Building relationships with donors

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Contents

Introduction

The starting point for this session is the very simple proposition that the vast majority of people become donors only when they are asked. You have to turn people into donors by providing them with suitable opportunities to contribute. It is your request and your approach that lay the foundations for each individual donor relationship; it is your subsequent actions that will sustain – or otherwise – the nature and amount of any further donations and support from that donor.

So our aim in this course is to provide you with an overview: of approaches you can adopt and issues you are likely to face in providing the right sorts of opportunities for people to become donors and contributors to your organisation.

You will look at what is involved in asking for donations on an individual face-to-face basis and also look at the process of asking numbers of people for support, and at how to extend the involvement of your donors and supporters once you have established contact. You will also look more closely at how to tackle the business of securing major individual contributions. We finish with a brief overview of legacy fundraising – the culmination for many donors of a lifetime's generosity.

This OpenLearn course provides a sample of postgraduate study in Business

Learning Outcomes

After studying this course, you should be able to:

- appraise the skills used in asking for contributions
- identify ways of sustaining and developing donor involvement
- make recommendations on how an organisation might most appropriately acknowledge contributions
- contribute to thinking on the actual or potential role of ‘big gifts’ in an organisation's approach to fundraising
- enhance the approach to legacy fundraising.

1 Donor motivation

There is no such thing as a common donor motivation that organisations can simply tap into. Altruism, enlightened self-interest, nostalgia, righteous indignation, or even fear may come into it. And this variety is matched by the various ways in which a donor's generosity can be called upon. The ‘ask’ can take a whole variety of forms – a phone call reminding you to renew a subscription, a letter seeking a one-off donation, a text message, an email, or simply a collecting tin sitting on a shop counter. What is essential from your point of view as a fundraiser is to recognise that it is your action in ‘making the ask’ which triggers, creates and shapes the donor relationship. Moreover, it is very largely your response to that initial step, the use you make of the information about your donors and the sorts of communication you then develop with them, which determine the ways and the extent to which they continue to give you their support.

You may rarely meet your donors or supporters in person. The whole asking–giving relationship is often formed and developed at a distance. That distance means that your work with donors and supporters has to tackle some apparently irreconcilable demands. To be effective you must be able to relate to each and every donor and supporter as a unique individual while managing your work with them en masse. You must be able to construct forms of communication with donors which are both mass produced and personalised. You must provide opportunities for them to become more committed without pestering them or implying that they have not done enough. These considerations all involve some sensitive balancing acts.

2 Asking someone for something: the core skill

A simple question goes to the very heart of your work in winning resources and support: how do you ask people for something? You are fundamentally in ‘the asking business’ – so what are the core processes and skills of asking?

‘Making the ask’ is a phrase which is often used to describe this absolutely vital feature of your work. Your work may involve all sorts of activities. But your success and effectiveness in securing resources and support will be very limited if you do not, in the midst of everything else, actually ‘make the ask’.

This section deals with what is involved in making an individual, person-to-person request for a donation or some other form of support. It has two purposes. The first is to identify the main personal skills and competences involved in asking for things face to face. The second is to map out the essential ingredients of the asking process which will serve, in the next section, as a framework for understanding what you need to do when you are making requests and appeals – at a distance – to a large number of people.

Many of us feel awkward and diffident about asking people for things. It often seems unduly intrusive. It flies in the face of the accepted conventions of polite, interpersonal behaviour. To begin to get a hold on the business of being confident and effective in asking individuals for support, think about your own feelings and approach.

Activity 1a

(a) Consider each of the following requests. Which would you feel confident about and which would you feel uneasy about?

	Confident	**Uneasy**
Asking a member of your family for a loan of £10		
Asking a member of your family for a loan of £5000		
Making a house-to-house collection for a national charity		
Making a house-to-house collection for a local hospital		
Asking your immediate colleagues to donate to the leaving present of a popular subordinate		
Asking a local business to contribute to the purchase of a minibus for your child's school		
Asking a meeting to donate to a pressure group of which you are a member		
Phoning someone ‘cold’ (that is, knowing nothing about them other than their name and phone number) to ask for a donation of £50		
Taking a long-standing contributor to your organisation out to dinner to ask her to leave your organisation something in her will		

Answer

Reasons people commonly give when asked why they are confident or uneasy when asking for money:

Confident:

- I know who I am talking to and how they are likely to respond.
- I believe strongly in what I am asking for.
- I know exactly what I am asking for and why.
- I never ask for more than someone can afford.
- I like talking to people – however fleetingly.
- Without learning to ask, we simply would not have been able to have an orchestra.
- I try to be as honest and open as I can – and not pretend that I am more confident or sure than I am.
- If you don't harangue people or use moral pleading, then the vast majority of people are quite nice and enjoy being able to contribute.
- I found I could handle this asking business as soon as I stopped expecting that everyone ought to agree with me. I always try to respect their right to say no to my request.

Uneasy:

- I am unsure of my own commitment. I always feel that I am conning people.
- I am afraid people will say no.
- I don't like getting into arguments.

- I don't like being rejected.
- I basically don't agree with asking for money for social welfare; I think its funding should come from taxation.
- I feel I am intruding on people's privacy.
- I know it sounds funny, but I think we ought to be able to manage on what we've got already.
- I don't like rich people – they make me feel angry and uncomfortable; and I don't think we should ask poor people.
- It's just begging on a large scale and I find it is demeaning to me and the people I ask.
- As a disabled person I want rights not charity.
- I can't get rid of the sense that I am a second-hand car dealer.

Activity 1b

(b) Make a note in your Learning Journal of the three or four main reasons why you would be confident about making some sorts of request and uneasy about others.

Answer

Having mixed feelings about asking people for money and other forms of support is not something peculiar to you. You are putting yourself in a position of risk and personal exposure. On the other hand, just because you feel you lack the blend of charisma, eloquence and general confidence of the stereotypical fundraiser, you should not classify yourself as the sort of person who cannot ask for things. As the comments in the answer to part (a) suggest, handling a mixture of confidence and anxiety is common.

There are two related ways in which you can deal with such tensions and conflicts and begin to develop your own ability to ask for resources and support. The first is rooted in your *performance* and highlights some of the key behaviours of asking; the second starts from an understanding of the overall *process* you are engaged in.

