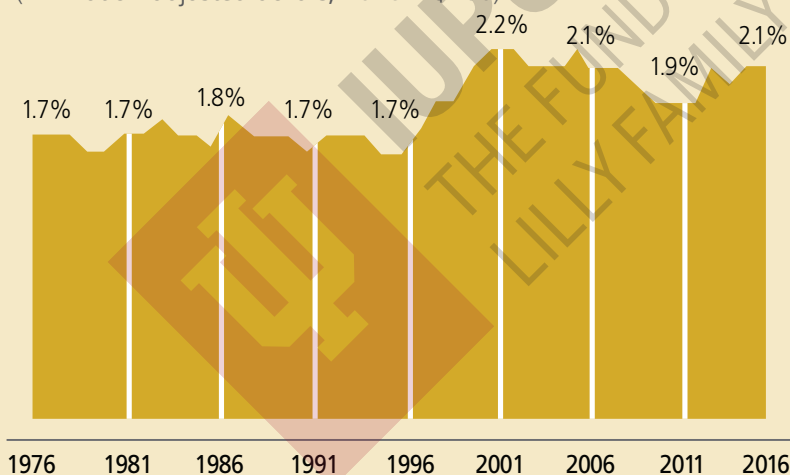


- Total giving rose 2.7 percent in current dollars in 2016, or 1.4 percent adjusted for inflation.
- Between 2006 and 2016, total giving increased by \$93.96 billion in current dollars, or \$37.56 billion in inflation-adjusted dollars.
- Total estimated giving reached its highest levels ever in 2015 and 2016 (in current and inflation-adjusted dollars).

Refer to page 40 in the annual report for a complete review of 2016 total giving trends.

Total giving as a percentage of GDP: 1976–2016

(in inflation-adjusted dollars, 2016 = \$100)



- Gross Domestic Product (GDP) reflects the economic health of a nation.
- GDP increased in inflation-adjusted dollars by 1.7 percent between 2015 and 2016. This rate of change is compared with inflation-adjusted growth in total giving of 1.4 percent. Total giving as a percentage of GDP was 2.1 percent in 2016.

Refer to page 48 in the annual report for a complete review of 2016 total giving as a percentage of GDP trends.

2016 giving trends

- In 2016, three of the four sources of charitable giving increased, with the exception of giving by bequest. All nine major charitable subsectors realized growth in giving, which has happened only six times in the last 40 years.
- Key economic indicators were mixed in 2016—while the S&P 500 ended the year at a high compared to 2015, other factors grew at a slower rate than previous years.

Refer to the Numbers section and chapters in the annual report for a complete review of how changes in the economic environment affected different aspects of giving in 2016.

Key factors related to the rise in giving by individuals in 2016*

- In 2016, per capita giving by U.S. adults reached \$1,155, and average U.S. household giving reached \$2,240.
- For the year 2016, it is estimated that giving by non-itemizing individuals grew 3.4 percent and giving by itemizing individuals grew 4.0 percent.

Refer to page 41 in the annual report for an overview of 2016 individual giving trends, as well as the chapter on giving by individuals.

Key factors related to the increase in giving by corporations in 2016*

- Corporate pre-tax profits rose 2.7 percent, and GDP increased 3.0 percent in 2015. Both of these factors influenced the 3.5 percent rise in corporate giving in 2016.
- Corporate giving as a percentage of corporate pre-tax profits was at 0.8 percent in 2016.

Refer to page 44 in the annual report for an overview of 2016 corporate giving trends, as well as the chapter on giving by corporations.

Key facts about giving to particular recipient types in 2016*

- Giving to education and public-society benefit increased for the seventh consecutive year, and giving to international affairs rose for the sixth consecutive year.
- Giving to environment/animals saw the largest increase, at 7.2 percent. This subsector has posted strong two-year growth rates.
- For the years 2012–2016, arts, culture, and humanities was the second-fastest growing subsector out of nine in terms of contributions received. Giving to international affairs was the fastest, and also had the highest two-year growth rate in 2014–2016.
- Giving to foundations and health realized stronger growth in 2016 as compared to previous years, growing 3.1 percent and 5.7 percent, respectively.

