BUT HOW DO I GET THAT NEXT GIFT?

STEWARDSHIP AS A POWERFUL FUNDRAISING TOOL

2019 Nonprofit Fundraising Conference
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Content

• Getting to Know You
• Cycle of Philanthropy
• Donor-centered philanthropy
• Stewardship
• Recognition
• Tools
Getting to Know You

- Geography
- Size of Institution
- Roles
- Industries
Getting to Know You

Philanthropy is a vehicle that channels generosity and joy into a catalyst for transformation: social and economic good.
Getting to Know You

But my contribution was supposed to be anonymous. How did you get my contact info?

The fundraiser didn’t listen to me.

Staff was rude until they found out I donated.

Your org culture doesn’t align with my values. Why just reach out to ask me for money? I can do more than that!

I just gave last week. Not in my budget!

I gave a gift in memory of a loved one, but the family didn’t get notified.

Sure, you work in my community, but no one in your organization looks like us! This just isn’t a priority.

I just heard something disturbing in the news and now I have doubts about your ethics…or worse, being associated as a supporter…but I don’t feel comfortable telling you.

A form letter receipt is fine but this was a big gift for me. What about a real thank you?

Why do you spend the money? This just isn’t a priority. Wait, what do you really do?

Getting to Know You
Describe a time when you were asked to make a gift, and it didn’t feel good.
Cycle of Philanthropy

1. Identification & Prospecting
2. Qualification
3. Solicitation
4. Cultivation
5. Stewardship
Cycle of Philanthropy

- Identification & Prospecting
- Qualification
- Solicitation
- Stewardship
- Cultivation

Donors
Students
Patients
Clients
Creating Together

Benefactor Passion Resources

Organizational Impact

“sweet spot”
Philanthropy
Who is your most likely donor?

1. Gave previously
2. Has been asked to give
3. Has been thanked for previous gift
4. Knows impact of gift
5. Stronger affinity to mission
Donor Retention

Fundraising Effectiveness Project (FEP) https://bloomerang.co/retention
Donor Retention

Over 70% of people that we recruit into organizations never come back and make another gift, so we’re caught on this treadmill where we have to spend lots of money on acquisition which most nonprofits lose money on anyway, just to stand still.

Professor Adrian Sargeant
Centre for Sustainable Philanthropy
Plymouth University
Donor Retention

Goals

• Retention – keep giving
• Increase – frequency, type, amounts
  • Increase annual giving
• Major gifts
• Planned gifts
• Non-cash gifts
Donor-Centered Philanthropy

Goal
Increase relationship with organizational mission
## Donor Commitment Continuum

<table>
<thead>
<tr>
<th>Ignorance</th>
<th>Awareness</th>
<th>Interest</th>
<th>Experience</th>
<th>Participation</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td><strong>Donor Deliberations</strong></td>
<td><strong>Donor Perspective</strong></td>
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<td><strong>Donor Deliberations</strong></td>
</tr>
<tr>
<td>I may or may not recognize the name of the organization.</td>
<td>I do know what the organization does.</td>
<td>I am not familiar with what the organization does.</td>
<td>I am likely to make a difference, resultful.</td>
<td>I am willing and able to give in the organization.</td>
<td>I want to leave behind a legacy.</td>
</tr>
<tr>
<td>I have heard of the organization.</td>
<td>I do not believe the organization does good work.</td>
<td>I am familiar with the organization’s mission.</td>
<td>I am likely to contribute a major gift to the organization.</td>
<td>I want to contribute a major gift to the organization.</td>
<td>I want to leave behind a legacy.</td>
</tr>
<tr>
<td>I am not familiar with what the organization does.</td>
<td>I do not believe the organization’s mission.</td>
<td>I am likely to make a difference, resultful.</td>
<td>I am willing and able to give in the organization.</td>
<td>I want to contribute a major gift to the organization.</td>
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</tr>
</tbody>
</table>

As constituents move to the right on the Commitment Continuum, they must be engaged by a wider range of people from the organization.
Donor-Centered Philanthropy

Messaging

- Thank you
- Impact
- Understand motivation for previous giving
- Create strategy
Donor-Centered Philanthropy

Tactic: Receipt

• IRS requirement
• Can include brief messaging
• Timeliness
Donor-Centered Philanthropy

Tactic: Personal call

- Thank you from staff/board/volunteer/recipient
- Motivation for this giving
- If appropriate:
  - Invite to event
  - Ask for Discovery visit
Donor-Centered Philanthropy

Tactic: Acknowledgment paper mailing
- Message from leadership
- Impact and gratitude
- Two weeks – 2 months after gift is made
Donor-Centered Philanthropy

Tactic: Events

- Show impact
- Culture of philanthropy
- Positive reinforcement
- Opportunity to invite guest
- Clarify if expectation to give
Donor-Centered Philanthropy

Tactic: Volunteer

• Show impact
• Increased sense of ownership
Donor-Centered Philanthropy

Tactic: Email newsletter

- Show impact
- Include a call to action
- Least expensive
Donor-Centered Philanthropy

Tactic: Discovery Visit

• Motivation for this giving
• Affinity - values
• Capacity - types and gift range
• Create strategy for continued relationship
Donor-Centered Philanthropy

Who is your donor?