As far as the former is concerned, Box 1 summarises some of the accumulated wisdom about how to organise your own behaviour as you conduct an interview with a 'prospect'.

Box 1 How to ask someone directly for a mjaor contribution

- *Make it a special occasion* – It's worth thinking carefully about the setting and timing of any request for major support.
- *Dress appropriately* – Respectful, non-verbal communication is an important part of the process of asking.
- *Set yourself and your prospect at ease* – Remember that this request is in the context of a relationship. Always allow some time for you and your prospect to settle yourselves into the encounter.
- *Establish some form of mutuality* – Pay attention to your prospect's motives, aspirations and concerns. There may be some which you feel they ought to have but which they actually lack. It is important to acknowledge difference and their

right to be who they are and, at the same time, to establish a basis of common interests.

- *Explain who you are* – Be very clear about what you and your organisation do and do not do. Be proud of its accomplishments. Be specific. Do not apologise for wanting a financial contribution. Invite and answer questions. Be businesslike.
- *Ask for a specific amount of money* – Make a precise request along the lines of 'I would like you to contribute £1000 to the museum.' Then remain silent! It is right and proper not to hustle your prospect and to allow them time and space to reflect on your request. If an uncomfortable amount of time passes, ask your prospective donor whether they have any questions.
- *Listen and respond appropriately* – You must listen carefully to what is being said. If the response is indefinite, work on the relationship and present your case more carefully. Empathise with their concerns but stay on track by continually bringing the conversation back to your cause. Reiterate the importance of a contribution. If the response is positive, restate what has been promised to make sure you have understood it correctly. Make a written agreement there and then – do not leave your prospect to contact you later, they rarely will. If the response is negative, listen and clarify the reasons respectfully. It may well be that you can make a further approach another day with a different request to which they will respond positively.
- *Always say thank you* – Where possible, send a personal thank-you letter within forty-eight hours, no matter what you receive. Reinforce the relationship that has been created and repeat the value of the donation.

Activity 2

(a) Choose one of the requests you felt uneasy about in Activity 1(a). Using the points in Box 1 as guidelines, make a brief plan in your Learning Journal of how you might conduct an interview with a 'prospect'.

(b) Make a note of what you see as the strengths and weaknesses of looking at your performance in this way.

Developing your confidence and skills along these lines is one of the strengths of the behavioural approach to asking for donations and support. It gives you more choices. A potential weakness would be to use the procedures outlined in Box 1 as a mechanical formula.

The second approach to asking – the *process* approach – does not provide a 'recipe' to follow in the same way. It sees asking as a creative activity: creating a suitable opportunity for someone to give. It is based on four key aspects of the process of asking, but without presenting these as a series of steps. The business of asking is essentially relational and interactive. Figure 1 and Box 2 summarise the continual interplay and adjustment between the four aspects.

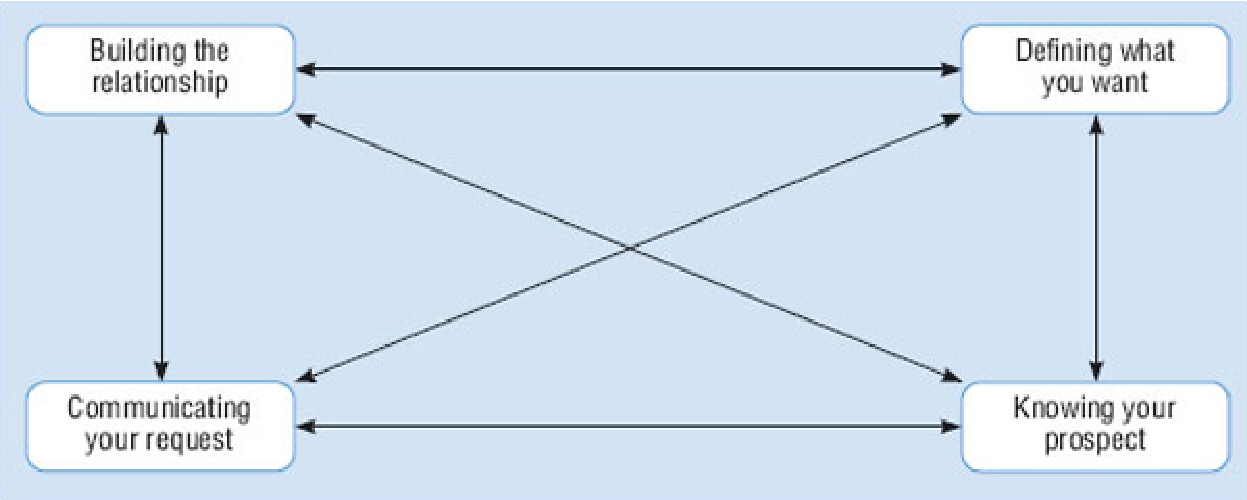

Figure 1 The process of asking

Box 2 The process of asking

Each of the elements in Figure 1 involves you in making judgements and identifying options in the light of the information you are receiving.

1 Knowing your prospect

You do not have to be personally acquainted with a prospect before you can ask for anything. But you have to make some preliminary attempt to assess how they are likely to respond, the sorts of things they support and the sort of donation you think it would be feasible to request. This is not just a matter of detailed, initial research. Someone collecting for a 'green' organisation outside a supermarket on a Saturday morning is continually making quick judgements of people based on eye contact, what's in their trolley, what they are wearing, and so forth. These signals will contribute to some sort of initial assumptions about reasons for responding to any request for support.

2 Defining what you want

You need to be specific about what you want from an individual prospect and why you want it. You will have to indicate a level of donation or a type of involvement, and the reasons you believe it merits your prospect's consideration. Offer the scope for your prospect to explore, discuss and negotiate. What you are looking for is a request which they can define and respond to in ways which are appropriate and meaningful to their needs and concerns.

3 Communicating your request

There is no one ideal way of actually putting a particular request. Communicating your request involves thinking through how your proposal is likely to be received and amending your style if necessary. Link your request with other information and requests your prospect might have received from your organisation. Indeed, you should also consider whether you are necessarily the most appropriate person to make the request. Someone who 'speaks the same language' as your prospect and personally shares his or her values and concerns will often be most effective.