Refer to pages 52–60 in the annual report for overviews of 2016 giving by recipient type, as well as the chapters on giving to specific recipient types.

* In current dollars.

Volunteering and Civic Engagement in the U.S.

Trends and Highlights Overview

Overall, nationally in 2015: <ul style="list-style-type: none">• 24.9% of residents volunteer• 62.6 million volunteers• 7.9 billion hours of service• \$184 billion of service contributed• 78.8% of volunteers donate to charity vs. 40.3% of non-volunteers who donate to charity	Civic Life in America (2013 data): <ul style="list-style-type: none">• 93.2% frequently eat dinner with other members of the household• 85.7% frequently talk with neighbors• 36.29% participate in groups and/or organizations• 62.5% engage in "informal volunteering" (for example, doing favors for neighbors)
Demographic Overview <ul style="list-style-type: none">• 27.8% of women volunteer• 21.8% of men volunteer• 25.7% of baby boomers volunteer• 28.9% of Generation X volunteer• 21.9% of millennials volunteer	<ul style="list-style-type: none">• 23.5% of older adults (age 65+) volunteer• 25.7% of college students volunteer• 26.4% of teenagers volunteer• 25.1% of veterans volunteer• 31.3% of parents volunteer
Main Volunteer Activities <ul style="list-style-type: none">• Collect, prepare, distribute or serve food (24.2%)• Fundraise or sell items to raise money (24%)• Engage in general labor (18.8%)• Tutor or teach (18%)• Mentor youth (17.5%)• Provide professional or management services (14.6%)	Organization Type for Volunteers <ul style="list-style-type: none">• Religious (34%)• Educational or youth service (26%)• Social or community service (15%)• Hospital or other health (7.3%)• Civic, political, professional or international (5.2%)• Sport, hobby, cultural or arts (4%)• Other (8.5%)

Source: <https://www.nationalservice.gov/vcla/national>

The Value of Volunteer Time

\$24.14 per hour

Estimated Value of Volunteer Time for 2016

National Value of Volunteer Time

The estimate helps acknowledge the millions of individuals who dedicate their time, talents, and energy to making a difference. Charitable organizations can use this estimate to quantify the enormous value volunteers provide.

According to the Corporation for National and Community Service, about 63 million Americans, or 25 percent of the adult population, gave 8 billion hours of volunteer service worth \$193. For the latest information, please see www.volunteeringinamerica.gov

Source: Independent Sector, 2016

https://www.independentsector.org/volunteer_time

FOUNDATION FOCUS

IN 2012
THE U.S. WAS HOME TO
86,192
FOUNDATIONS¹ WITH
\$715 BILLION
IN ASSETS AND
\$52 BILLION
IN GIVING

Growth. All signs point to continued ambiguity in the U.S. economy for at least another few years. Strong stock market performance has boosted the assets of many foundations and will undoubtedly encourage more individuals to create foundations. But some endowments are still recovering from the Great Recession, and not all foundations have achieved the rates of return suggested by market averages. Nonetheless, overall giving by the nation's private and community foundations reached \$54.7 billion in 2013, surpassing previous record levels even after adjusting for inflation.

Outlook. According to Foundation Center's annual "Foundation Giving Forecast Survey," overall foundation giving will continue to grow a few points ahead of inflation in 2014. Independent and family foundations will likely show an even higher rate of growth.

¹ Figures include all independent and family, corporate, community, and operating foundations that reported giving. Excluded from these figures are approximately 1,000 foundations that did not report giving in their latest fiscal years.

Need more data? Visit data.foundationcenter.org.

PRIVATE GIVING

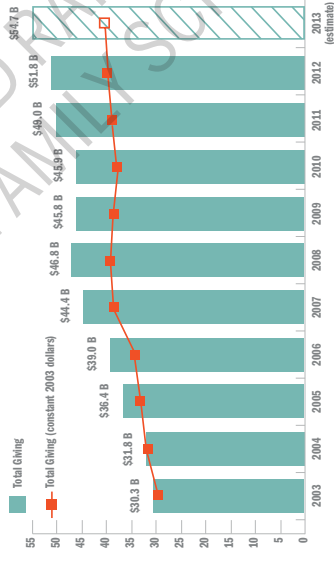
OUT OF \$316.2 BILLION OF PRIVATE GIVING IN THE U.S.

