



Fundraising Essentials

SESSION 2: MAJOR GIFT FUNDRAISING

JANUARY 25, 2023



Major gift story

Break out exercise

- ▶ You will be assigned to groups of 5 or 6.
- ▶ In your groups
 - ▶ Briefly introduce yourself and your charity
 - ▶ What are your biggest concerns/fears about major gift fundraising
 - ▶ You have 5 minutes.



A large, dark teal, curved shape on the left side of the slide, resembling a stylized letter 'C' or a partial circle.

Debrief

People give for emotional reasons.
They may justify their gifts with logic
and reason, but the motivation
behind the gift is always emotional.

Agenda

- ▶ Defining major gift fundraising
- ▶ Why majors gift fundraising?
- ▶ The major gift process
 - ▶ Steps, tips & tricks

Defining major gifts

Size of gift

- ▶ \$25,000, \$10,000, or \$1,000
- ▶ Top 100 or top 10% of gifts
- ▶ 80/20

Level of activity

- ▶ High touch
- ▶ Face-to-face
- ▶ Personalized

Why major gifts?



COST OF
FUNDRAISING



30 YEAR TREND



SUTTON
PRINCIPLE



80/20 RULE

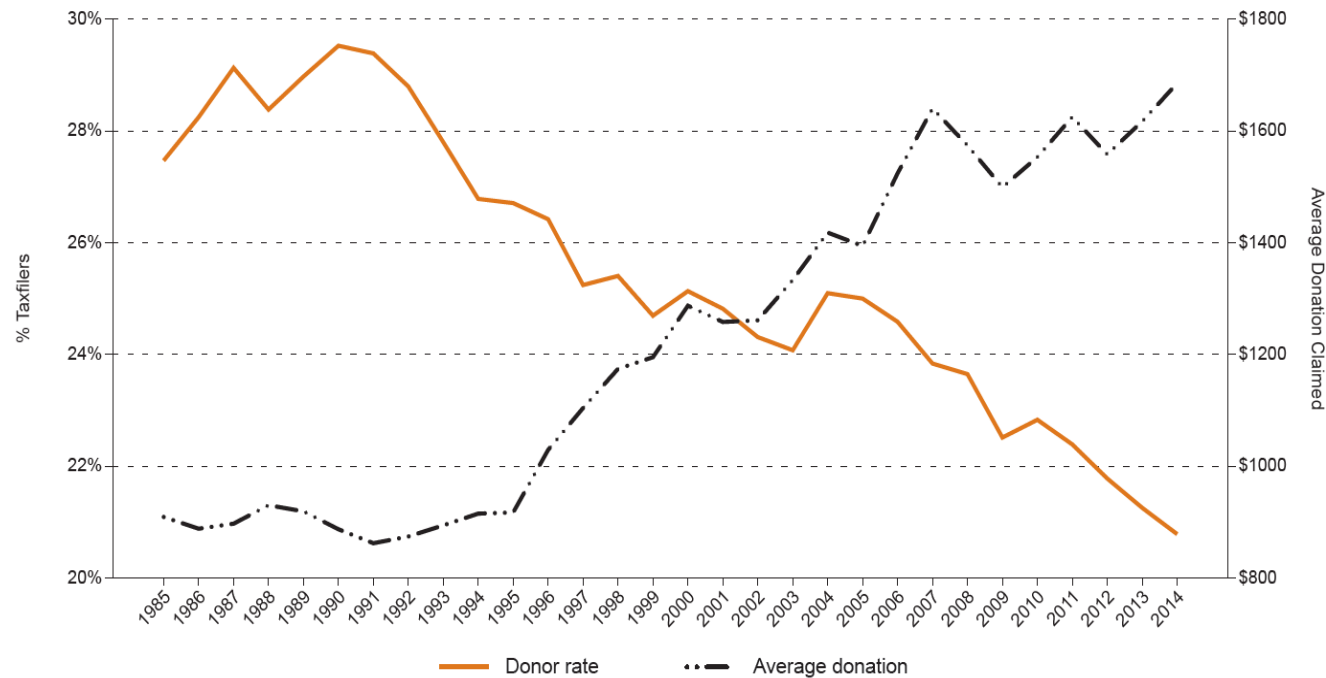


DEEP
REALTIONSHIPS

Cost of fundraising

Fundraising Activity/Method	Average Cost to Raise One Dollar