4 Building the relationship

You need to create – or sustain – an appropriate relationship. How far are you asking your prospect simply to slot into a standard relationship – as member, occasional or one-off contributor, long-term supporter, benefactor – or what is the scope for an individual negotiation of the relationship in the light of his or her concerns and aspirations? Although the request may be for a specific purpose, you will want to create a basis for both of you to develop the relationship further.

There is much common ground between the performance and the process approaches to asking for support from a potential contributor. You can use either or both as a basis for planning and reviewing the way you make specific requests. In practice, you have or will develop a style and approach with which you are comfortable. But however you ask, one other feature of one-to-one asking still has to be considered.

> A superb personal performance and a flawlessly sensitive and flexible process will not guarantee you the outcome you seek.

This is not your fault, nor the fault of the prospect. Even if fundraising uses terms such as ‘prospect’, you are not in the technical business of oil exploration. You are engaged in a much more fragile business of fostering new relationships and identities. You are asking people to change, to be a bit different, to adjust their ideas of themselves. It is hardly surprising, therefore, that many people are not always prepared to make these changes just because you ask them and when you ask them.

It is in the nature of this sort of work with individual donors and supporters that you will often fail – or not succeed immediately. Arguably, the most important skill you need in this interpersonal area of work is the ability to handle the answer ‘no’ and yet still continue. While you need to have a strong personal commitment to the success of the individual request, you also need to place it firmly in the context of the bigger picture. Concentrate on learning from the experience. The person whose donation you are soliciting is an individual amongst many other possibilities. Furthermore, it is important to maintain a sense of potential change and development. In the words of a successful appeals manager: ‘“No” today does not imply “No” tomorrow. I always try to retain the relationship.’

3 Asking lots of people for something: key issues and choices

3.1 Introduction

This section applies the framework of the process approach outlined in Section 2 to asking for resources and support from large numbers of people. How can you create opportunities to give that will turn many prospects, not just one particular individual, into donors and supporters?

3.2 Knowing who to approach

The business of knowing your prospects so that you can address your request to their particular motives, aspirations and concerns is even more challenging when you are dealing with large numbers of people.

Here are some relevant questions:

- Are you seeking contributions from new or existing donors?
- If you are targeting existing supporters, are you aiming for the broad mass with a general appeal or focusing on a more restricted number who can be expected to make substantial contributions?
- Do you want to appeal to different groups of supporters in different ways or for different forms of support, within the same campaign?

These questions can involve difficult trade-offs. Having said that, always bear in mind that people don't always line up neatly in segments. People are rightly resistant to being pigeon-holed and the terms in which you think of them may be very different from how they think of themselves.

3.3 Deciding what to ask for

What you ask for will very largely determine what you receive. You are therefore faced with a crucial but complicated set of judgements and choices in translating your overall requirements into suitable ‘ask size’ chunks. Your global requirement for support has to be refined into a range of specific requests which it will be feasible and appropriate to direct to the particular cohort(s) of donors and supporters you seek to involve.

Figure 2 provides a framework for relating your decisions about some of the standard types of contribution you might ask for to your choices about whether or not you are asking for an occasional donation, regular support or a major, ‘one-off’, contribution. Clearly, these are all parts of a continuum – but you cannot ask for everything at once.

Type of contribution and support

Opportunities for contribution	Financial	Other
Casual and occasional	• Small donations	• Gifts in kind • Attending an event • Recruiting a new member
Regular	• Standing orders • Payroll giving • Subscriptions • Gift aid	• Membership activities • Alumni and supporter clubs • Providing a routine service – e.g. charity shop volunteer
Major and 'one-off'	• Legacies • Big gifts • Endowments • Sponsorships	• Joining an appeals committee, commission, and so on • Using public position to help major promotion

Figure 2 A contribution map

3.4 Communicating your request

There is a real tension between being both personal and impersonal at the same time, appealing to individuals as you appeal to thousands. The widespread aversion to junk mail, telephone selling and email spamming means you have only a brief moment to capture the interest and attention of your audience. This poses a dilemma: how to persuade your audience that your case warrants this attention without the dangers associated with using shock tactics, being too slick or gimmicky. Through careful testing, the direct mail industry has established a number of rules of thumb for how this can be done:

- *The envelope matters* – A simple message printed on it gives the recipient a reason to open the envelope.
- *Make it personal* – Direct mail packs are far less successful if they do not include a letter, and the more like a 'real' letter it is, the more effective it will be.
- *Credibility is crucial* – The use of patrons and famous people to endorse a cause or present your case improves responses.
- *Use the layout* – The headings you use and your opening sentence are particularly important.
- *Involve the recipient* – This can be done by using the right questions or suggestions, or by enclosing something that offers an involvement device, for example a straw to breathe through so that people can discover what it is like to have an asthma attack.

Activity 3

Take a fundraising communication (a letter, a leaflet, an email, preferably from your own organisation) and critically appraise it using the bullet points above.

Note any learning points in your Learning Journal.

Tips and techniques can only take you so far, you still need to find the approach and the turns of phrase that will strike chords with a range of potential supporters. You still need to present the benefits, to the donor and to others, of the request you are making. And above all, you still need to make the request and to indicate a range of possible responses.

3.5 Building the relationship: developing your donors

Donor development is all about ensuring that you and your donors get the most you can from your relationship in ways which are mutually agreeable and beneficial. It is the process by which, from their very first contact onwards, you can encourage and enable donors and supporters to make the maximum contribution they both desire and are capable of.

Effective donor and supporter development depends hugely on your capacity to keep an accurate record of each donor's unique involvement with your cause. Without that information, sensitively used, donor development is not possible.

There are several ways of thinking about the process of donor development. The best known is the classic *donor development pyramid* (see Figure 3).