72% from individuals (living donors)
 5% from corporations (excludes corporate foundations)
 7% from individuals (bequests)

16% came from foundations

Source: Figures for 2012 from Giving USA Foundation, Giving USA, 2013.

FOUNDATION GIVING THROUGH THE YEARS



DID YOU KNOW?

The nation's largest community foundation by assets (\$3.7 B) is the Tulsa Community Foundation.

More than half of independent foundations have measurable donor or donor-family involvement in their governance, and the actual share for family foundations³ is likely far higher.

>50%

³ "Family foundations" are not legally defined entities, so there is no way to determine a definitive total.

More than one-quarter of U.S. foundations (23,155) are located in the South.

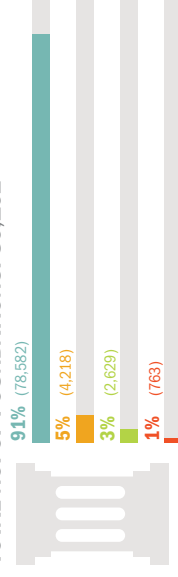
New York State ranks first in the nation based on no. of foundations (9,880) and overall giving (\$5.7 B).

Operating and corporate foundations established by pharmaceuticals now annually give close to \$6 billion with nearly all of this support in the form of donated medicines.

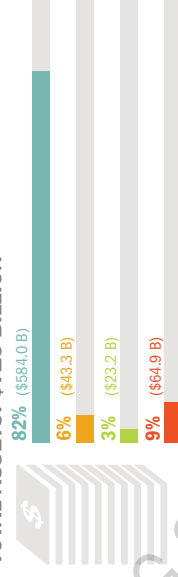
TYPES OF FOUNDATIONS

- INDEPENDENT** Includes most of the nation's largest foundations. Generally established by individual donors or donor families.
- OPERATING** Primarily run their own programs, but some also make grants. Generally established by individual donors or donor families.
- CORPORATE** Established by businesses ranging from major corporations to family-owned shops, although legally separate entities.
- COMMUNITY** Raise funds from the public. Engage in grantmaking primarily within a defined geographic area.

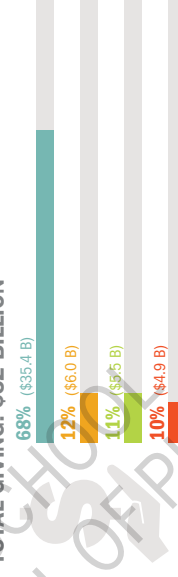
TOTAL NO. OF FOUNDATIONS: 86,192



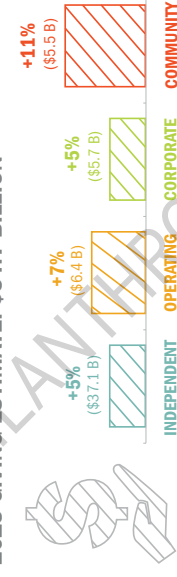
TOTAL ASSETS: \$715 BILLION



TOTAL GIVING: \$52 BILLION



2013 GIVING ESTIMATE: \$54.7 BILLION³



³ Based on projections prepared by Foundation Center.

TOP FOUNDATIONS

BY TOTAL ASSETS



BY TOTAL GIVING*



* Excludes foundations created by pharmaceutical corporations primarily to distribute medicine to individuals.

Source: Key Facts on U.S. Foundations, Foundation Center, 2014.