Capital Campaign/Major Gifts	\$0.05 to \$0.10 per dollar raised
Corporations and Foundations (Grant Writing)	\$0.20 per dollar raised
Direct Mail Acquisition	\$ 1.00 to \$1.25 per dollar raised
Direct Mail Renewal	\$0.20 per dollar raised
Planned Giving	\$0.25 per dollar raised
Benefit/Special Events	\$0.50 per dollar raised
National Average	\$0.20

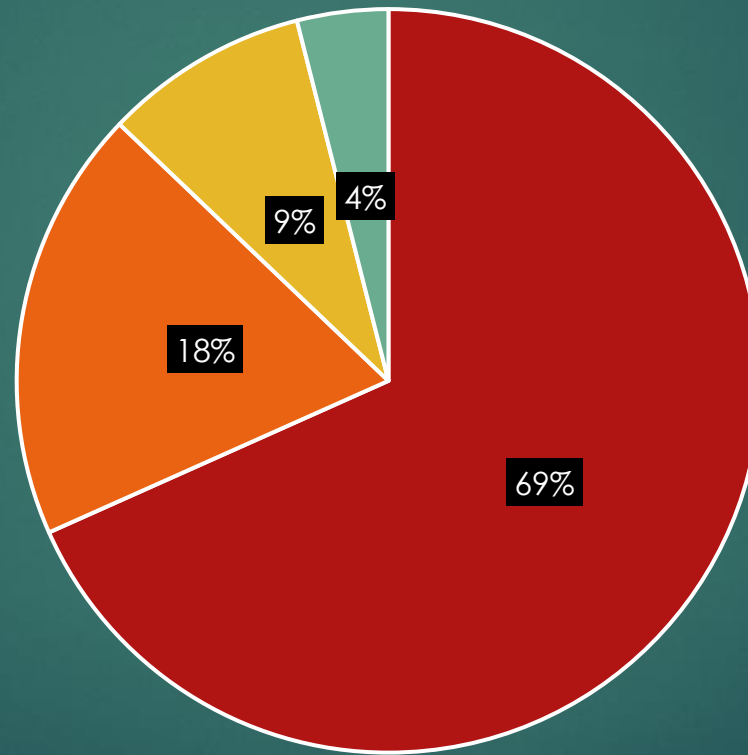
Figure 1: Percentage taxfilers claiming donations and average claim 1985 – 2014, constant 2014 dollars.



30 year
trend

Sutton principle

Giving 2022



■ individuals ■ Foundations ■ Bequests ■ Corporations

80/20 rule

- ▶ High net-worth households
 - ▶ Income > \$200,000
 - ▶ Assets > \$1 million
- ▶ 3.1% of households
- ▶ 67% of philanthropy

“The reality is that 80% of the revenue in most fundraising campaigns comes from fewer than 20% of the donors.”

Deep Relationships

“Friends will get you through times of no money better than money will get you through times with no friends.”



How to raise major gifts



It's not
rocket
science

Characteristics of major gifts



Long development cycles
(12 to 18 months)