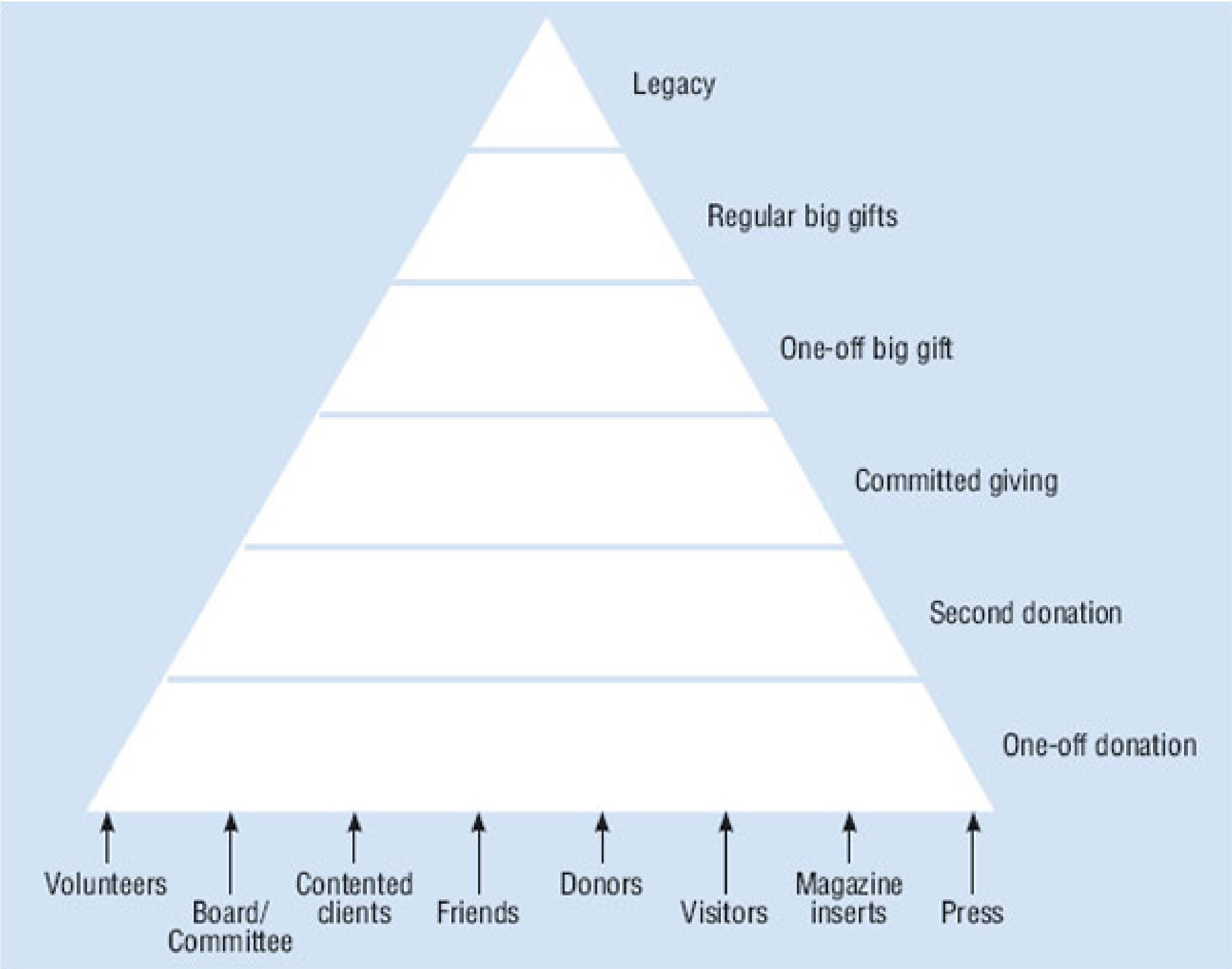

Figure 3 The donor development pyramid (Source: Institute of Fundraising, 2006, p. 31)

The donor development pyramid illustrates some fairly common-sense ideas about the relationship between different types of financial contribution and different levels of donor commitment. It is based on the assumption that, for the most part, the degree of a donor's commitment and loyalty is likely to be in direct proportion to the size of her or his contribution. An organisation will probably attract a large number of occasional donors from various sources (those shown in Figure 3 are just some of the possibilities); fewer will be willing or able to make more regular contributions and commitments; and only a handful will be in a position to make a really substantial contribution.

From the perspective of the donor development pyramid your task is to move your donors as far up the pyramid as they are able and willing to go. Clearly, many of them will be unwilling or unable to move very far up the pyramid; similarly, some people will inevitably lose interest and drift away. As with supporters of any kind, you must therefore ensure that there is constant renewal of support at the lower levels to provide you with a pool from which to draw those whose involvement and contribution can be enhanced.

Before looking at some practical ways of extending people's involvement, let's think a bit more critically about the ideas underlying the ‘pyramid’ approach. Can you see any potential problems? What other factors might you consider when deciding where best to focus your attention and energies? The following discussion stresses how the pyramid model needs to be used with caution and complements it with some other models to guide your effective donor development.

The pyramid represents a 'bottom-up' approach to donor development. It rests on your ability to attract and renew a broad base of potential interest and support. What might the process look like, however, to someone who is largely interested not in the *numbers* of different types of donors and supporters but in the overall *size* of their respective contributions? Remember the Pareto principle (sometimes called the 80:20 rule): that roughly 80 per cent of your income is likely to come from only 20 per cent of your supporters.

A hypothetical end-of-year report on income raised from individual donors is shown in Table 1.

Table 1: Income raised from individual donors

Source of income	Number of donors	Total value
Legacies	5	£4500
New contributions to '500 Club'	15	£7500
Individual Gift Aid and direct debits	50	£5000
General membership subscriptions (£25)	100	£2500
Casual donations and collections	200	£1500

In terms of the *numbers* of contributors involved, the report seems to match the donor pyramid quite accurately. But a pyramid shape would certainly not illustrate the overall *value* of their various types of contribution. It required the contributions of 300 people to raise £4000; but the bulk of the income – £17,000 – actually came from just 70 people (and of that amount, well over half came from only 20 people). In terms of the value of different groups of donors, the image is not so much a donor pyramid, but something more like a *donor 'kite'* (see Figure 4).