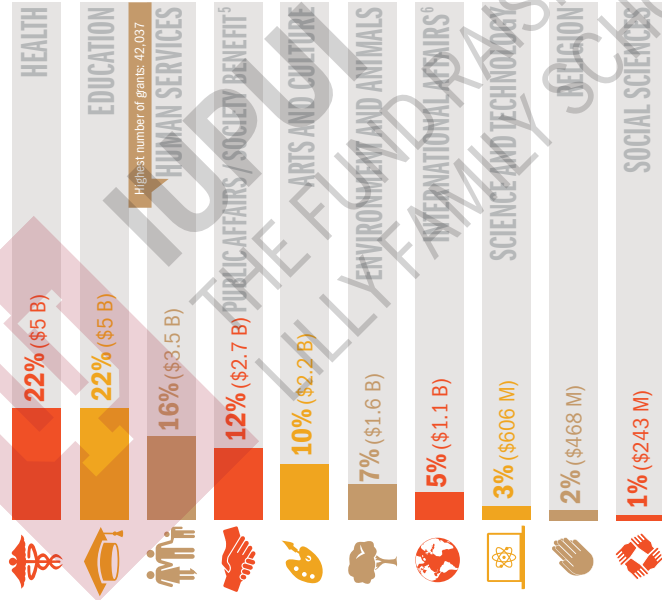
GRANT FOCUS

IN 2012
A SUBSET OF THE NATION'S
LARGEST FOUNDATIONS
AWARDED NEARLY
154,000 GRANTS
TOTALING
\$22.4 BILLION

Priorities. Foundations have the flexibility to determine the what, where, who, and how of their grantmaking activities. They are actively funding in nearly every issue area across the globe, from public education in the United States to securing access to safe drinking water in the developing world. Some foundations see making a small number of very large, targeted grants as being most effective in achieving their goals. Others emphasize providing many smaller, unrestricted grants to a variety of organizations. Similarly, some grantmakers focus their giving on specific populations, such as the economically disadvantaged, LGBT populations, or Black men and boys, while others believe impact will be achieved by targeting populations generally. This range of priorities and approaches illustrates the role of foundations as a critical source of support for new strategies and opportunities throughout the social sector.

Need more data? Visit data.foundationcenter.org.

BY ISSUE FOCUS



DID YOU KNOW?



BY TYPE OF SUPPORT⁷



⁷ Grants may occasionally fit for multiple types of support and would therefore be counted more than once. As a result, percentages tallied across categories total to more than 100 percent. Finally, close to one-fifth of grant dollars could not be coded for a specific type of support because foundations did not provide this information.

BY POPULATION FOCUS⁸



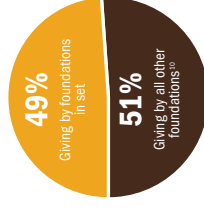
⁸ Figures based on grants awarded to organizations that couldn't grant funding as serving specific populations or grants whose descriptions indicated a benefit for a particular population group. Finally, multiple population groups are counted in each applicable category. The chart excludes groups that were the focus of less than 1 percent of grant dollars. Finally, 52 percent of grant dollars could not be coded for a specific population group.

WHAT'S INCLUDED

Foundation Center reports on how foundations give by collecting and coding grants awarded by a set of the largest U.S. foundations. Following are details on what the 2012 set included:

- 1,000 of the top U.S. foundations by giving
 - All of their grants of \$10,000 or more
 - Domestic and international grants
 - Full authorized 2012 grant amounts (if available)
 - Grants from unrestricted and donor-advised funds⁹ at community foundations
- ⁹ If provided by the foundation.

NEARLY HALF OF U.S. FOUNDATION GIVING EACH YEAR



¹⁰ Excludes giving by operating and corporate foundations created by pharmaceutical corporations to distribute medications.

- Grants to individuals
- Grants from restricted funds at community foundations
- Grants from public charities, other than community foundations

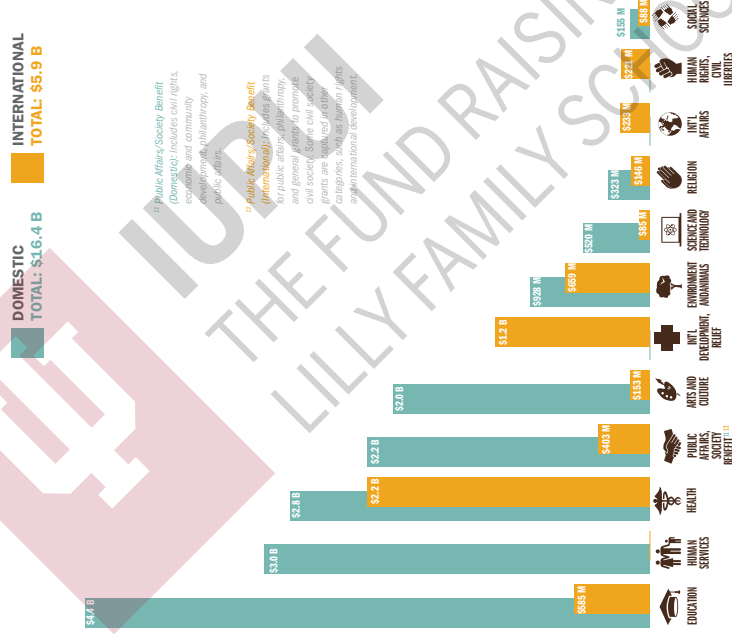
Source: Key Facts on U.S. Foundations, Foundation Center, 2014.