Face-to-face solicitation

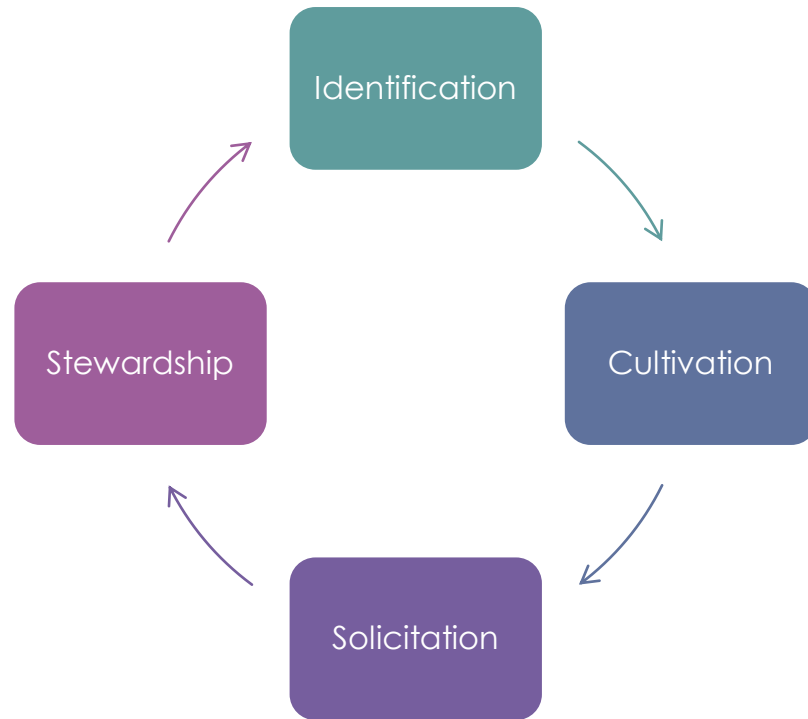


High level of donor involvement



High level of acknowledgement &
recognition

Cycle of Philanthropy



Identification: Identifying and qualifying prospects

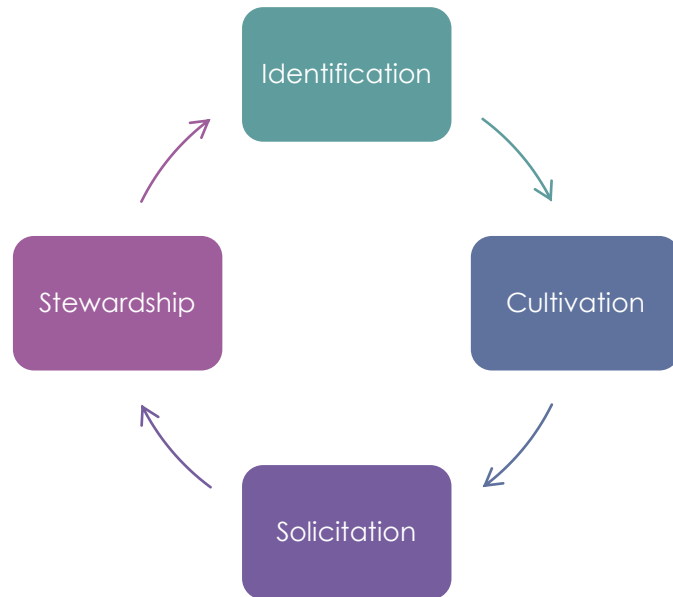
Cultivation: Educating and involving the prospect