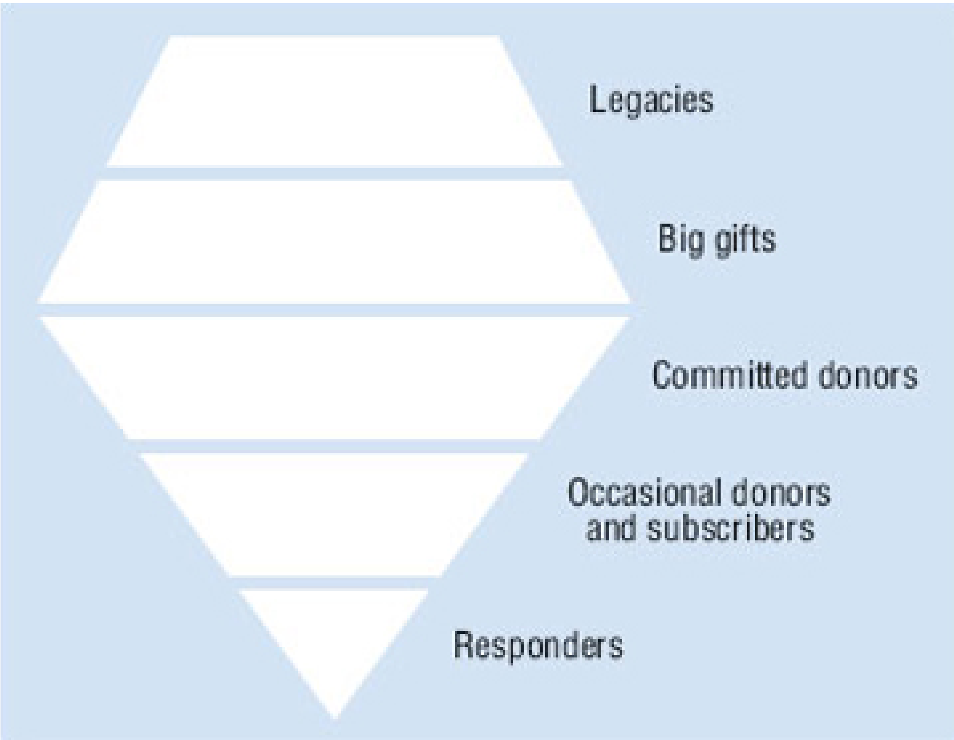

Figure 4 A donor kite

Seen in this way, you could mount a good case for a 'top-down' approach to donor development. 'Getting more people involved', in order to secure commitments to regular membership, direct debits and donations from your casual contributors, will require considerable amounts of work – letters, visits, phone calls, and so on – for comparatively little return. Perhaps your energies should be primarily directed to identifying and cultivating those who are likely to be capable of contributing legacies and major donations? Perhaps you should build outwards and downwards from that form of contribution rather than using the pyramid's 'broad base of support' as your starting point?

Of course, neither approach is mutually exclusive. The point to bear in mind is that increasing donor and supporter involvement is not simply a matter of recruiting more and more people and moving them up a predetermined ladder. It is seeking to secure both an appropriate mix of contributions and the maximum contributions feasible, wherever you pitch your initial request. A third approach to donor development can be illustrated by a *donor matrix* (Figure 5). The horizontal axis is the 'getting to know someone' axis and the vertical axis is the 'developing their maximum potential contribution' axis. It is possible to use this matrix in several ways. By plotting where a donor is at any one time, you can get an idea of where and how best to focus your energies.

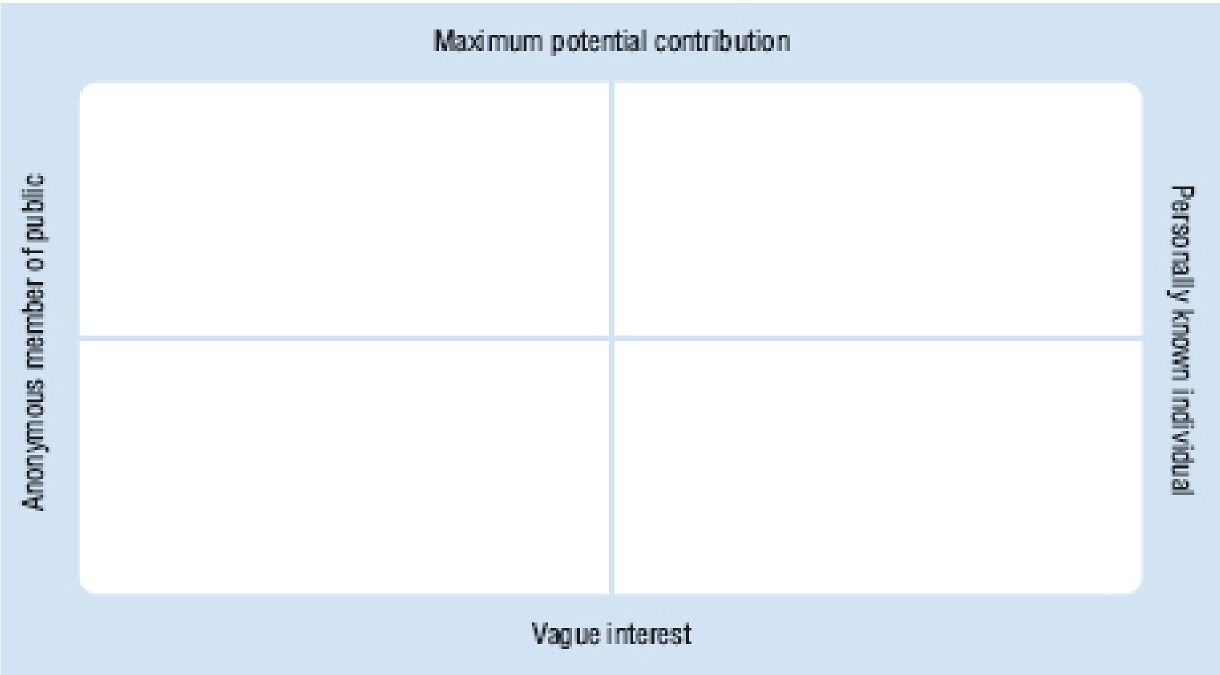

Figure 5 A donor matrix

The matrix can also suggest how to approach the business of developing donors and supporters at different stages of their involvement. For example, the potential of those who fall into the bottom left-hand corner is largely unknown. You will need to adopt an exploratory approach with a view to identifying the most appropriate channels for their future involvement from amongst the widest possible range. Those in the top left-hand corner are probably traditional armchair supporters. It will be important to acknowledge their desire to remain at arm's length while sustaining the level and type of their contribution. Exhorting them to become more participative could well be counter-productive. Those in the top right-hand corner are obviously to be valued and nurtured as they will, in different ways, be the core of your support. Those falling in or moving towards the bottom right-hand corner are problematic. They should not be automatically ignored. But they could involve you in considerable work; there will come a point when you judge it is no longer worth your while investing more time and effort in sustaining your relationship with them if they show little or no inclination to move upwards.