GRANT FOCUS

IN 2012
A SUBSET OF THE NATION'S
LARGEST FOUNDATIONS
AWARDED NEARLY
27% OF GRANT DOLLARS
IN SUPPORT OF
INTERNATIONAL ACTIVITIES

Geography. The vast majority of U.S. foundations focus their giving on the communities in which they are located. Some also focus their grantmaking at the regional or national level. At the same time, a number of the nation's largest foundations—as well as a few smaller foundations—engage in international grantmaking, whether directly to organizations in other countries or through support for international programs conducted by organizations based in the United States. As the many thousands of newer foundations established by younger, more globally focused donors come of age, the number of foundations that incorporate an international focus in their work will undoubtedly continue to grow.

BY ISSUE FOCUS



DID YOU KNOW?

DOMESTIC

Organizations located in California received the most domestic foundation grant dollars (\$2.4 billion).

INTERNATIONAL

The Bill & Melinda Gates Foundation has been the top international funders since 2004.

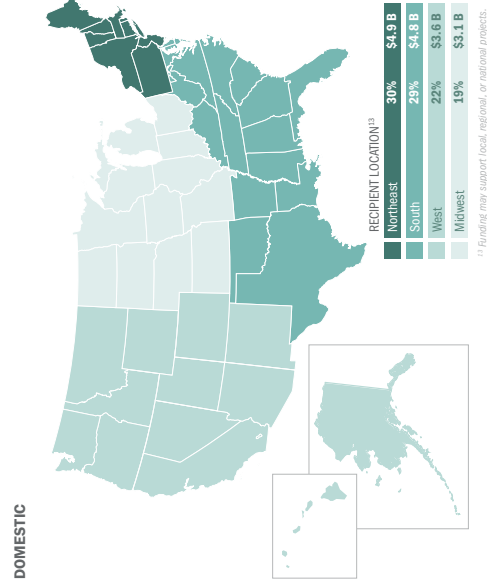
DOMESTIC

Massachusetts-based Fidelity Charitable Gift Fund was the top recipient of domestic grant dollars.

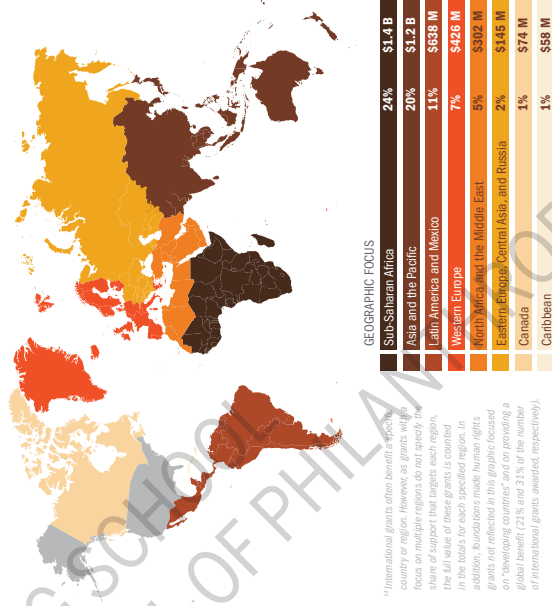
INTERNATIONAL

The Switzerland-based World Health Organization was the top recipient of international grant dollars.

