

# Canadian Association of Gift Planners Golden Horseshoe Round Table

Annual Conference

## **Donor Management**

Bill Hallett, Ph.D., ACFRE  
President & CEO  
Niagara Health System Foundation

***How Fundraising Really Works***

***or***

***Thinking Outside the Pyramid***

***&***

***Inside the Box***

Gift  
Planning

Campaigns

Major Gifts Program

Donor Renewal  
*(Direct Response/Events)*

Donor Acquisition  
*(Direct Response/Events)*

The Public/Suspects/Prospects

Gift  
Planning

Individuals Only

Campaigns

Individuals  
Corporations  
Foundations

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High Tech  
High Cost  
Small Gifts

The Public/Suspects/Prospects

High Touch  
Low Cost  
Large Gifts

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Major Gifts Program

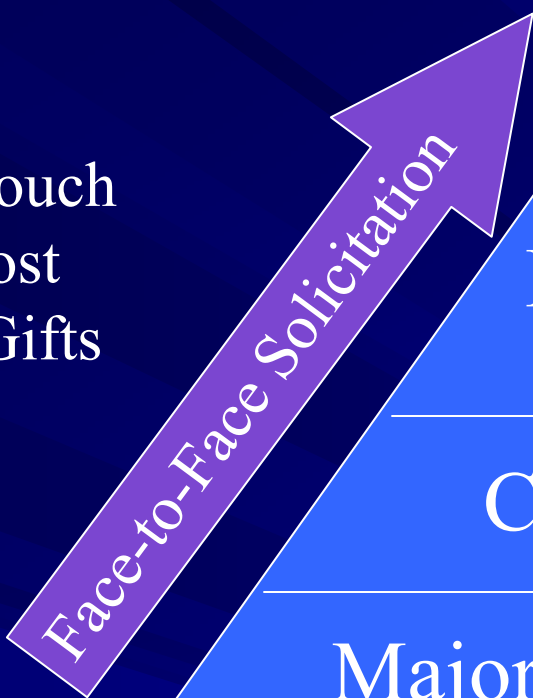
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The Public/Suspects/Prospects

P/D⇒

Legacies

Thereafter

P/D⇒

Major Gifts

Tomorrow

P/D⇒

Regular Gifts

Today

# **USA Trends in Philanthropy**

**\$241 billion in philanthropic support in 2003**

- **83.5% from individuals including 9% from bequests**
- **5.6% from corporations**
- **10.9% from foundations**
- **Top 60 donors gave \$10 billion in 2004, up from \$5.9 billion in 2003, primarily to education**

Marts & Lundy Presentation, AFP International Conference, April 2005

# **Canadian Trends in Philanthropy**

- **\$5 billion in philanthropic support**
- **By 91% of Canadians**
- **6.5 million volunteers**

Source: Imagine Canada – 2004 National Survey

- **9% of not-for-profit & voluntary organization revenue from philanthropy versus 51% from governments & 39% from fees**

Source: Johns Hopkins CNP 2004

Marts & Lundy Presentation, AFP International Conference, April 2005

# **Individual Major Gifts**

- **In Canada 75-80% of gifts come from 20 – 25% of donors**
- **In USA 90 – 95% of gifts come from 5 – 10% of donors**

**Therefore it is essential to identify individuals who have the capacity to give at the highest levels**

# *What is donor management?*

- Stewardship
- Moves Management
- Donor development
- Upgrading donors
- Etc.

# *What is donor management?*

Donor or *Moves Management*, is a *disciplined* and *systematic tracking* *method* to *build relationships* with **YOUR** major gift *donors* and *prospects* that results in *impact* or *transformational* giving

## **Non-manipulative donor management**

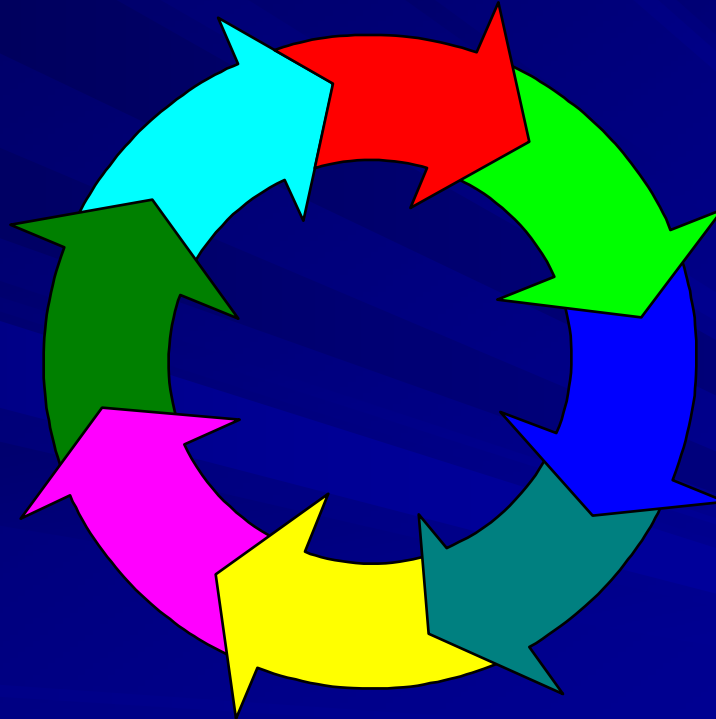
***In a transaction where one party benefits the outcome could be considered manipulative...***

