Major Gifts for Small Shops

SAGE ADVANCEMENT GROUP
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Lunch with NEMA
What is a Major Gift?

<table>
<thead>
<tr>
<th>Major Gifts</th>
<th>Annual Gifts</th>
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<tbody>
<tr>
<td>Usually defined as $10K and up</td>
<td>Typically less than $10K</td>
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<td>HIGHLY relational</td>
<td>Usually transactional</td>
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<td>Often restricted</td>
<td>Usually supports operating budget</td>
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<tr>
<td>Highly personalized with multiple “touches” – in-person visits are key!</td>
<td>Not as personalized - direct mail, phone calls, email</td>
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<tr>
<td>Not usually made yearly</td>
<td>Repeatable each year</td>
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<td>Can take 6 mos. – 2 years to close</td>
<td>Twelve month cycle</td>
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<tr>
<td>Requires more information</td>
<td>Requires little information</td>
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Goals, aspirations and plans RAISE GIFTS!
Why Major Gifts?

• 70-80% of private charitable dollars raised in the US are contributed by INDIVIDUALS and 80-90% comes from individual major donors.
• Major donors are more loyal than other donors because they have a relationship w/you.
• Individual major donors do not require the same data/reporting as foundations.
• Foundations often limit how long they support you; major donors can be in it for the long-haul.
Fundraising Timeline Example
(For New Prospects)

**Identification and Qualification**
- Preliminary research
- Assess interest
- Confirm capacity
- Gather information
- Develop rapport

**Cultivation**
- Make a plan
- Educate & inspire
- 1:1 meetings
- Ask for advice
- Insider experiences

1-2 months

**Solicitation & Closure**
- Meet & ask
- Listen & respond
- Follow-ups
- Nail it down (close)

3-12 months

**Stewardship**
- Thank
- Recognize
- Show impact
- Involve
- REAPEAT

1 month

12-24 months

Prospects will set the pace!

Keep in touch in between meetings

- Targeting proposals
- Asking to ask
- Building solicitation team
- Preparing for solicitation
Engaging the Board

**Staff Roles**
- Identify & research prospects
- Develop & manage cultivation strategies
- Schedule visits
- Monitor & report progress
- Cultivate, solicit & steward donors
- Record donor activity

**Board Roles**
- Help identify prospects
- Open doors where possible
- Participate in key meetings
- Connect with prospects at events
- Make thank you calls
- Model philanthropy
Developing the Pipeline

Leadership* Annual Giving Donors

Getting to know your leadership Annual Giving donors will feed the major gifts pipeline!

*$1,000 to $10,000 Donors

Major donor prospects emerge from a strong Annual Giving program and be ready for deeper engagement.
Who might be a MG prospect?

• Your most generous and/or consistent donors
• Your volunteers, board members, or community leaders
• People who have an interest in the mission of your organization or a connection to your organization in some way
Major Donor Profile

**Wealth Indicators**
- Home purchase, job, hobbies, 2nd home, travel, family

**Philanthropy**
- Board involvement, donations, family foundation

**Connections**
- Social & community networks (church, clubs, etc.)

Likely MG prospect
Identifying MG Prospects

- Periodically screen donor and volunteer lists with staff and board
- **Teach your program staff how to spot potential donors and encourage their referrals**
- Do a wealth screening on your database.
- Get in the habit of researching all **new donors** to determine capacity
- Have staff & board mingle at events; debrief after the event on potential prospects
In order for a prospect to be worth pursuing, you must determine that:

- The prospect has **capacity**
- The prospect has an **interest** in the mission/cause of your organization
- You have **access** to the prospect (someone can introduce you, or you can connect with them in some way)
“You can make more friends in two months by becoming interested in other people than you can in two years by trying to get other people interested in you.” – Dale Carnegie
It’s not really about the money…

Your Organization
- Passion
- Ideas
- Mission
- Can offer Information Involvement

Your Prospects
- Passion
- Ideas
- Mission
- Can offer Resources Connections

Pssst...It’s about building a relationship!
How to Cultivate a Prospect

• Map out at least 3-5 moves and understand that those moves may change as you get to know the donor

• Face to face meetings are the single-most important component of cultivation

• Involve key stakeholders over the course of your moves management strategy – board members, program staff, and peer donors to your organization

• Listen, listen, listen! (DO NOT make a “presentation”)

Sample Cultivation Moves

- Meeting in-person (alone or with board, staff or other stakeholders)
- Having Board or ED send personal invitation to a special event
- Exclusive experiential activities – guided tours, access to archives, tour of non-public spaces, special outings, retreats, advocacy actions
- Having them meet with people impacted by your organization
- Attending a lecture, reading, special performance and/or post-event dinner with leadership
- Phone calls, emails, letters, newsletters, etc.
- Sending a book, article, small gift that represents their interests
- Asking them to host an event (once you get to know them), speak at your organization
- Asking them to serve on an advisory committee, event committee, or board
Before you Ask

• Has the case for support already been made?
• Are you prepared to address objections and questions?
• Have you researched the donor and feel comfortable with ask amount?
• Have you met with the solicitation team to assign roles and talking points for each person?
How to Solicit

• At the beginning of the meeting, thank them for their interest in discussing the project (since you asked to ask)
• Ask them for the gift at the beginning of the meeting and make sure you ask for a specific amount (in most cases)
• Be quiet once you’ve asked
• Have a conversation once the person has responded to learn more
The Solicitation Response

- Use questions to learn more about what they are thinking
  - Can we come back in 6 months to revisit?
  - What are some of the questions you have?
  - What day next week can we follow up?
- Your job is not to convince them to give, it is to inform, inspire and educate
Closing the Gift

• Nail down
  – amount
  – timing of payment and method
  – pledge payment schedule (if any)
  – recognition preferences

• Get signed gift agreement letter so you can book the gift
Stewardship

• Thank, thank and thank again (in meaningful ways)
• Show impact of gift
• Keep in touch, providing updates, and invite them to attend special events
• Deepen their relationship by asking them to get involved as a volunteer, board or advisory member, event host, speaker, advocate
Putting it all together

• “Screen” and rate your donor list
• Choose the best 25-50 prospects & keep track of them in your database
• Set a goal to conduct 4 visits per month
• Complete 5 moves for each prospect annually and record activity
• Engage program staff, board, volunteers, and peer donors to assist with all phases of fundraising cycle
• Move prospects off and on the list as appropriate
• Assess progress weekly, monthly, yearly
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Fundraising & Strategy Consulting for Nonprofits

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