• Recency
• Frequency
• Cumulative
• Capacity
Strategic Approach

The greatest number of gifts come from the fewest number of donors

https://savethestorks.com/charts/pyramid-of-giving/
Strategic Approach

All donors are stewarded
  • Individualized at top of pyramid
  • Programmatic at bottom of pyramid
Donor-Centered Philanthropy

Biggest gifts

• Largest one-time gifts
• Largest to smallest
• Strategies: discovery visit, multi-year, ask for introductions to other donor, estate, endowment, non-cash
Donor-Centered Philanthropy

Greatest cumulative giving

• Cumulative giving
  • Largest to smallest
  • Strategies: discovery visit, multi-year, ask for introductions to other donor, estate, endowment, non-cash
Donor-Centered Philanthropy

Recent donor

• Gave 12-18 months
  • Largest to smallest gifts
  • Strategies: Programmatic (email, events, mailing) stewardship, discovery visit if larger gifts/capacity
  • Recognition: annual giving society
Donor Retention

New Donor Retention Rate YTD

2013: 25.2%
2014: 25.4%
2015: 30.6%
2016: 31.4%
2017: 31.8%

Repeat Retention Rate YTD

2013: 64%
2014: 63%
2015: 63%
2016: 62%
2017: 64%

Fundraising Effectiveness Project (FEP) https://bloomerang.co/retention
Donor-Centered Philanthropy

Given more than once

• Frequency
  • Most to fewest (2+) gifts
  • Strategies: increase gift ask, other gift vehicles, discovery visit if capacity
  • Recognition: annual and cumulative recognition
Donor-Centered Philanthropy

Large capacity, smaller gift
- Dedicated time for pipeline development
- Strategies: Discovery visit
Donor-Centered Philanthropy

Clarity for the next ask - donor

• Donor’s passion and mission alignment
• Hone in on strategies and tactics
• Financial partnership
• Outcomes
• Boundaries
Donor-Centered Philanthropy

Clarity for the next ask – your organization
• Confirm gift opportunity
• Setting expectations
  • Roles: leadership, program
  • Budget: sustaining vs expansionary
  • Culture of philanthropy
  • Reporting expectation
Donor-Centered Philanthropy

Recognition
• Commensurate to level of gift
• Private vs Public
• Build in to your opportunity
• Always get consent to recognize
Donor-Centered Philanthropy

Recognition: Giving societies
• Annual Giving
• Cumulative Giving
• Campaign: marketing, event, capital
• Constituency: board, volunteer, alumni, employee, etc.
• Planned / Legacy
Donor-Centered Philanthropy

Recognition
- Honor rolls and donor walls
- Naming opportunities - spaces
- Donor profiles (print, online)
- Press releases
Recognizing…Uncle Sam

Gift Receipts

“Written Acknowledgment”
• When to provide a receipt
• Sample verbiage

Publication 1771
To Remember

• Client- and Donor-centric
• Transparency and Consistency
• Gratitude and Celebration
Tools

Donor Centered Fundraising
Penelope Burk

https://nonprofithub.org/fundraising/how-to-ask-for-donations-nonprofit-infographic/
Tools

Best Practices in Donor Recognition
AASP ADRP White Paper

Volunteers Donate More
Volunteer Match

https://blogs.volunteermatch.org/engagingvolunteers/2015/03/26/volunteers-or-donors-try-again/
Tools

Anatomy of an Ask
Nonprofit Hub

https://nonprofithub.org/fundraising/how-to-ask-for-donations-nonprofit-infographic/
Tools

Quid Pro Quo

- Disclosure statement
- Penalty
- Updated March 2019

Tools

IRS Publication 1771

- Receive contributions of $250+
- Provide goods /services to $75+ donors
- Donor

Tools

Non-Cash Contributions

Charity Auctions
Tools

Donor Relations and Stewardship Defined
ADRP White Paper

https://www.adrp.net/assets/documents/adrpdefinitionsexpanded.pdf
Tools

Associations and Training

• Advancement Resources
• Association for Advancement Services Professionals
• Association of Donor Relations Professionals
• Association of Fundraising Professionals
• Association of Prospect Research for Advancement
• Association for Healthcare Philanthropy
• Council for Advancement and Support of Education
• Indiana University Lilly Family School of Philanthropy
• Philanthropy Works
Fundraising and Program

DEVELOPMENT VS PROGRAM: LAND & MANAGE THE GRANT WITHOUT DRAMA

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https://drive.google.com/open?id=1aq1bxa9pO23uOPsq_CRBMj0qMRnRX6FXIKN5p9OXOEd
Questions
Thank You

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