***when both parties benefit a relationship is established***

# ***The Fundraising Cycle***

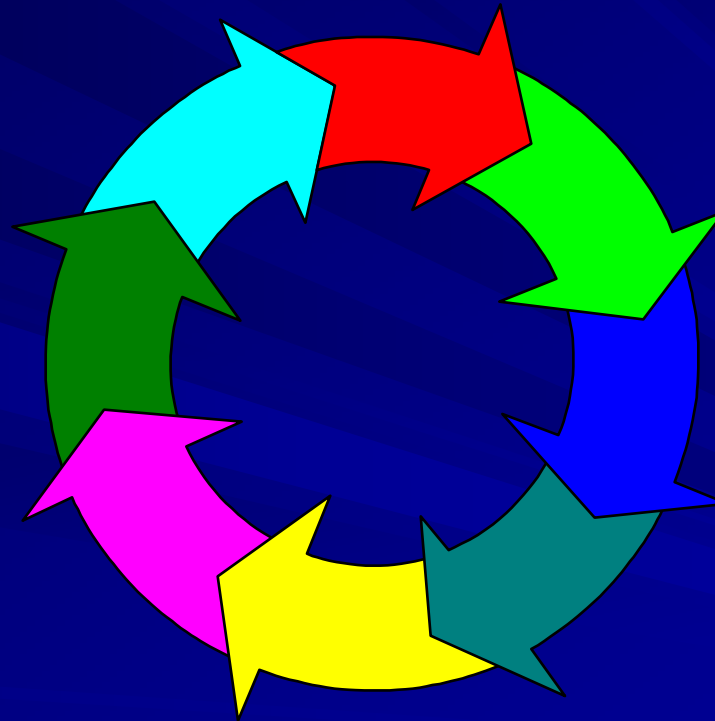
# *The Fundraising Cycle*

Cause



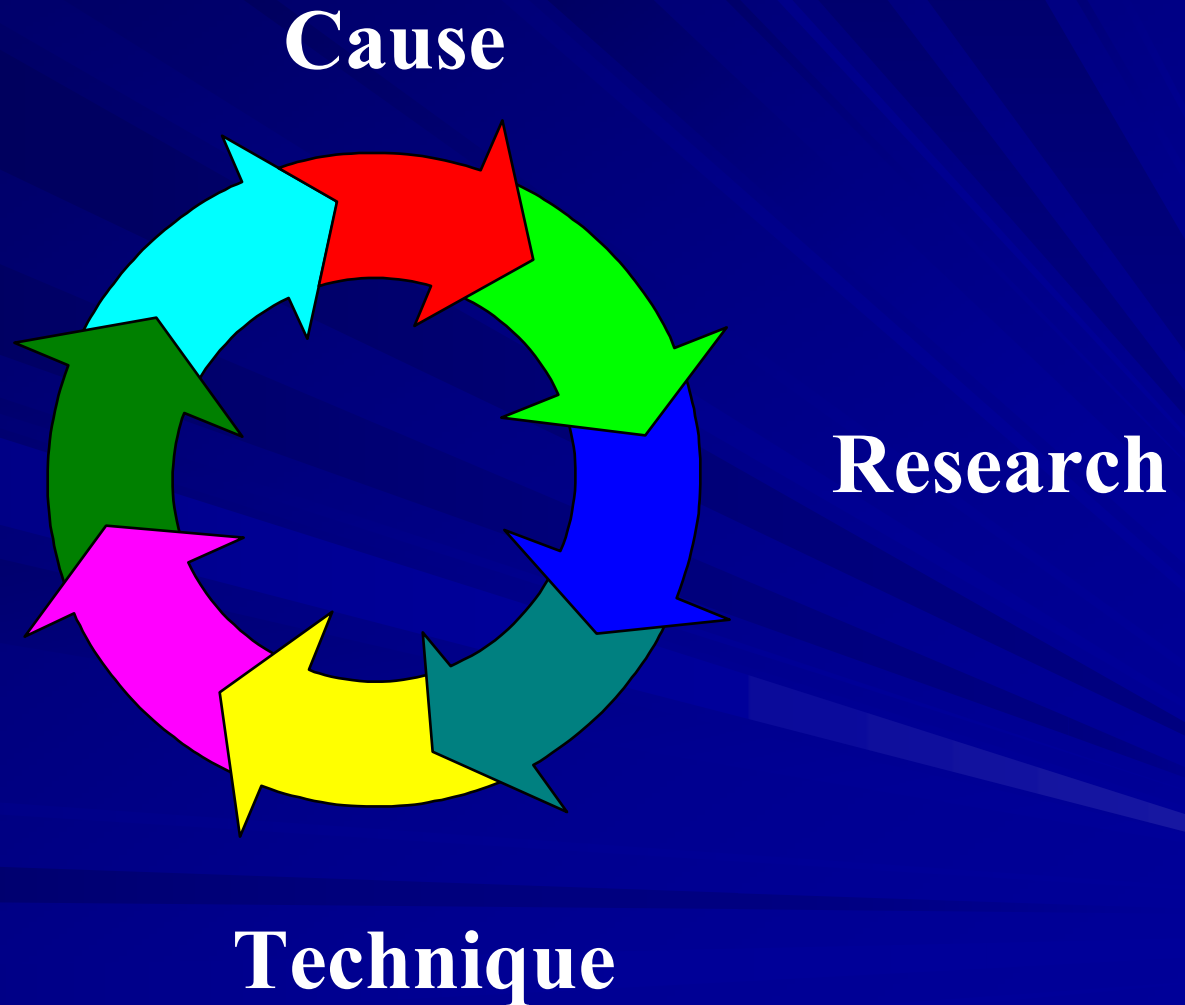
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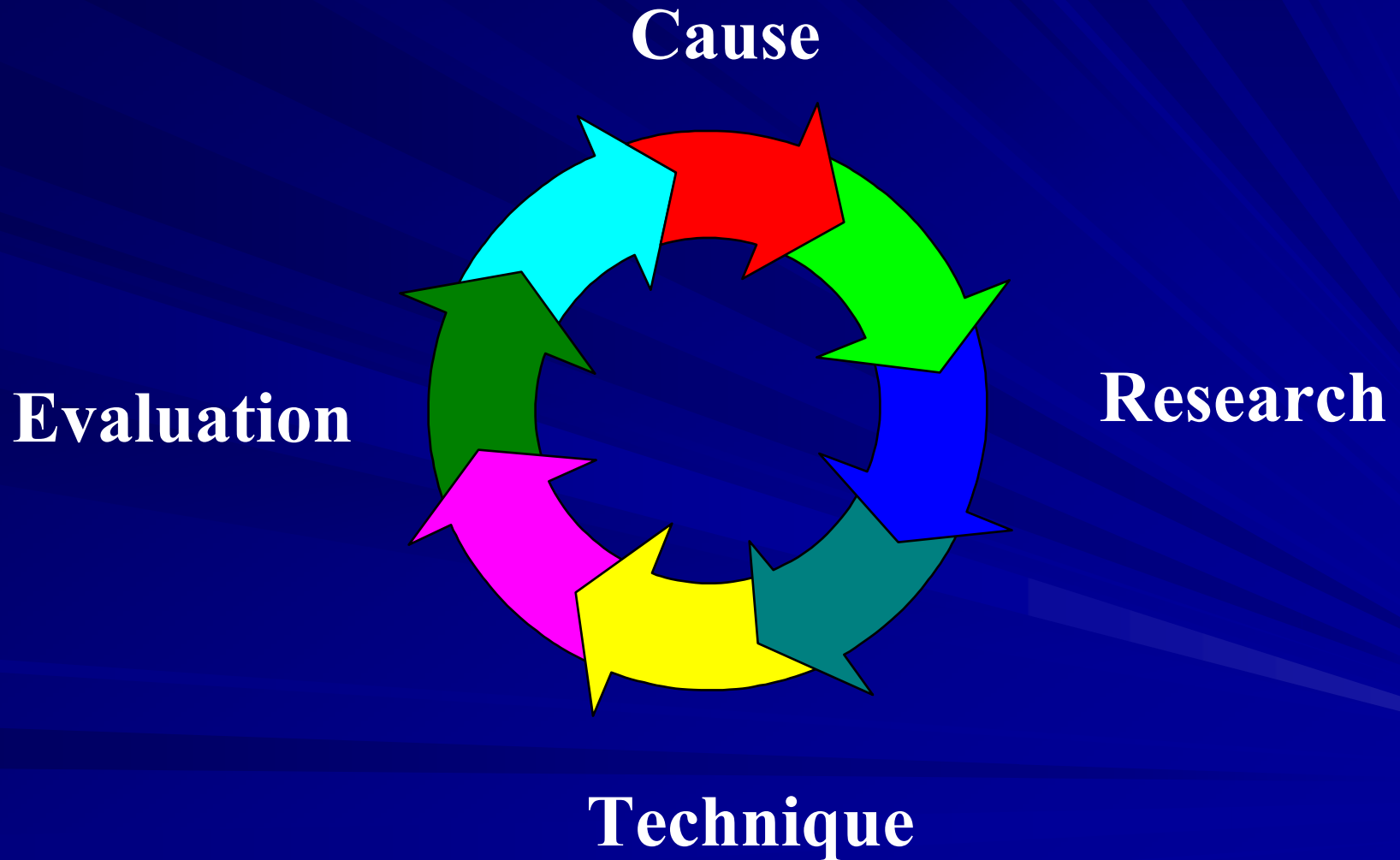


**Research**

# *The Fundraising Cycle*



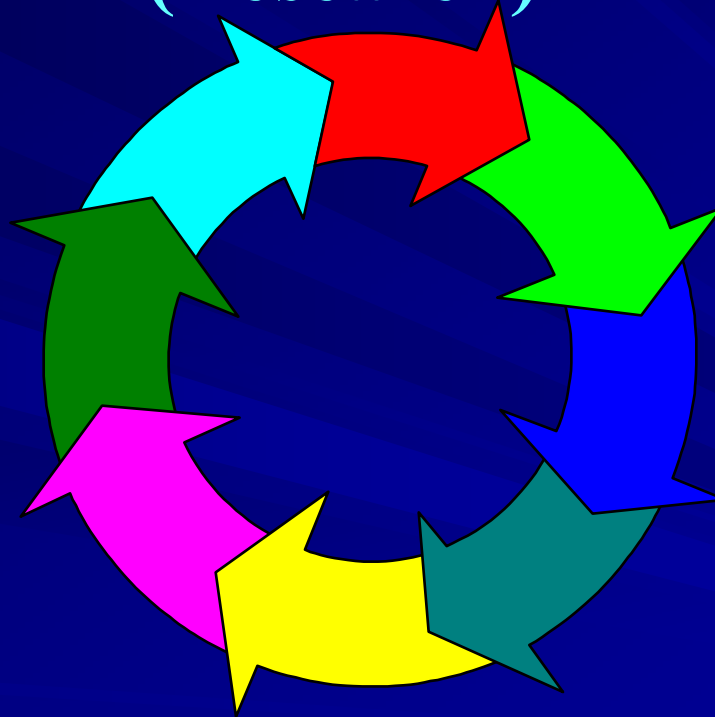
# *The Fundraising Cycle*



# ***The Philanthropic Cycle***

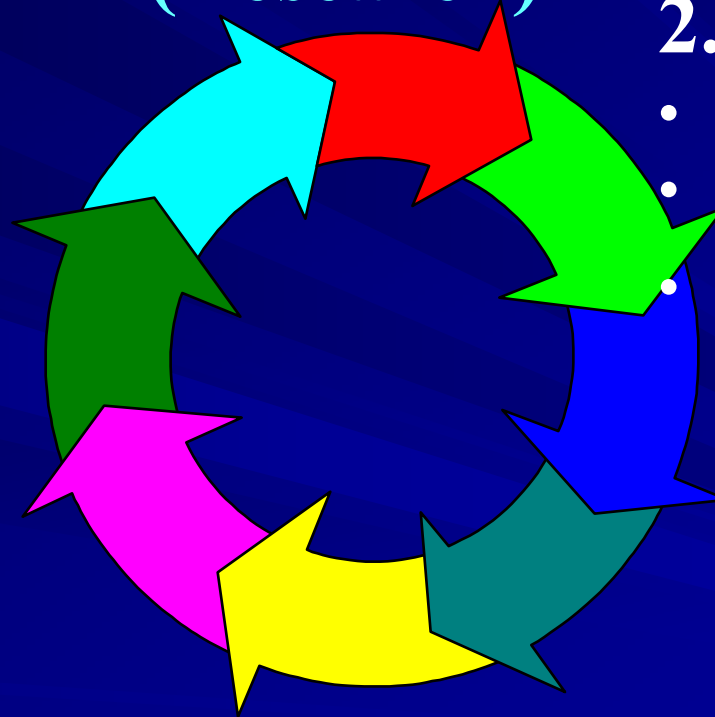
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## 1. Identification (Research)



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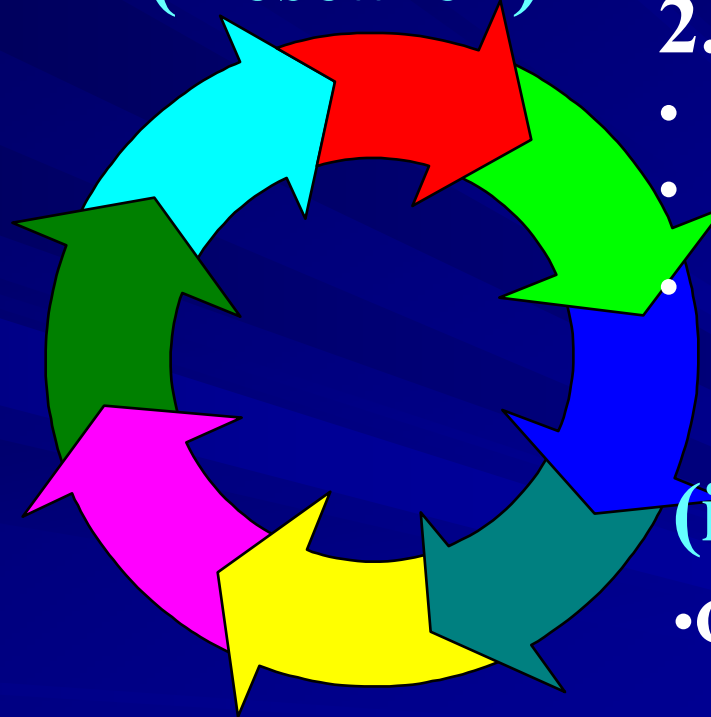
## 2. Information

- Research
- Prospect Screening
- Discovery Calls

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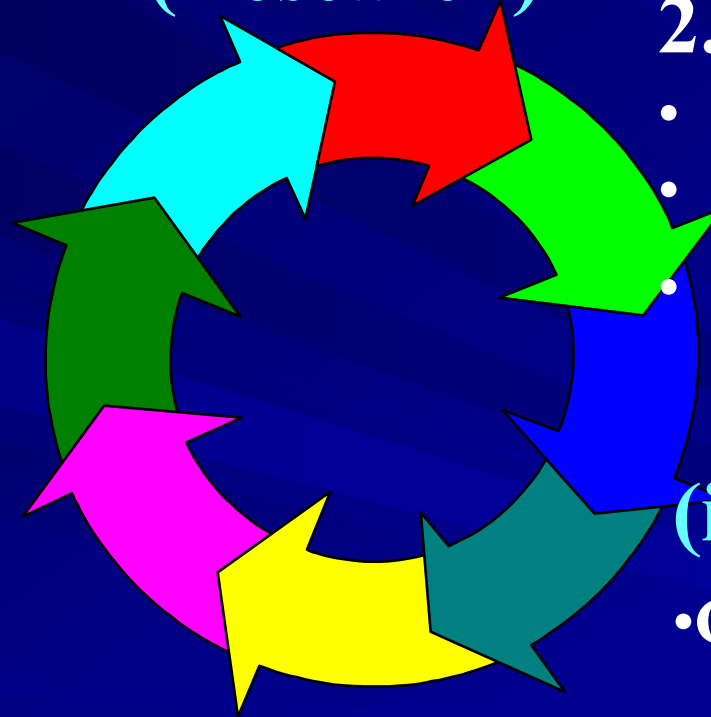
## 3. Interest (in the Cause)