BY GEOGRAPHY



INTERNATIONAL¹⁴



TOP FUNDERS

DOMESTIC	
W. K. Kellogg Foundation	\$321 M
Robert Wood Johnson Foundation	\$239 M
Ford Foundation	\$254 M
Walton Family Foundation	\$251 M
Lilly Endowment	\$241 M
Silicon Valley Community Foundation	\$215 M
Andrew W. Mellon Foundation	\$206 M
Wells Fargo Foundation	\$194 M
Simons Foundation	\$175 M
Foundation to Promote Open Society	\$163 M
INTERNATIONAL	
Bill & Melinda Gates Foundation	\$2.6 B
Ford Foundation	\$217 M
William and Flora Hewlett Foundation	\$202 M
Susan Thompson Buffett Foundation	\$199 M
Walton Family Foundation	\$167 M
Open Society Institute	\$117 M
David and Lucile Packard Foundation	\$115 M
Gordon and Betty Moore Foundation	\$98 M
Foundation to Promote Open Society	\$92 M
John D. and Catherine T. MacArthur Foundation	\$84 M



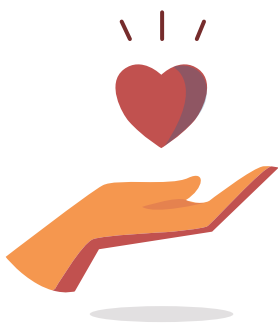
IUPUI

THE FUND RAISING SCHOOL

LILLY FAMILY SCHOOL OF PHILANTHROPY

THE 2016 U.S. TRUST® STUDY OF High Net Worth Philanthropy

♥ Charitable Giving



91%

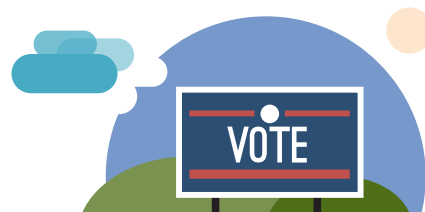
of high net worth households (versus 58.8% of the general population)
DONATED TO CHARITY IN 2015.

*The average dollar amount given to charity by high net worth donors was **\$25,509** (versus \$2,520 by general population)*



28%

of high net worth individuals **PLAN TO INCREASE THEIR GIVING IN THE NEXT THREE YEARS.**



Political Giving

24% of high net worth individuals **gave financially to a political candidate, campaign, or committee in 2015 or plan to give during the 2016 election season.**

Impact Investing

33% of high net worth individuals **participate in impact investing.**

🌱 Volunteering



In 2015, high net worth donors **who volunteered** gave **56%** more on average than those who did not volunteer.

50%

of high net worth individuals (versus 25% of general population)
VOLUNTEERED IN 2015.

56% of high net worth volunteers *volunteered with more than one organization in 2015.*

35%

of high net worth individuals **PLAN TO VOLUNTEER MORE IN THE NEXT THREE YEARS.**

U.S. TRUST 
Bank of America Corporation

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Are Not FDIC Insured

Are Not Bank Guaranteed

May Lose Value

Please see back for important disclosure information.

≈ Philanthropic Motivations and Fulfillment From Charitable Activity



Top 3 Motivations for Charitable Giving



Top 3 Motivations for Volunteering



Where the Giving Goes

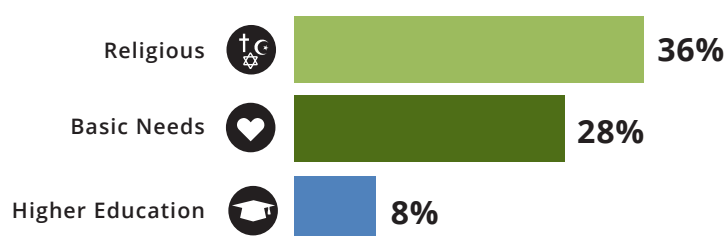
Where Wealthy Donors Give...

Incidence of Giving to Top 3 Charitable Categories



...and How Much They Give

Distribution of Dollars to Top 3 Charitable Categories



Methodology: The 2016 U.S. Trust® Study of High Net Worth Philanthropy is a study of giving and volunteering trends, behaviors, attitudes, and priorities among wealthy American households. It is based on a nationally representative random sample of wealthy donors, including, for the first time, deeper analysis based on age, gender, sexual orientation and race. The study is based on a survey of more than 1,500 U.S. households with a net worth of \$1 million or more (excluding the value of their primary home) and/or an annual household income of \$200,000 or more.