Solicitation: Ask the prospect for the donation

Stewardship: Thanking and reporting to the donor

Overview

Cycle of Philanthropy



Stages/Activities

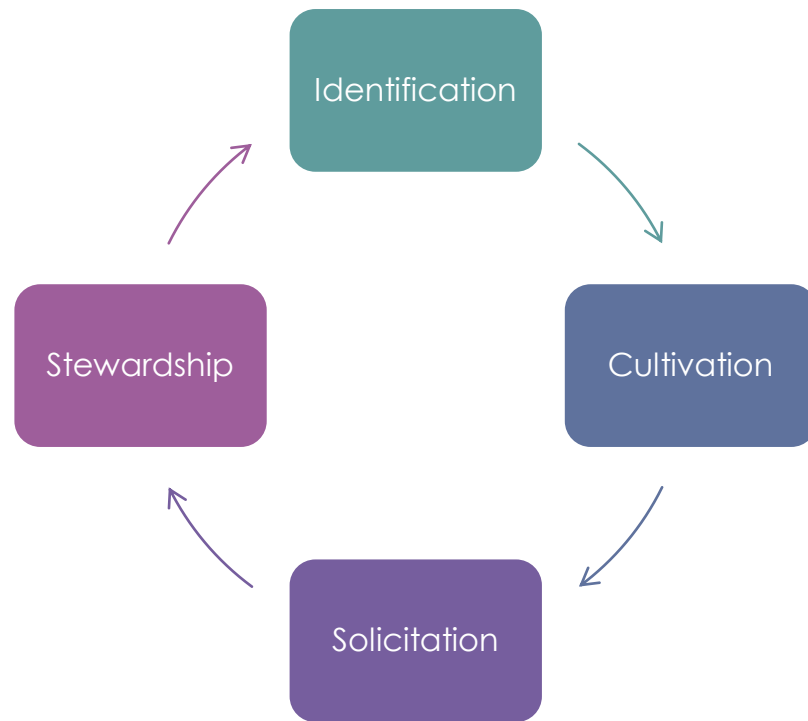
- 1. Identification:**
 1. Finding prospects
 2. Prioritizing prospects
 3. Creating fundraising plans
- 2. Cultivation:**
 1. Build relationship
 2. Educate the prospect
 3. Involve the prospect
- 3. Solicitation:**
 1. Plan the ask
 2. Ask the prospect
 3. Follow-up
- 4. Stewardship:**
 1. Thank
 2. Report
 3. Renew



Major gift fundraising is a team sport!

AT EVERY STEP MAJOR GIFT FUNDRAISING BENEFITS FROM
THE INVOLVEMENT OF BOARD, STAFF, AND VOLUNTEERS.

Cycle of Philanthropy



Identification:

- ▶ Finding prospects
- ▶ Qualifying & prioritizing prospects
- ▶ Creating prospect plans

Where to find major gift prospects?

- ▶ Your database
- ▶ Peer networks
- ▶ Prospect research



Where to find major gift prospects?

Where to look

- ▶ In your database
- ▶ Current and lapsed donors are the best prospects for major gifts.

What to look for

- ▶ Best donors
 - ▶ Top 100, top 10%
 - ▶ Total giving, largest gift
 - ▶ Loyal donors
- ▶ Professionals/Business people
- ▶ High net-worth postal codes

“A person may give ten times the amount they give through the mail if they are asked face-to-face.”

THE 10X RULE

Where to find major gift prospects?

Where to look

- ▶ Peer networks
 - ▶ Your Board, staff, and volunteers may know individuals capable of making a major gift
 - ▶ Silent prospecting exercise

What to look for

- ▶ Connection
- ▶ Capacity
- ▶ Willingness for an introduction

Where to find major gift prospects?

Where to look

- ▶ Prospect research
 - ▶ Hardest
 - ▶ Least effective

What to look for

- ▶ Donors to similar organizations
- ▶ Active community members
- ▶ Board members of similar organizations/foundation
- ▶ Families of donors/former donors
- ▶ News stories/google

Who to approach first?

Prioritize and qualify

- ▶ Prioritization
 - ▶ LIA: Linkage (L), Interest (I), Ability (A)
 - ▶ Rank on a 3 or 5 point scale
 - ▶ Committee discussion
 - ▶ Gut instinct

Example

Prospect	L	A	I	Total
Joe	3	2	3	8
Mary	2	2	3	7
Sam	1	3	1	5
Sue	1	1	1	3

How to approach?