- Cultivation Calls

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## 4. Invitation (Technique)

- Solicitation

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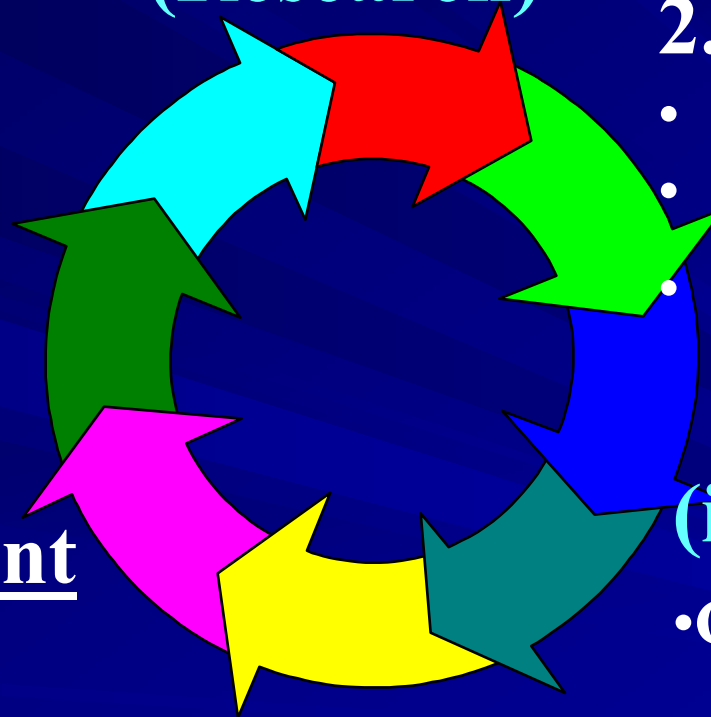
- Cultivation Calls

## 4. Invitation (Technique)

- Solicitation

## 5. Investment

- Closure



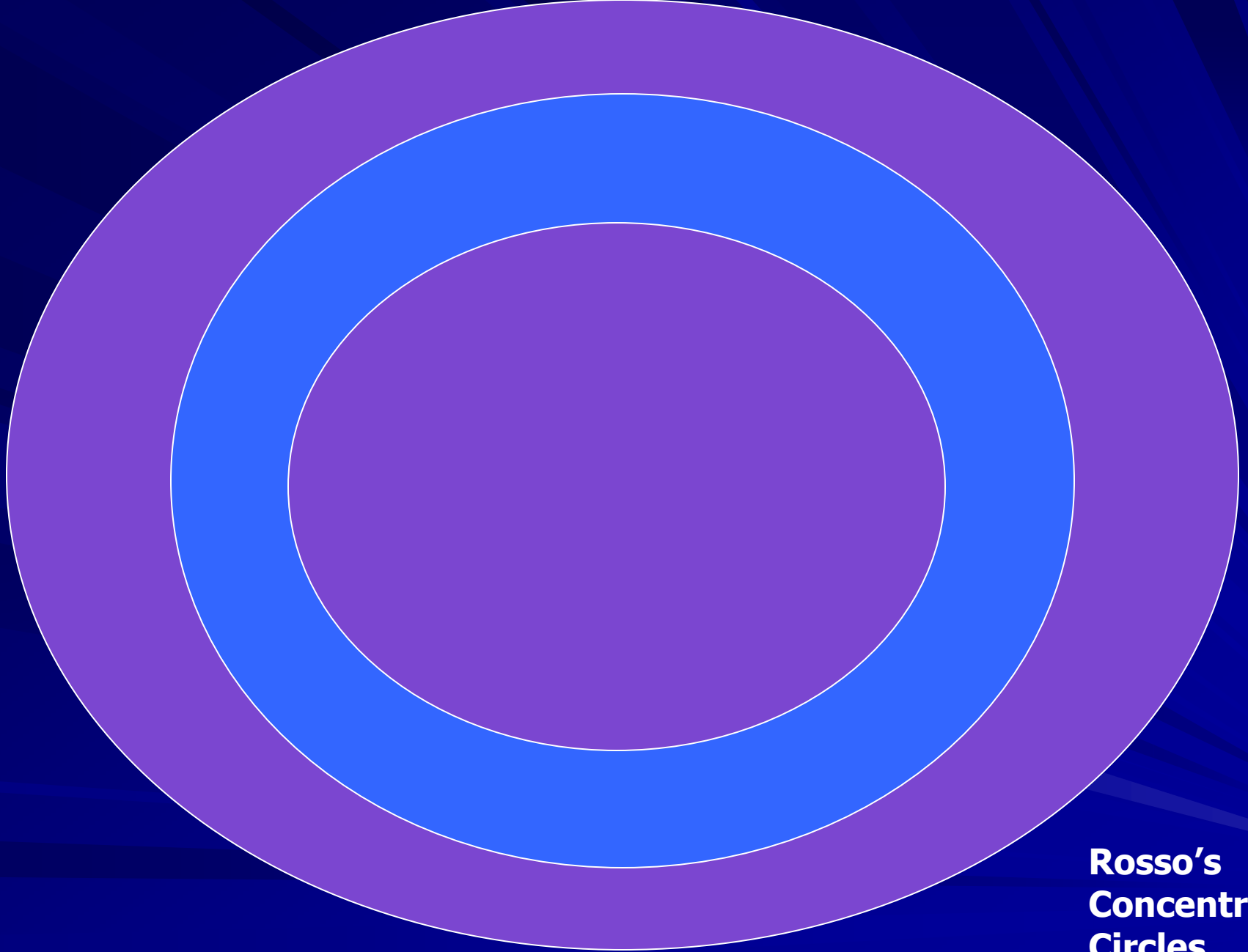
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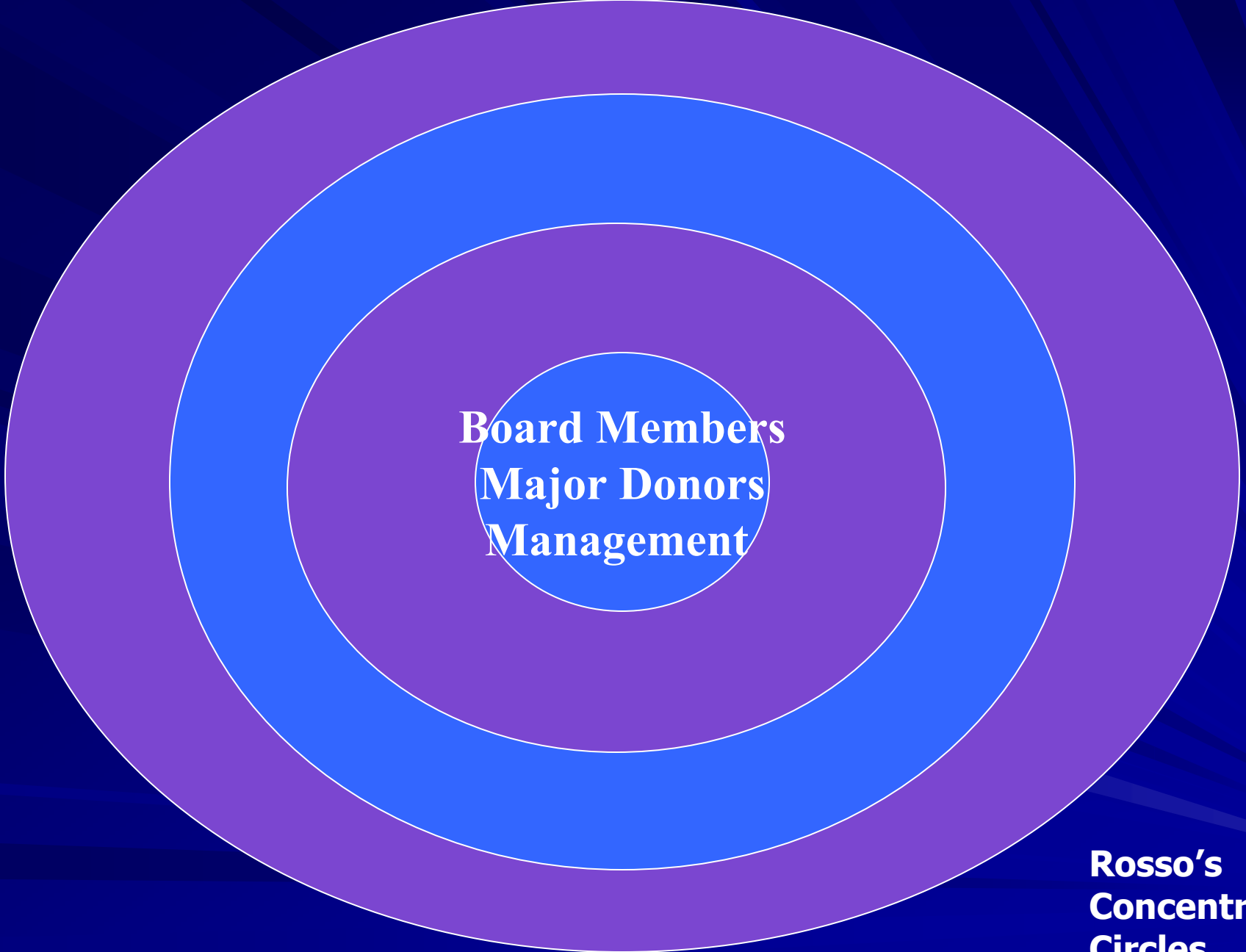