As with the pyramid and the kite, the donor matrix is a way of identifying some of the key issues and choices underlying your work in developing donors.

Activity 4

Look back through this section and consider the relevance of the ideas and models for your own communication with donors. Either work through the four elements of the process approach (Knowing who to approach, Deciding what to ask for, Communicating your request and Building the relationship), noting in your Learning Journal how you might use the ideas, or take one of the three donor development frameworks: the pyramid, the kite or the matrix, and apply it to your own organisation and its donors.

3.6 Extending and sustaining involvement

Whatever framework you adopt, donor development is still essentially part of the asking business. You are asking people for *more* resources and support. But there are some specific ingredients to bear in mind.

3.6.1 Saying thank you and acknowledging current contribution

Probably the single most important way of retaining people's support and goodwill is to say thank you promptly and to demonstrate that you have noted and valued whatever it is they have contributed. If you do not have the systems to guarantee that supporters are thanked appropriately, then you cannot seriously expect to move anyone anywhere – be it up a pyramid, into a kite or round a matrix.

3.6.2 Listening and responding to what donors and supporters say

People rarely behave exactly as you planned or expected; mass appeals and campaigns generate responses, reactions and outcomes you did not anticipate. Make use of your information systems to compare what various groups of supporters are saying, acknowledge what you receive, and act on it to refine future requests.

3.6.3 Balancing emotional commitment with awareness and understanding

People's first donation is often prompted by an instinctive and emotional response to a direct appeal. Very rarely is it an informed or carefully calculated decision. Building on that initial response requires you to balance a recognition of your donors' emotional investment with a need to develop their understanding and awareness of your cause and concerns – the head and heart messages central to your case statement. See Box 3 for an example of this approach in action.

Box 3 Children's Society pack aims for donor loyalty

The Children's Society has developed a new loyalty initiative aimed at supporters recruited through face-to-face fundraising.

Under the scheme, which was launched last week, anyone who signs up on the street will receive a welcome pack that aims to tie them in to the society's work from the moment they pledge their support.

The society has recruited 90,000 donors through street and door fundraising since the methods were introduced in January 1999. But while face-to-face has proved incredibly popular, it carries a high risk of donors failing to renew their direct debit. Research carried out by the Children's Society has led them to believe a welcome pack can counter this.

Morag Stuart, head of the charity's one-to-one fundraising team, said: ‘What we are doing is setting the tone from the moment people sign up on the street. We need to speak to our supporters in different ways that are in tune with their different lifestyles and this scheme is part of our ongoing direct marketing strategy to communicate with our supporters effectively.’

Research showed street recruits tend to be younger, more affluent and hold different values than traditional supporters.

The pack, which is designed to give new regular givers a strong brand identity as well as making them feel good about their commitment, is designed to appeal to this new type of supporter. It welcomes new givers with ‘seven ways to feel good about what you've done’ and starts by telling new recruits to give themselves a pat on the back. The rest of the steps use a case study to show how donations can help, and encourage donors to send text messages to friends with the society's action line number.

(Source: *Third Sector*, 2003)

3.6.4 Taking account of ‘external’ perceptions

How you support your current supporters is also an important influence on how you are perceived by potential new donors and contributors. If you become known as an organisation which values its contributors, your chance of securing new donors increases.

3.6.5 Using ‘involvement devices’ sensitively and appropriately

It is unreasonable to expect donor loyalty to be built exclusively on the basis of ever purer forms of altruism. You cannot ignore the element of ‘exchange’ involved. Involvement devices, like those in Box 4, acknowledge people's contribution and offer an incentive to further support.

Box 4 Involvement devices in donor and supporter development

1. Giving personal and public recognition:
   - badges and stickers (for individuals and vehicles)
   - scarves, bags and other wearable objects
   - long or meritorious service awards
   - rolls of honour

- public events to acknowledge major contributions.

2 Conferring status:
- membership (of all sorts of categories: associate/full/family/life)
- special clubs, for example 500 clubs for those who donate £500 or more
- alumni clubs.

3 Providing information and developing understanding:
- information sheets and special newsletters (over and above any standard publications)
- copies of reports and research
- chance to attend briefings and conferences.

4 Opportunities to meet other donors and supporters:
- occasional donor meetings and events – with staff, clients, etc.
- invitations to celebrity occasions
- annual donor dinners
- opportunities to join selected groups for particular lobbies, publicity events, etc.
- visits to projects.

5 Providing a role in governance and policy making:
- consultations
- invitations to join working parties and financial development groups
- reserved donor's place on management committee.

6 Special benefits arrangements:
- discounts
- reduced rate charges entry to museums, events, etc.
- ‘limited offers’.

4 Seeking big gifts

4.1 Introduction

Big gifts are often seen as the ‘Holy Grail’ of the donor development process. Journals, seminars and colleagues all hint at the glittering prizes available and rumours abound of the extraordinary largesse such-and-such a group recently laid its hands on. So where's yours? Your trustees read high-profile accounts of huge endowments which, if they came your way, would answer all your problems and prayers ten times over. ‘Found us any rich patrons yet?’ they ask menacingly.

And that, of course, is the nub of the matter. The subject of big gifts is bedevilled by confusions. It is not always clear what a big gift might actually look like and how you should set about finding one – other than living in hope of being discovered by an anonymous benefactor, or of trying to accelerate an individual up the donor pyramid. Here are two alternative ways of approaching the big gift issue more realistically. The first concentrates on the absolute size of contributions, but requires considerable investment and possibly culture change in an organisation. The second concentrates on identifying big gift opportunities relative to the size of the overall target, in the knowledge that the bulk of the money in any appeal is likely to come from a comparatively small number of donors.