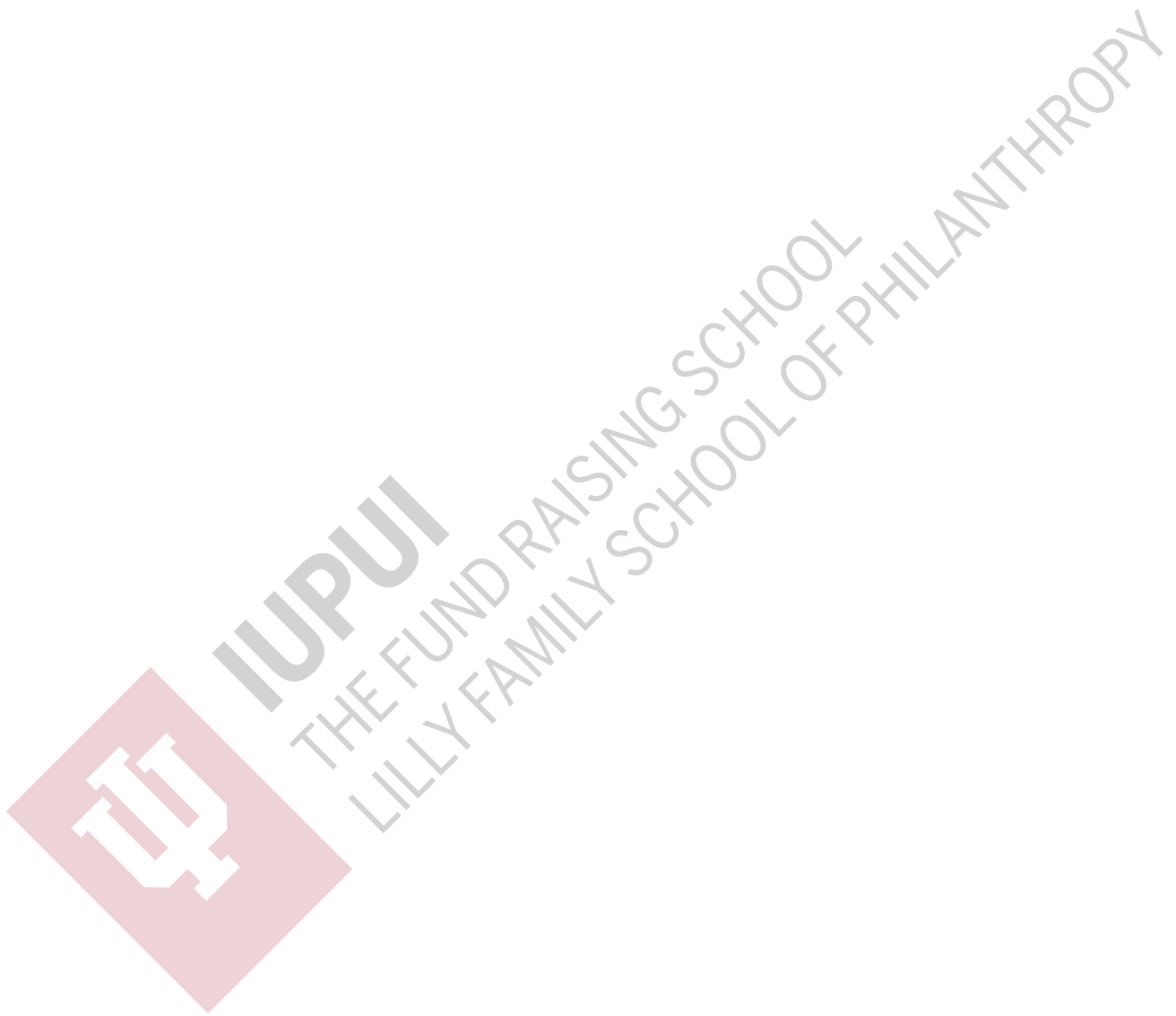
U.S. Trust, Bank of America Corporation is not affiliated with the Indiana University Lilly Family School of Philanthropy.