**Who are the best  
Major Gift Prospects?**



**Rosso's  
Concentric  
Circles**

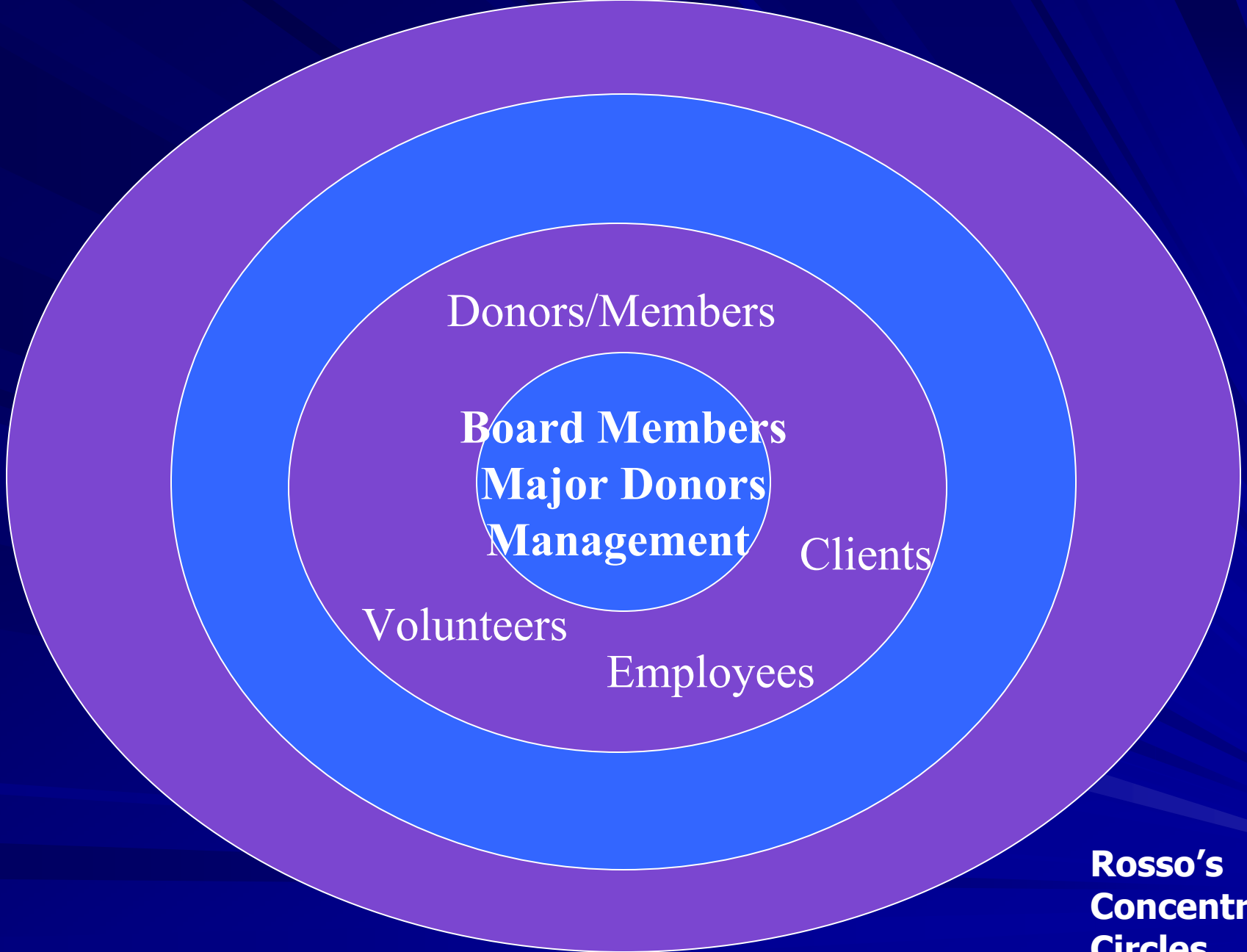
Prospects Unknown Universe



**Board Members**  
**Major Donors**  
**Management**

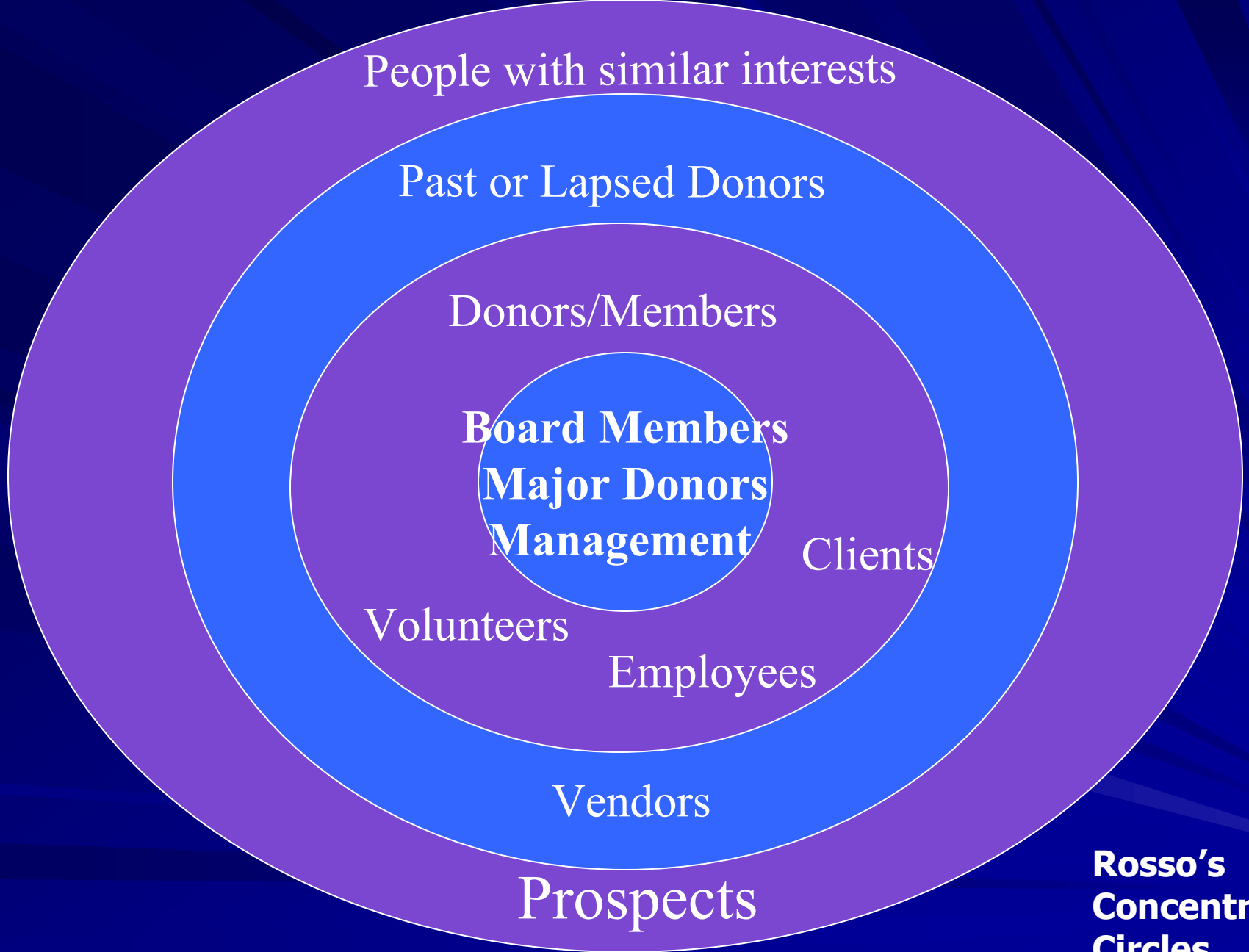
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People with similar interests