4.2 The 'targeted' or 'top-down' approach

This approach to seeking big gifts rests on being quite clear and determined about your objectives. If you want to secure large financial contributions – with five, six or even seven figures – then you have to orientate your thinking and your energies to that end. You cannot expect big gifts to arrive as windfalls or as the byproducts of other fundraising activities. If you want to get large contributions from those who are capable of making them, you have to 'go for it'; it is no use feeling ill at ease about issues of 'elitism' and status or hoping that you can hold on to some sort of middle ground in which major donors can be treated in the same way as the bulk of your £50-a-year subscribers. If you want to attract the commitment of those capable of making a major donation to your cause, you must have a matching commitment to them which shapes your initial research, the style of your approach and the precise request you present them with. A strategy like this requires substantial investment of time and resources – a recent benchmarking study put the cost of major donor development at 28 per cent of the money raised, compared to a ratio of 20 per cent for fundraising in general (Lloyd, 2006)

In securing a major gift, the best person to do the asking is someone who is of a similar status to your potential donor. It is essential that they also draw credibility from having themselves made a contribution of the order you are seeking. Campaigns for large contributions to secure the leading donors in a capital campaign, for instance, are most effective when led by people from outside the organisation who are peers of your target group and who can communicate your proposition in ways which will be most readily heard. A big gift request is not a one-way transaction. It involves you in identifying areas of mutual interest and concern with your donor and enabling them to share in the development of your cause in ways which are satisfying to them as well as to your organisation.

4.3 The 'maximum potential' or 'major support' approach

It may be that your organisational resources and contacts do not permit a 'top-down' strategy of this nature. But that should not prevent you from adopting a big gift orientation. As you saw in relation to the donor matrix, it is better to think of a big gift as 'the maximum contribution a donor can make' rather than a fixed sum of money or measure of active support. The Pareto principle predicts that in any appeal or programme you are likely to secure the bulk of your target from a relatively small number of contributors (perhaps 80 per cent of the money from 20 per cent of the donors). Big gifts do not constitute a category of support in the same way that membership or Tax Effective Giving do. The request for a major contribution is always a unique proposition made to a specific individual in the context of a particular appeal.

Big gift seeking is not about getting more and more people involved; it is about networking and fostering the right contacts, creating the right opportunities and defining a focused request which can be negotiated with an identified individual.

A major support programme is one designed to deliver results which are high in relation to the funding target or targets and the prospect's means or potential. The principles can be applied in almost any appeal – ranging from targets of £60,000 from local, voluntary sources for refurbishments to a village hall, to major national appeals for £10 million to £250 million.

In the case of the former, individual donations of between £2000 and £5000 are high in relation to the target, though not necessarily the means, of some prospects. In the latter case, contributions of that size would be a failure, when you are targeting individuals who can write out a cheque for £50,000 without wincing or consulting anyone. These general points have two important implications for your work. The first is that seeking major contributions has a very different feel from many other resource-winning and support-winning processes. The second is that you must always have a big gift focus in your work. It is not just an orientation for those few well-connected fundraisers who already have the ear of the rich and powerful. Irrespective of the size or scope of a particular appeal, you need to keep your sights set on securing the few major contributions as well as the broad base of support. Both will be essential to your success.

Activity 5

Assume that your manager or trustees have asked you to explore the possibility of securing several individual contributions of between £20,000 and £50,000 as part of an appeal to raise £600,000 for building works. Jot down a few notes in your Learning Journal for an early discussion with them about what this might involve for your work over the next twelve months.

For some small organisations, this may seem wildly unfeasible. If you are serious about fundraising, however, you ought not to dismiss it out of hand and should examine very closely just how you could do it before you deem it impossible or out of keeping with the nature of your organisation. For example, in a major capital project large gifts of this kind provide the necessary building blocks in the early stages of the appeal in order to give it credibility with donors later on. Your preparatory notes to a discussion with your manager or trustees might include: the resources available for research or consultancy; the level of commitment to participation (as donors or as askers) from the board; staffing resources; cost; and time-scale. Fundraisers for larger organisations are more likely to be familiar with this form of fundraising but may wish to review current practice and consider the nature of the exchange involved, special membership categories, and so on.

5 Legacy fundraising

Legacies are an extremely important source of income for many charities. In the UK they represent well over a quarter of the total income from individuals of the top 500 fundraising charities, with a particularly strong showing in healthcare and animal charities

(Sargeant and Jay, 2004). Slightly fewer than half of adults in the UK have written wills, but more than one in ten of those who do, leave charitable bequests (Radcliffe, 2007). Figures like this suggest there is plenty of potential to boost legacy giving even further, and the opportunity to do so seems promising given demographic changes such as the ageing profile of the population in the West and an inevitable increase in the annual death rate as the 'baby boomer' generation passes on. But these changes are accompanied by changing social and cultural values, which may have unpredictable effects on attitudes to making charitable bequests. Thus fundraisers will still need to work hard to understand and cater for donor needs in planning their legacy promotion programmes.

There can be a certain amount of hesitancy about legacy promotion for a number of reasons. First of all, mention of their death can be seen as negative and potentially off-putting to donors. Secondly, the importance of beneficiaries and service users as a source of legacy income to certain sorts of charities may raise the spectre of 'undue influence'. Thirdly, while an individual has a perfect right to make a bequest to a charity in his or her will, it may be that other potential beneficiaries from the will may not see it like that and dispute the outcome with potentially negative publicity results (whatever the rights and wrongs of the situation). The Institute of Fundraising's Codes of Practice include a code on legacy fundraising setting out best practice in what can be a sensitive area. Its adoption should allow any organisation to approach legacy promotion with confidence.

A variety of communication media are used to solicit legacies, and their mix is changing. The first practical handbook on legacy fundraising available in the UK emphasised the importance of targeting intermediaries such as financial advisors and solicitors in the hope of being recommended as a suitable recipient for a legacy should their clients express a wish to leave something to a good cause when making a will (Mellor, 1983). This may have some value in terms of information, but has the disadvantage of being indirect and uncertain of return.