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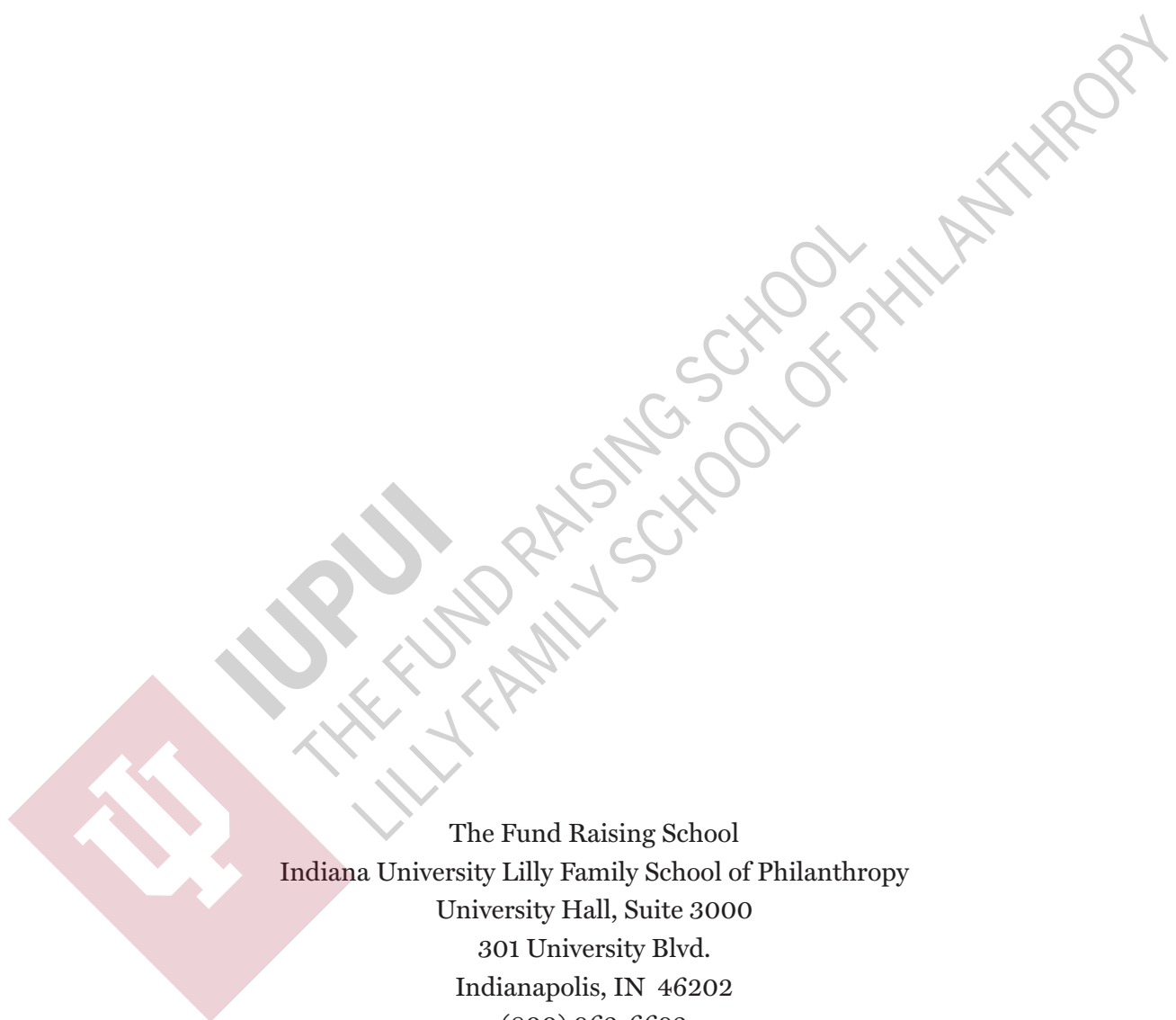
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Notes



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www.philanthropy.iupui.edu



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