Past or Lapsed Donors

Donors/Members

**Board Members**

**Major Donors**

**Management**

Clients

Volunteers

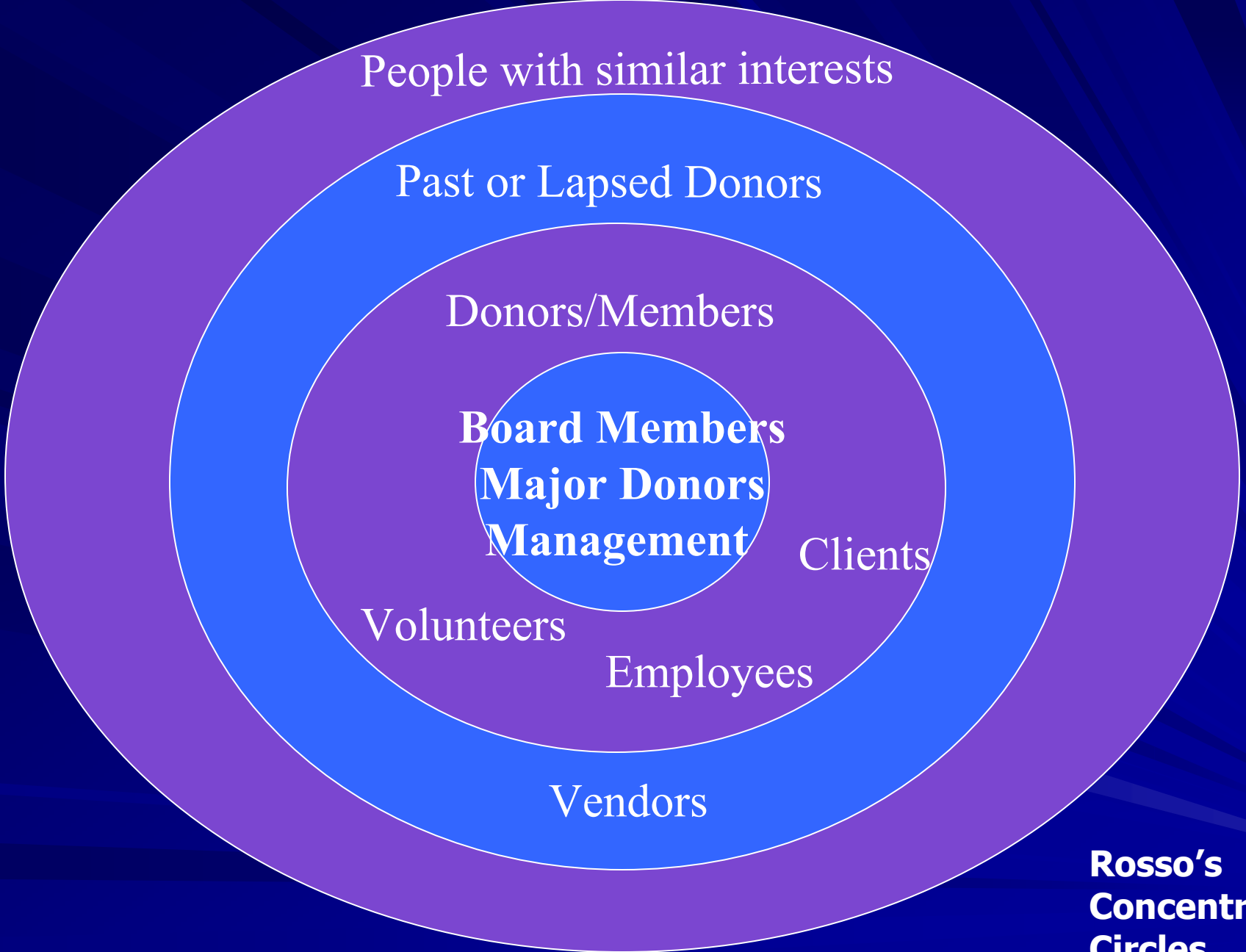
Employees

Vendors

Prospects

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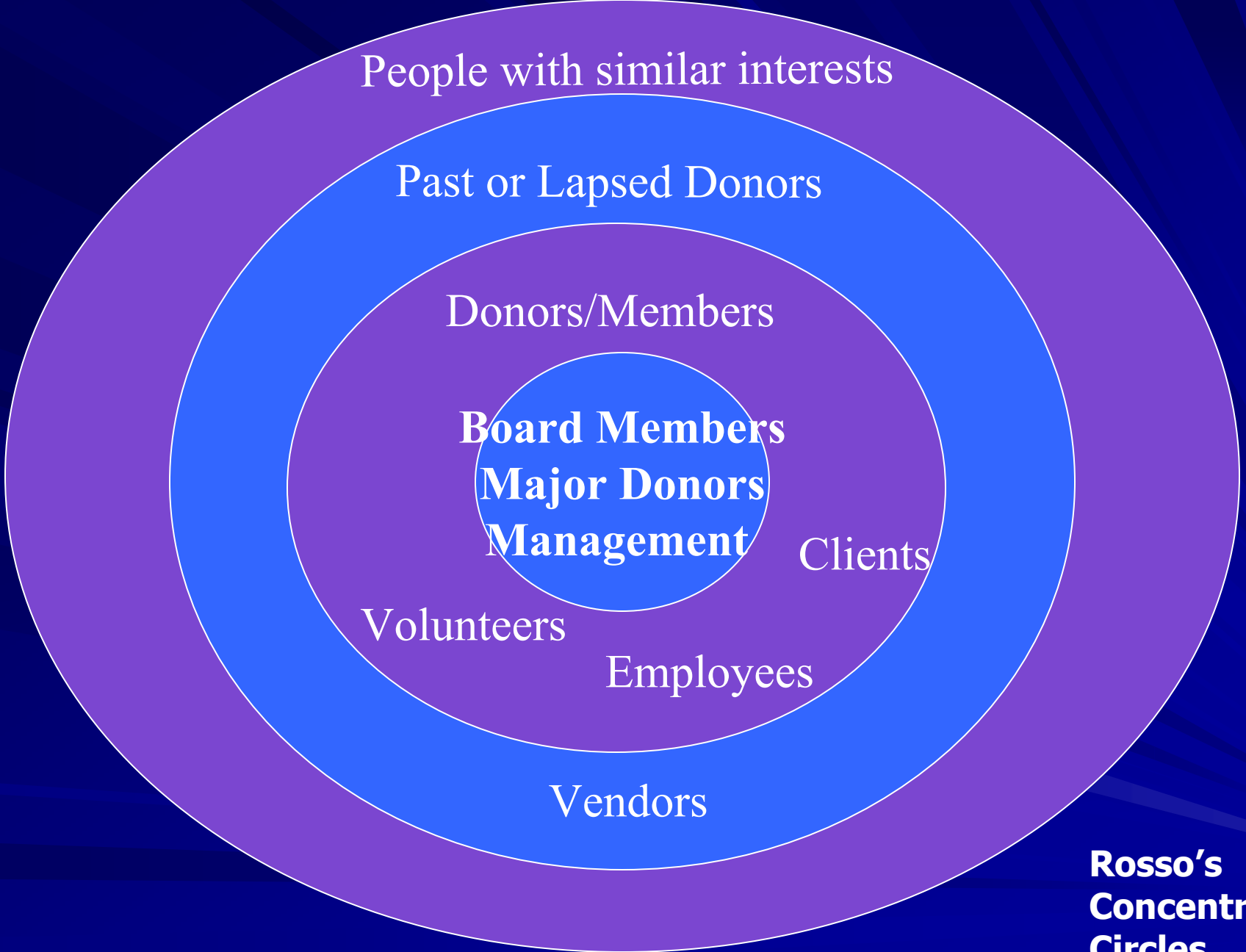
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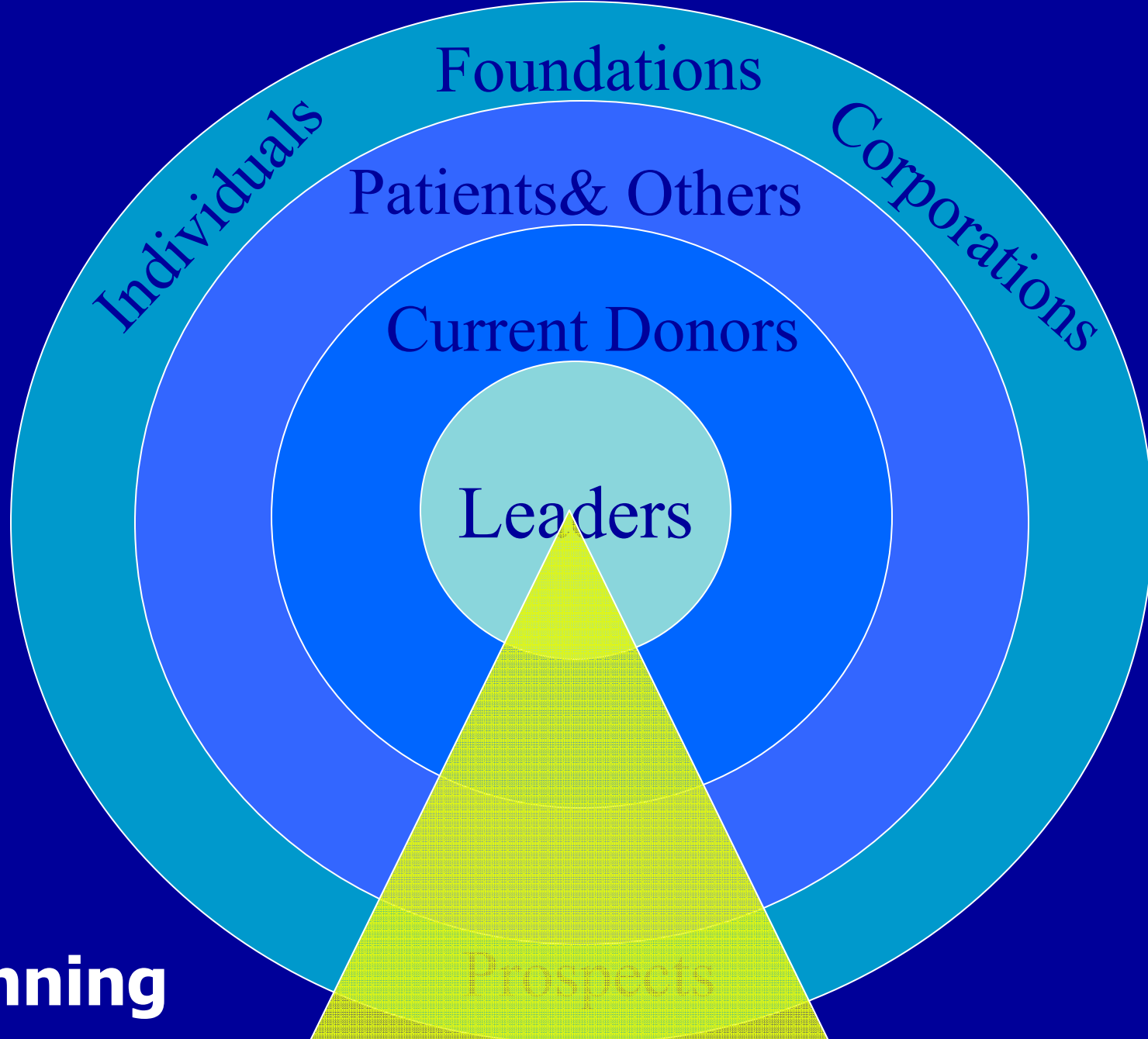
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Prospects Unknown Universe

**Who are the best Prospects  
for a Planned Gift?**



**Gift  
Planning  
Program**

The Public

The *I*nterest *P*otential  
Rating

*IP* Score

*(is based on involvement)*

# *The Involvement/Planning Cycle*

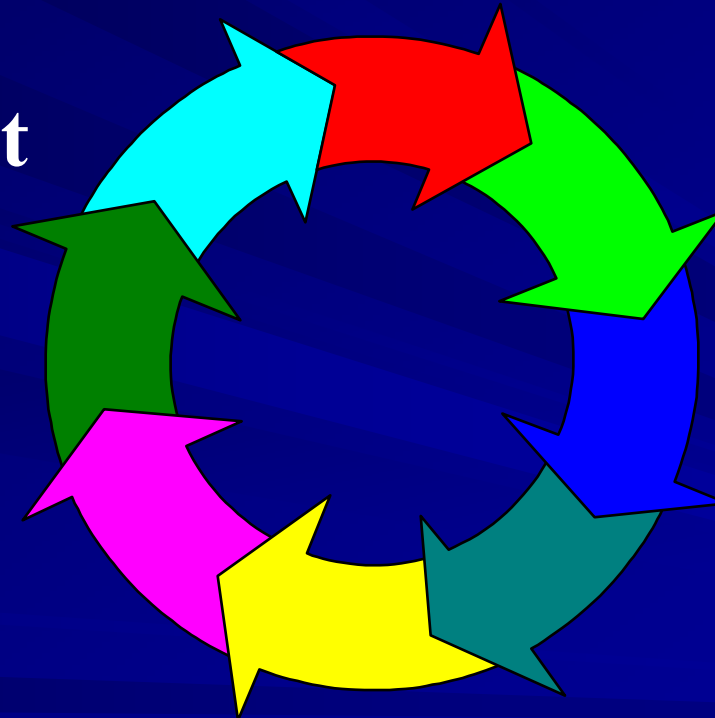
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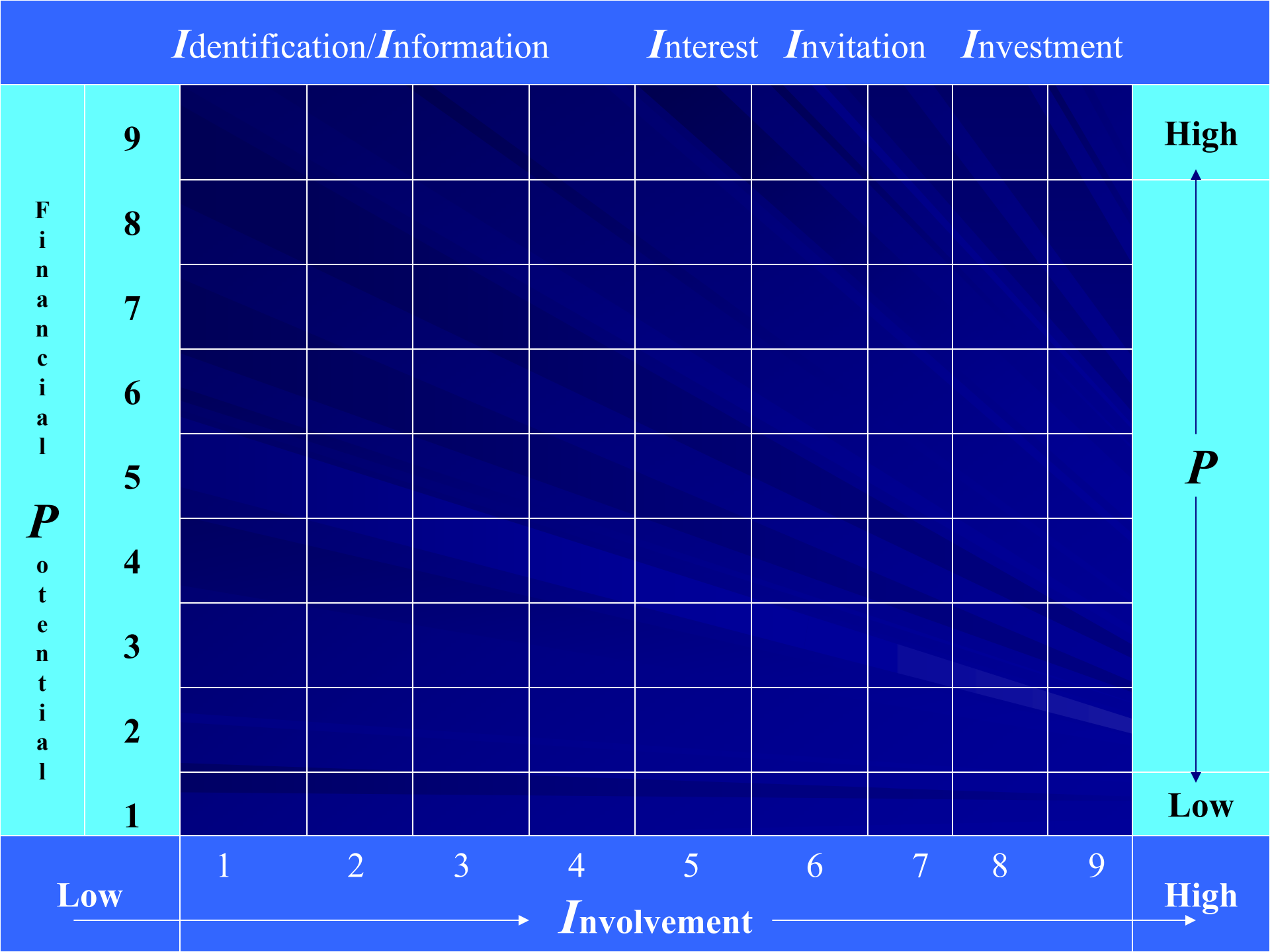
**2. Information**