Current thinking focuses on the donor rather than the intermediary. The legacy is the 'final gift' that a committed supporter will wish to make to the cause which has inspired them through their lives. Hence its position at the apex of the donor development pyramid, and an emphasis on strengthening relationships with existing supporters in the hope of moving them towards this terminal act of support. Direct mail campaigns have thus been extremely important in putting the case to known donors. More recently there has been a growth in telephone and face-to-face solicitation by trained representatives, which has the advantage of being able to deal with the kinds of questions and potential concerns of prospective legators. As with any major gift solicitation, care has to be taken about who does the asking and in what circumstances, and the costs in terms of time and resources need to be acknowledged.

Many charities also target 'cold' audiences through direct response advertising, usually in the press. The justification for this is that legacy promotion cannot risk being too narrow. Some charities receive legacies from people who may not have been regular supporters during their lifetime, but recognise the charity as representative of a more general cause they want to support. This may explain why Cancer Research UK gets about half its voluntary income from legacies (Radcliffe, 2007), but this kind of positioning may only be available to certain large charities. Another form of approaching the general audience is to mount joint promotions with solicitors in order to offer will-making services free or at reduced cost. This method of promotion recognises that for many people what deters them from making a will (and therefore joining the number of potential charity legators) is their perception of its complexity and cost. Another example of collaboration in legacy promotion is the UK's Remember a Charity campaign, a consortium of over 140 charities working together to increase awareness of the benefits of giving in this way.

Legacy promotion to individuals usually aims to encourage them to make a will or, in the case of those who already have a will, to remember the charity the next time they change it. Any form of encouragement by a charity to make a will should always emphasise the absolute necessity for the legator to obtain independent expert advice – although such encouragement usually contains at least some information aimed at demystifying the jargon surrounding legacies. For example, the difference between a pecuniary bequest and a residuary bequest is an important one to get across. The former fixes a monetary sum as a legacy (e.g. £5000) and is thus vulnerable to the effects of inflation if the will is not updated regularly. The latter is when the donor leaves the remainder (or a percentage of it) of their estate to charity once other gifts have been made and debts cleared. Residuary legacies are, on average, ten times larger than pecuniary ones, suggesting that charities should encourage them if possible (Institute of Fundraising, 2006, p. 38). An immediate, but non-binding, commitment can be obtained by asking the individual to make an explicit pledge of support to the charity (in the expectation that they will formalise the pledge in their will when the next opportunity arises). This helps charities to budget future legacy income, to stay in touch with their potential legators, and to offer donor recognition in the shape of gifts (e.g. pens, prints or lapel pins) which help 'normalise' the idea of giving in this way.

A challenge for any fundraiser keen to develop a strategy for legacy promotion is the relative lack of research in the area. Sargeant and Hilton (2005) investigated the motives for making a legacy gift and the differences, if any, between legators and the general supporter base. They found that in general, people who left legacies to charity tended to demonstrate a greater concern than non-legators for how well the charity performed. The advice is that when communicating about legacy giving, charities should emphasise how effective they are at carrying out their mission. As to whom to communicate, the study concluded that legacy leavers tended to be in their mid-to late sixties when making their final wills, and included a significant number of service users. This suggests that, guided by appropriate norms of sensitivity and ethics, concentrating communications on older supporters and people with strong connections to the charity through its actual work may be the most effective way to grow resources in this area.

Activity 6

Which aspects of legacy fundraising might your organisation find most challenging, and how might you address these in a legacy promotion strategy?

Answers to this question will, of course, vary according to individual situations. However, as with big-gift fundraising, commitment from the organisation is essential to success. The hesitancy about legacy fundraising which some people feel can be addressed by working to make it an accepted 'normal' form of giving. This might involve losing no opportunity to promote it to existing supporters at events, in newsletters, at meetings, etc. An explicit code of practice such as that from the Institute of Fundraising can also inspire confidence. Not only the right donor profile, but also good database systems are important in order to nurture committed donors towards legacies, and (just as with any kind of major gift fundraising) if face-to-face solicitation is an option it needs to be adequately resourced. A further aspect of legacy fundraising which some organisations may find challenging is the potential it offers for collaborative strategies – either working with other fundraising organisations or with relevant service providers such as solicitors. While leading to many potential benefits, collaboration imposes different time-scales and decision processes on participants from the ones they may be used to.

6 Conclusion

Here is a summary of the main learning points from this course:

- The vast majority of people only become donors by being asked.
- Acknowledging your own feelings about asking is an important step in becoming confident in this key skill.
- A behavioural approach to asking concentrates on analysing and performing a sequence of activity: choosing the moment, setting the participants at ease, establishing mutuality, explanation, requesting a specific amount, listening and responding, and thanking as appropriate.
- A process approach to asking focuses on four key aspects of asking as an overlapping process rather than a series of steps: knowing your prospect, defining what you want, communicating your request, and building the relationship. This approach can be adapted to asking large numbers of people for things (through media such as direct mail) as well as for one-to-one personal requests.
- Neither approach will guarantee your desired outcome – resilience in the face of rejection is part of the job.
- Donor development is the process by which, from their very first contact onwards, you can encourage and enable donors and supporters to make the maximum contribution they both desire and are capable of.
- The donor development pyramid depicts donors on an ascending scale of commitment (and size of gift) from one-off donors at the base to legators at the apex.
- The donor kite depicts a similar hierarchy of donors to the donor development pyramid, but pays attention to the aggregate size of gifts as well as the number of donors at each level.
- The donor matrix helps develop donor development strategy by plotting the position of individual donors against a horizontal axis expressing how well they are known to the organisation and a vertical axis expressing the value of their maximum potential contribution.
- Continuing donor development involves the following practical considerations: thanking and acknowledging, listening and responding, balancing emotional commitment with understanding, taking account of external perceptions, and using involvement devices appropriately.
- Big-gift strategies usually focus on either the absolute value of gifts looked for, or their relative size in relation to the appeal in question and the donor's capability. In the former case major donors must be found and cultivated (requiring considerable investment in research and servicing relationships). The latter case involves maintaining an orientation towards major support by identifying and articulating significant giving opportunities within an appeal.

- Legacies can be regarded as the final stage of donor development. Charities encouraging committed supporters to leave a legacy should always underline the need to seek independent legal advice when making a will.

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Box 3: 'Fundraising News: Children's Society pack aims for donor loyalty', *Third Sector*, 5 February 2003. Reproduced with the permission of the copyright owner, Haymarket Business Publications Limited.

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