Make a plan

- ▶ Develop an initial strategy
 - ▶ Working document
 - ▶ Focus on initial contact
 - ▶ Try 7 times
- ▶ Don't wait
- ▶ Discovery call

Ways to make contact

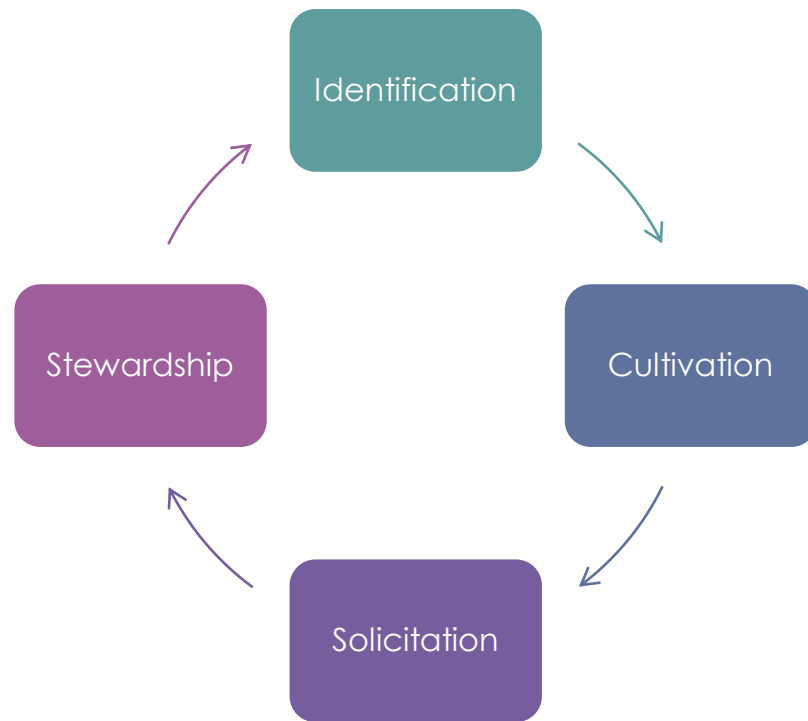
- ▶ Send a letter/email
 - ▶ Introduction
 - ▶ Annual report
 - ▶ New article
- ▶ Pick up the phone
- ▶ Invite to an event
- ▶ Invite to coffee
- ▶ Invite on a tour
- ▶ Introduction from mutual contact

Discovery visit

- ▶ **Not** an ask
 - ▶ Learn about the donor
 - ▶ Educate about the cause
 - ▶ Determine interest
-
- ▶ “Could you see yourself becoming more involved with us over time?”



Cycle of Philanthropy



Cultivation:

- ▶ Build relationship
- ▶ Educate the donor
- ▶ Involve the donor

An aerial, high-angle photograph of a multi-lane highway, likely a superhighway, showing multiple lanes with white lane markings and directional arrows. The image has a teal/blue color overlay and motion blur, suggesting speed. A solid red vertical bar is positioned in the top right corner.

Hop on the cultivation
superhighway

Cultivation

Relationship

Education

Involvement

Top ways to cultivate a prospect

How to connect

1. Meetings
2. Phone calls
3. Newsletter & other communications
4. Events
5. Volunteer opportunities

What to discuss

1. Mission
2. Vision
3. Work of charity
4. Projects
5. People

Aim for one touch
a month.

PLAN IT OUT!