**3. Interest**

**4. Invitation**

**5. Investment**





*Identification/Information*

*Interest*

*Invitation*

*Investment*

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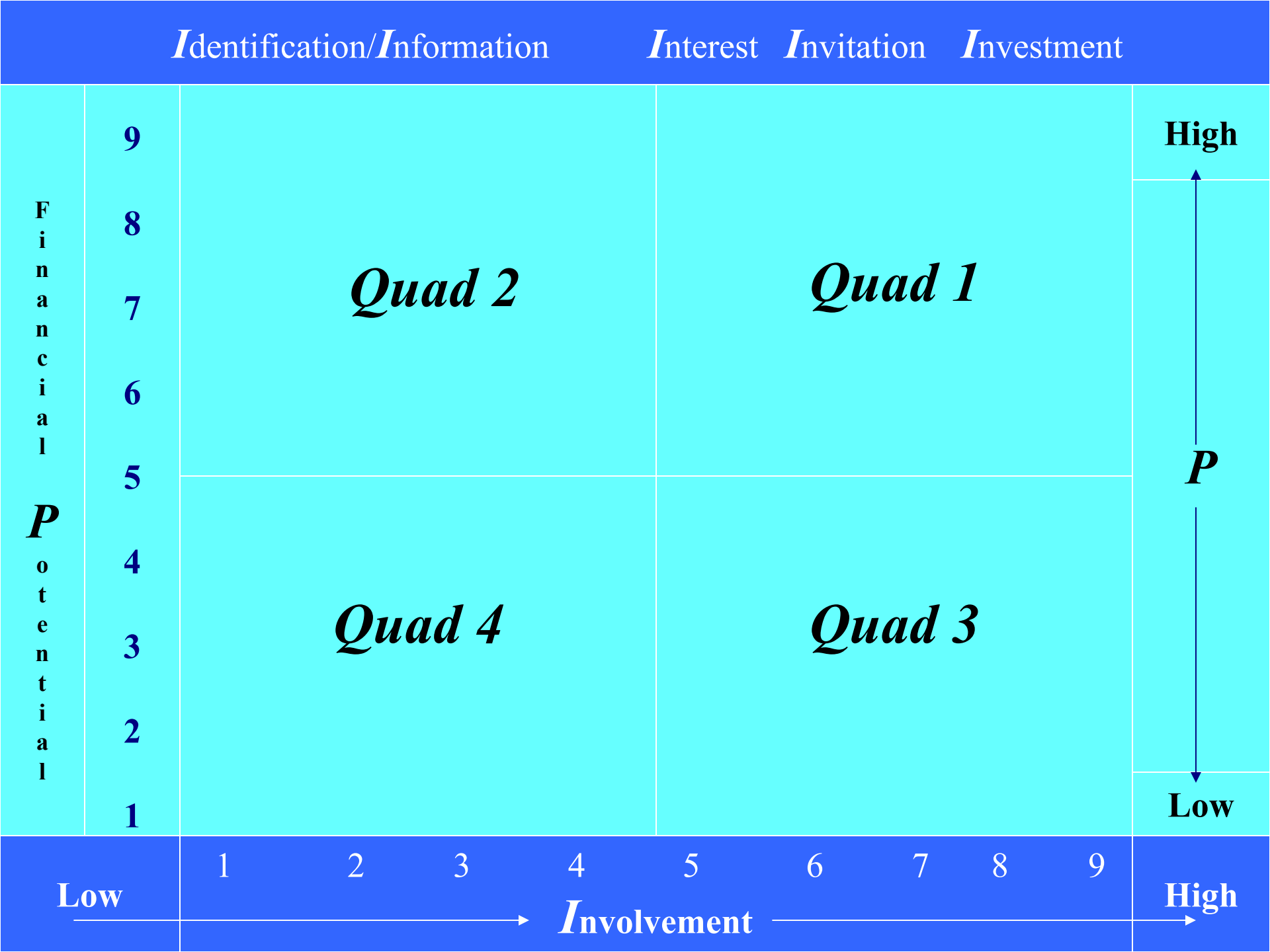
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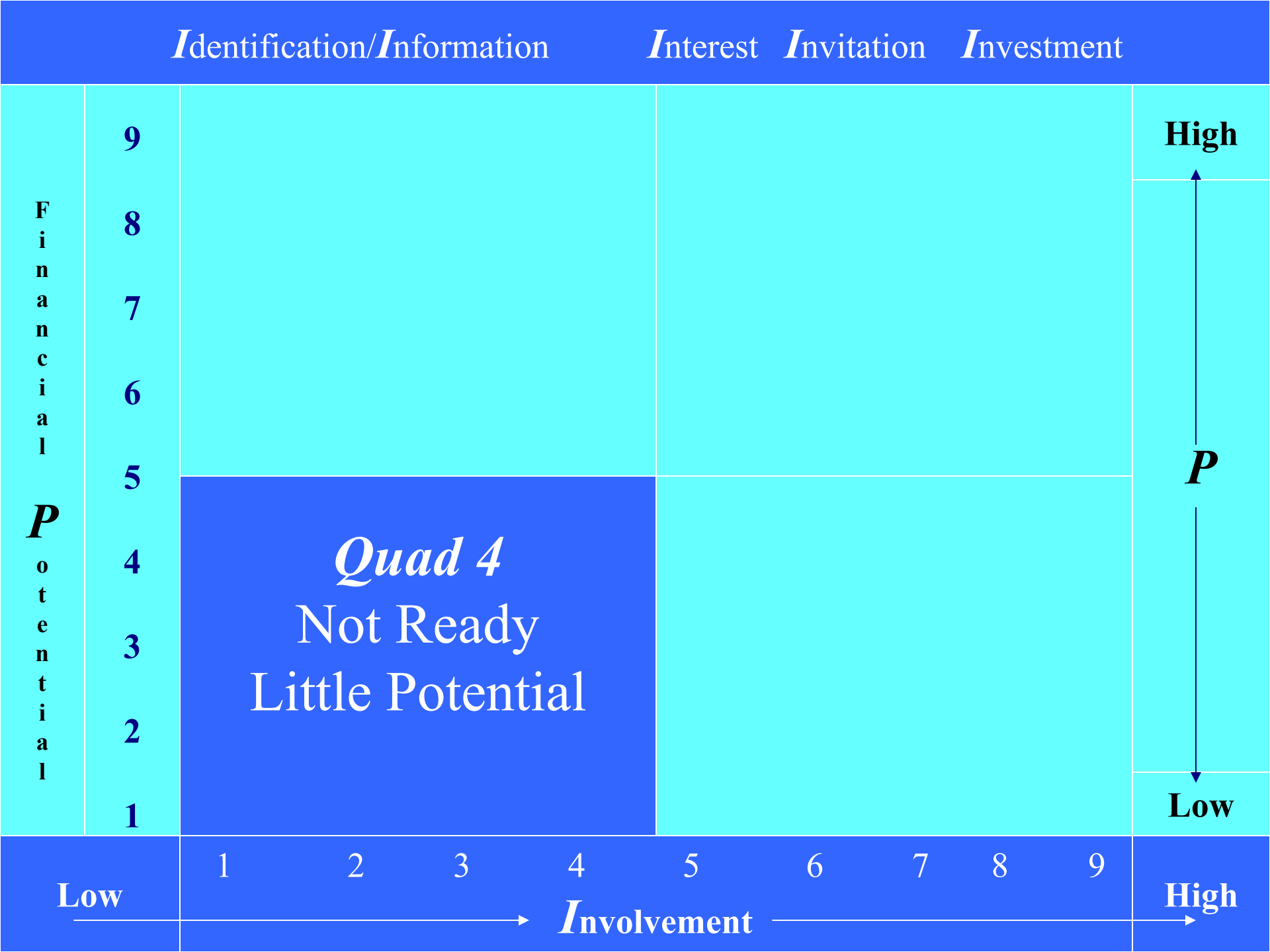
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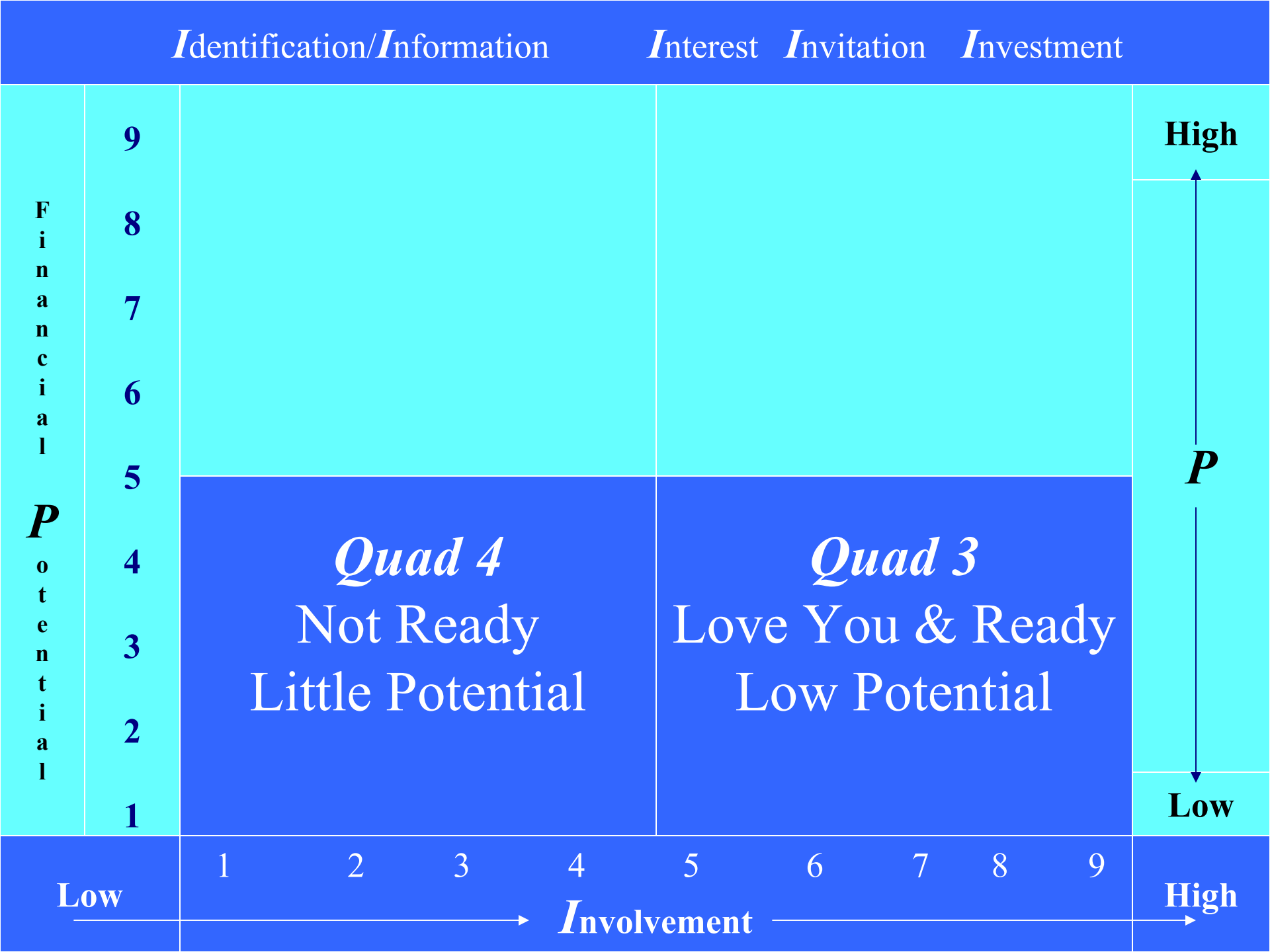
**High**

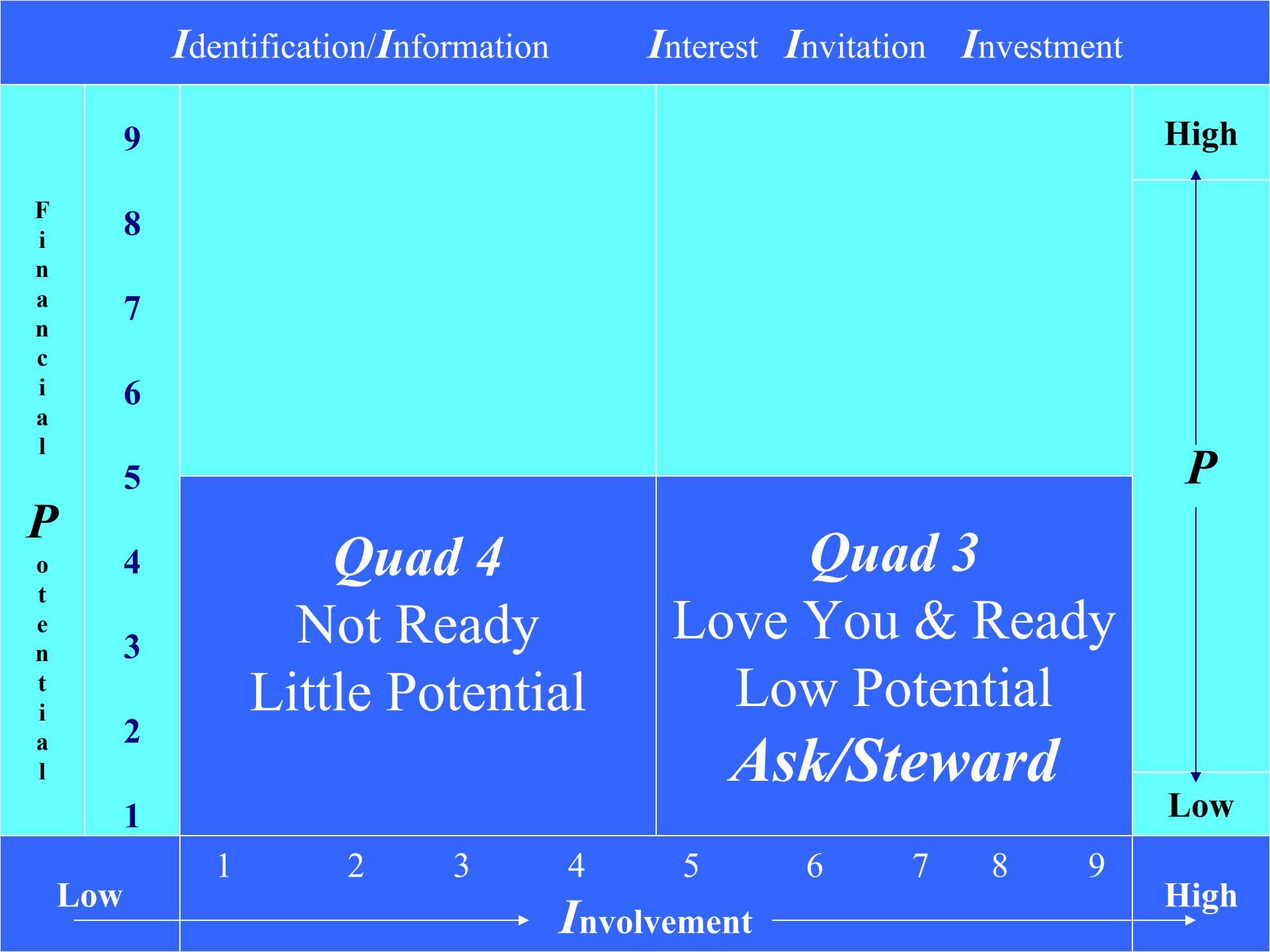
*Involvement*



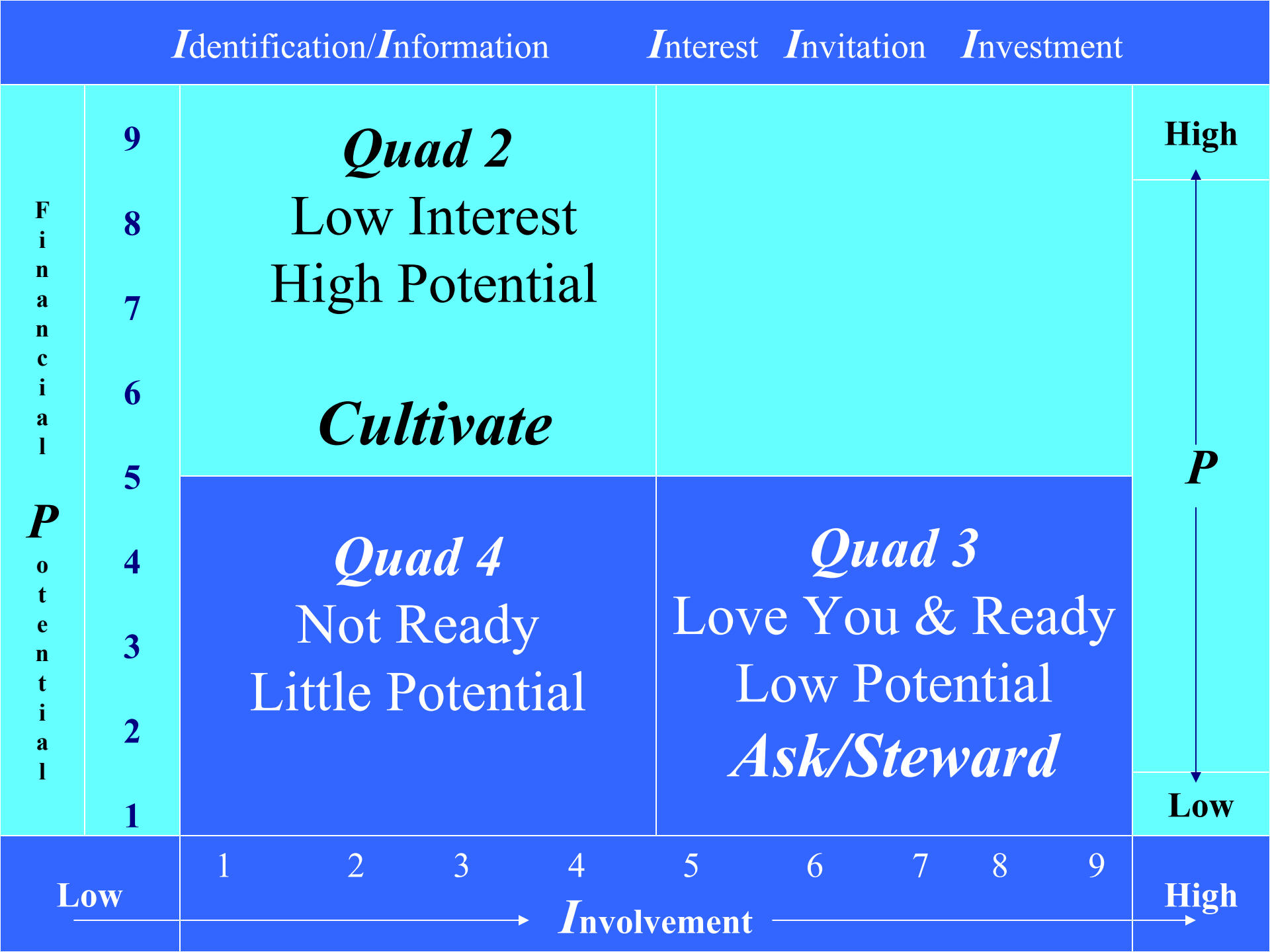


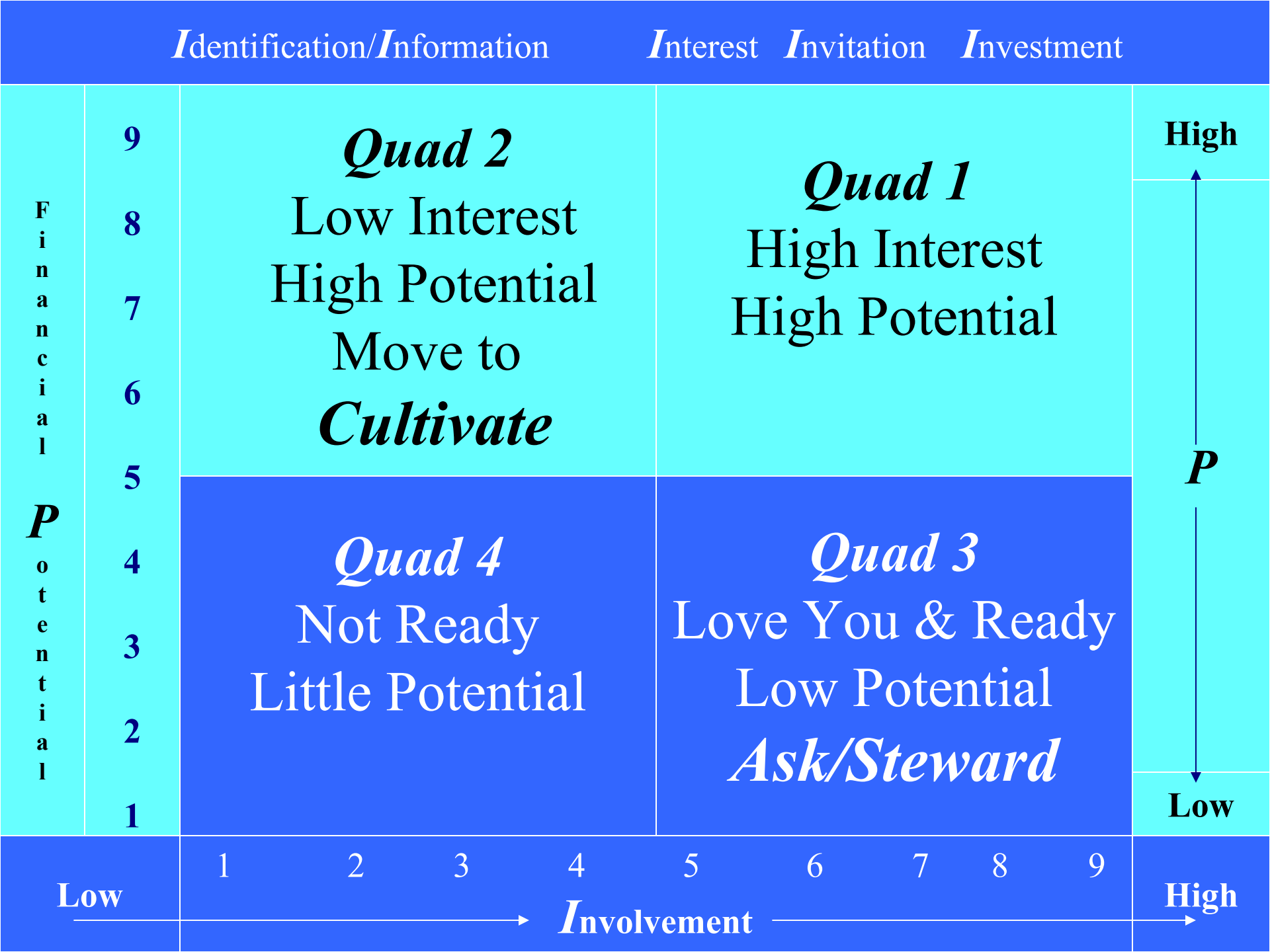


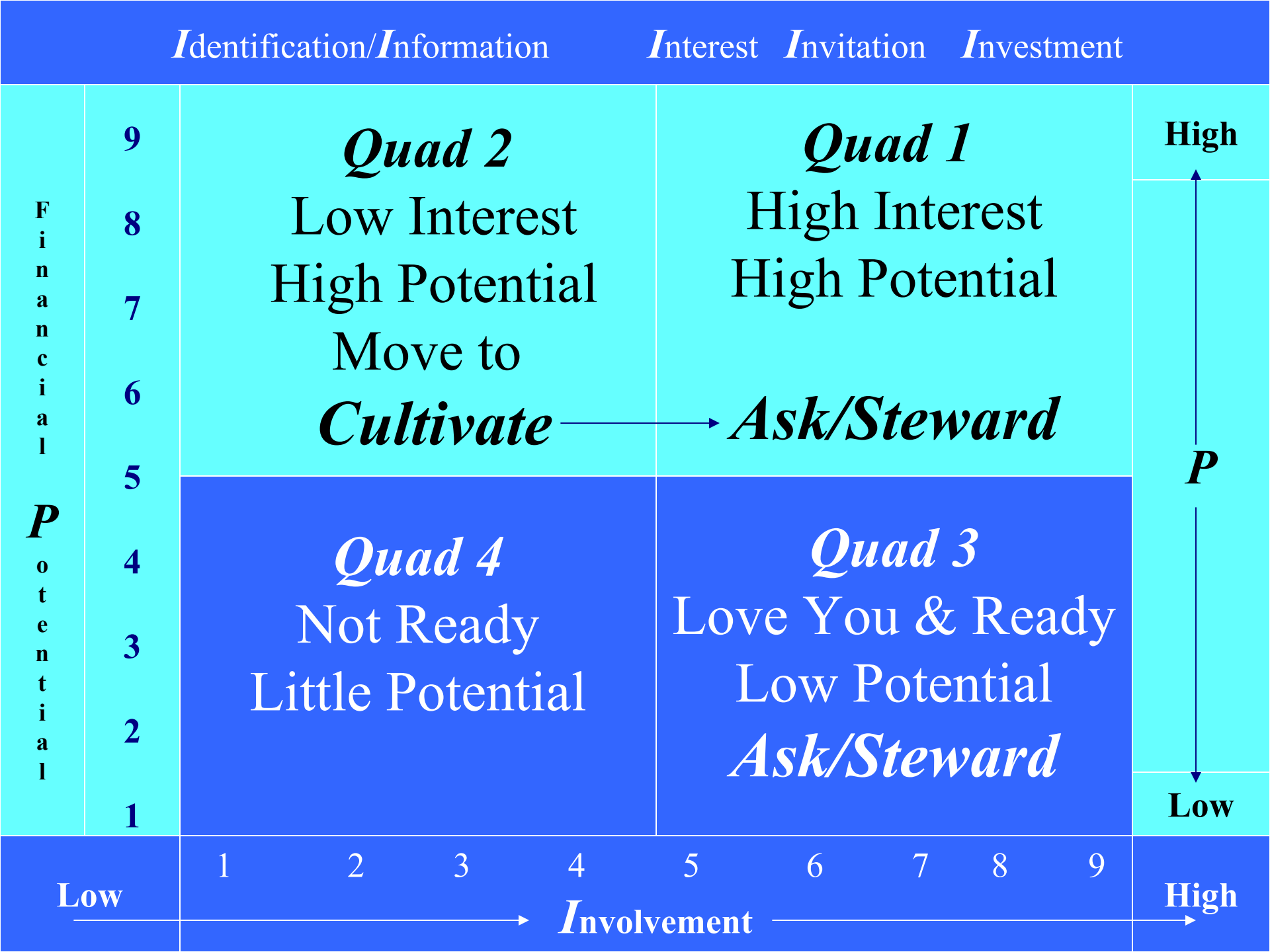












# Planned gifts

- In Canada 91% of all planned gifts are bequests
- If a donor has been giving to your organization at least five years continuously, if asked to consider making a bequest, they will do this 80% of the time.
- Creating an on-going relationship is the key

# **The Value of Research**

# Sampling of Donors that Responded - *Donor Source & Upgrades*

<b>Last Gift Source</b>	<b>Last Gift Date</b>	<b>Last Gift \$</b>	<b>Deposit Amount</b>	<b>Upgraded by:</b>
Lapsed	Prior 1995	\$500	\$5,000	\$4,500
Mail	Apr-02	\$1,000	\$4,500	\$3,500
Events	Oct-02	\$2,000	\$4,500	\$2,500
Door	Dec-00	\$500	\$4,500	\$4,000

# Sick Kids Program

## PURPOSE:

- To act on the findings from data mining project

## OBJECTIVES :

- To upgrade donors giving <\$1,000 with propensity to become Major Gift donors to 'Middle Gift' donors (\$1k-\$10k)
- *To generate Major Giving leads for HSCF Dev Officers*
- To understand this important group of donors better by capturing attitudinal and demographic information

# Sick Kids Program

## **SIGNIFICANT FINDINGS:**

- Low cost, high return program (6.35 ROI)
  - 2 tests both beat goals by +500%
  - Raised ~\$100,000 from just ~100 donors
- 24% upgraded from last gift, average upgrade = \$1721.00
- 52% lapsed and inactive donors reactivated (from 1987!)
- Identified donors that would otherwise not have been solicited – Lottery, Events, Tribute, Herbie donors

# References & Readings

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- Dove, Kent & Thomas Herbert, *Using Planned Giving Techniques to Realize Major Gifts*, AFP Dove on Fundraising Audio Classes 2003, Oct. 7, 2003
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- Jerome, Liza & Cheryl Hicks, The Hospital for Sick Children Foundation, *Correspondence*, October 2003
- Lawson, Doug, *Cultivating and Closing the Major Gift*, Douglas M. Lawson Associates, Inc., New York, NY, Presentation to the Joint Session on Capital Campaigns/Major Gifts, NSFRE International Conference, March 21, 1995
- Prince, Russ Alan & Karen Maru File, The Seven Faces of Philanthropy, Jossey-Bass, San Francisco, 1994