Break out exercise

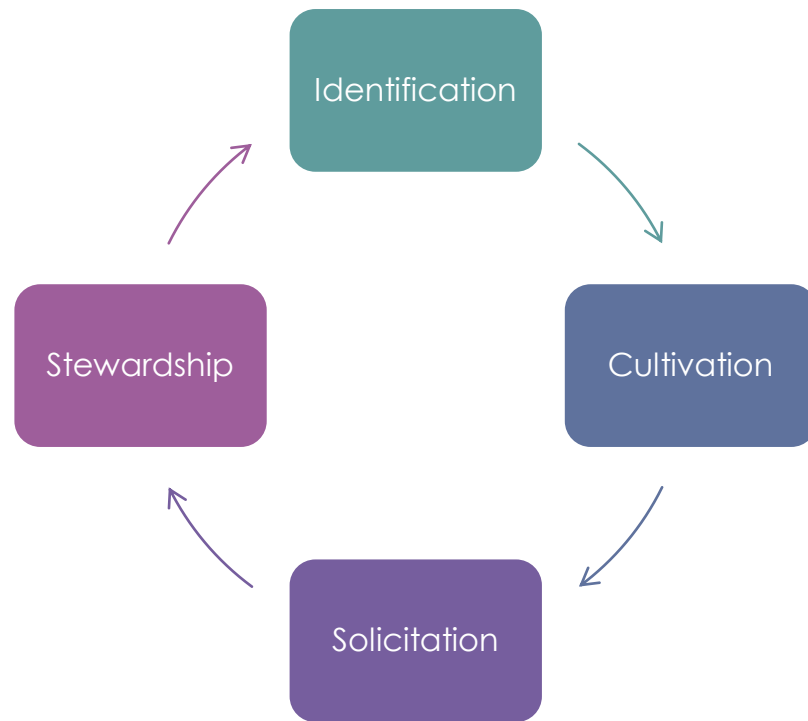
- ▶ You will be assigned to groups of 5 or 6.
- ▶ In your groups
 - ▶ What are your feelings towards money? Are you comfortable talking about money? Do you feel that money is dirty?
 - ▶ You have 5 minutes.





Debrief

Cycle of Philanthropy



Solicitation:

- ▶ Plan the ask
- ▶ Make the ask
- ▶ Follow-up

Plan the ask

Person	Right person asking the
Prospect	Right prospect for the
Amount	Right amount for the
Project	Right project at the
Time	Right time in the
Way	Right way.

The Chair of the Board,
the ED, and the
fundraiser asking Mary
Jones for \$10,000 to
support the Butterfly
Education Project in
May at a private lunch
at the conservation site.

Person	Right person asking the
Prospect	Right prospect for the
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Time	Right time in the
Way	Right way.

Make a plan, not a perfect plan.

6 Rights	Questions to ask
Right person?	Who has the best relationship with the donor? Who is a peer? Who has credibility?
Right amount?	How much has the prospect given in the past? How much has the prospect given to other charities? What are the needs of the project?
Right project?	What are the prospect's interests? What has the prospect asked about? What made the prospect "sit up"?
Right Time?	What makes sense for the donor? What makes sense for the project?
Right way?	Meeting? Zoom? Letter & Proposal?

Now work through
the logistics

Anatomy of an ask meeting

Stage	Time	Notes
1. Introductions/Small talk	3 to 5 minutes	Be friendly and polite
2. Engage	5 to 20 minutes	Engage the donor Review your history Listen
3. Tell your story	10 to 15 minutes	Describe the program Discuss the need
4. Ask for involvement	5+ minutes	Ask for the donation Wait Listen

Follow-up



Thank you card



Proposal



Gift agreement/Memorandum of understanding

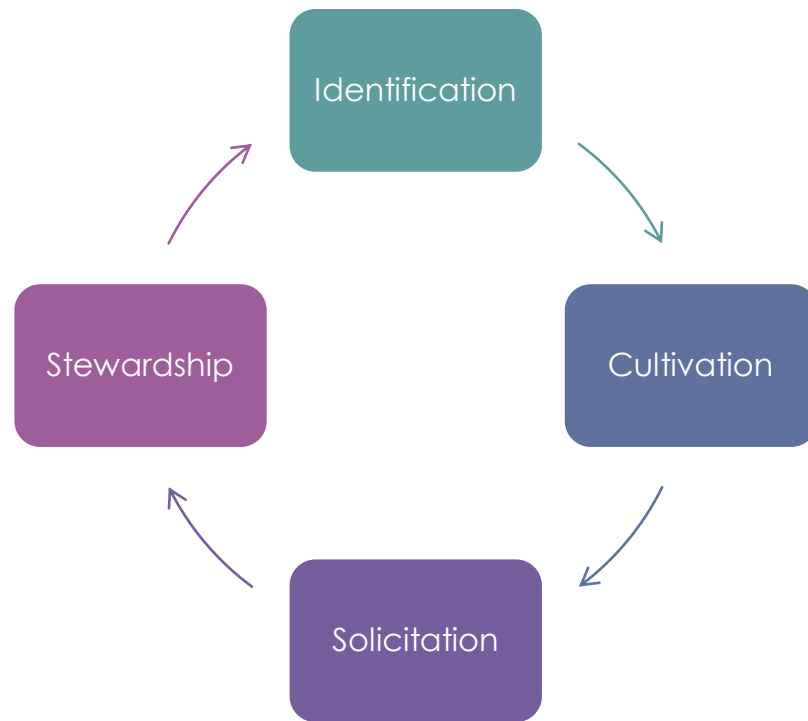


Any additional information promised



Invitation to follow-up meeting, if requested

Cycle of Philanthropy



Stewardship:

- ▶ Thanking
- ▶ Reporting
- ▶ Renewing

Overarching principles of stewardship

We value you,
not just your
money



We will use
your donation
wisely



We will be
good stewards
of the gift

Ask, thank, report



Thank 7 times



Verbal thank you at the meeting



Hand written note from the fundraiser



A follow-up phone call from the ED



A formal thank you letter from the Board Chair



An email update on the progress of the project



A birthday and/or seasonal card to the donor



A note attached to a copy of the annual report or newsletter

Report back

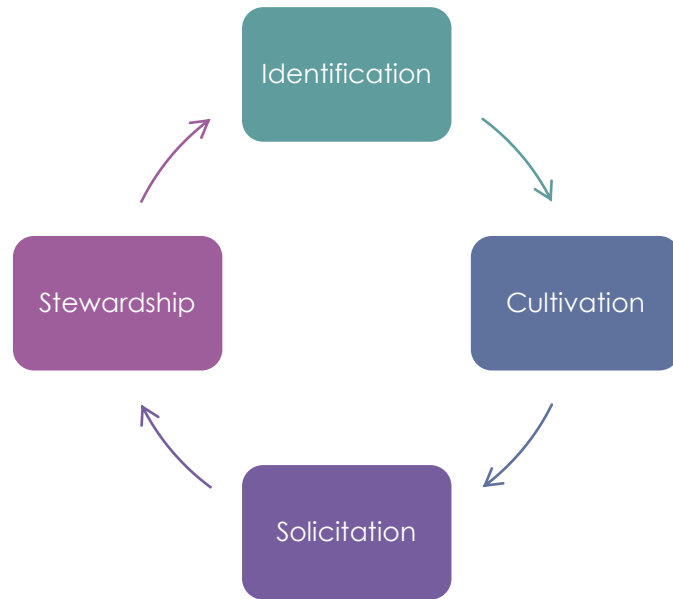
- ▶ Thank them
- ▶ Report on the impact of their gift
- ▶ Facts, figures, and **emotions**
- ▶ Update calls
- ▶ Update emails
- ▶ Update meetings
- ▶ Site visits/tours
- ▶ Written reports
- ▶ Videos
- ▶ Be creative

Remember what major gift donors want

- ▶ Personal contact
- ▶ Recognition
- ▶ Confidence in the board
- ▶ Efficiency of the board
- ▶ “Bang for the buck”
- ▶ Family honour
- ▶ Worthwhile cause
- ▶ Involvement in the community
- ▶ Immortality/Legacy
- ▶ Self-actualization

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It's not
rocket
science

Open discussion

What questions do you have that I haven't answered?



A word on major gift committees





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Mikhael Bornstein, MA, CFRE



Having worked in the arts, health, social service, and education sectors, Mikhael Bornstein has more than twenty years of experience as a nonprofit leader. Mikhael is an AFP Master Trainer and a frequent speaker at conferences across North America. He teaches at George Brown College and Ryerson University. Mikhael has a Master in Arts in Leadership Studies from Royal Roads University.