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**Suncoast Chapter**

# **Successful Major Gift Strategies**

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# Basic Truths of Fundraising

- Organizations are not entitled to support, they must earn it!
- Successful fundraising is not magic, it's hard work!
- Fundraising isn't just raising money, it's raising friends!
- You don't raise money by begging...you do by selling!

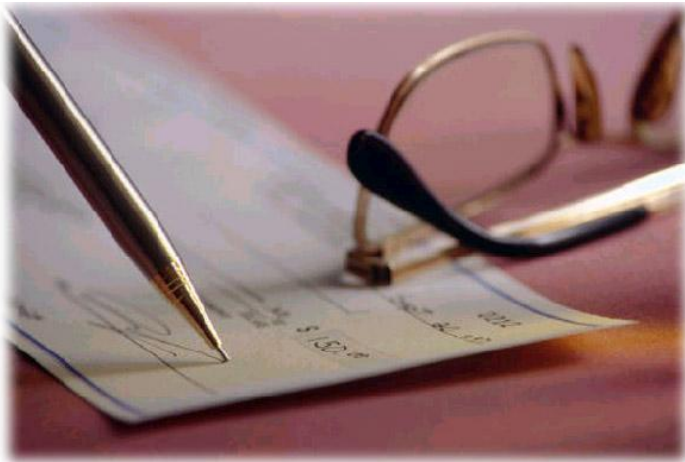
# Basic Truths of Fundraising

- People have to be asked to give!
- Don't wait for the “right” moment to ask, ask now!
- Successful fundraising staff don't ask for money, they get others to ask for it.
- Raising money takes time – plan & initiate!

# High Impact Philanthropy

- *Think of giving not only as a duty but as a privilege. - John D. Rockefeller*
- *It's not just about being able to write a check. It's being able to touch somebody's life. - Oprah Winfrey*
- Major gifts make it possible for the organization to perpetuate its mission well into the future. – Bill Sturtevant
- Major gifts are high impact gifts. – Michael Baker

# Fundamental Principles



- People give to people
- People give because they are asked
- Most donors want to be recognized
- All donors want to be presented with a specific gift request and its impact
- A solicitor must first be a donor
- Enthusiasm is contagious

## 3 Types of Gifts Fundraiser's Deal With

### Annual Gift

- Frequently given & asked for
- Little decision making
- Typically unrestricted giving



### Major Gift

- Infrequently asked for and infrequently given
- Extensive decision making/stop & think gift
- Consequences of poor decision greater
- Typically restricted in nature

### Planned Gift

- Once in a lifetime ultimate gift
- Long-term relationship building
- Decision becomes emotional & takes longer



# Consequences of Poor Decisions





# The Dimensions of U.S. Giving

- 80% of all households donate \$ each year
- 63% of Americans have given online
- 99% of households with a net worth of \$5,000,000+
- 81% of all charitable gifts are from individuals
  - Over 50% of which given by wealthiest 3%
- \$41 Trillion dollars is being transferred over next 50 years - \$6+ Trillion will go to charities





## Wealthiest 3% Motivations for Giving

- 74% How of Gift Can Make A Difference
- 71% Feel Financially Secure
- 69% Give to Same Org Annually
- 68% Give to Efficient Org
- 62% Give Back to Community
- 54% Volunteer for Org
- 40% In Response to Need
- 32% for Tax Benefit
- 23% Being Asked

Source – 2012 BOA Study High Net Worth Philanthropy



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# MAJOR GIFTS

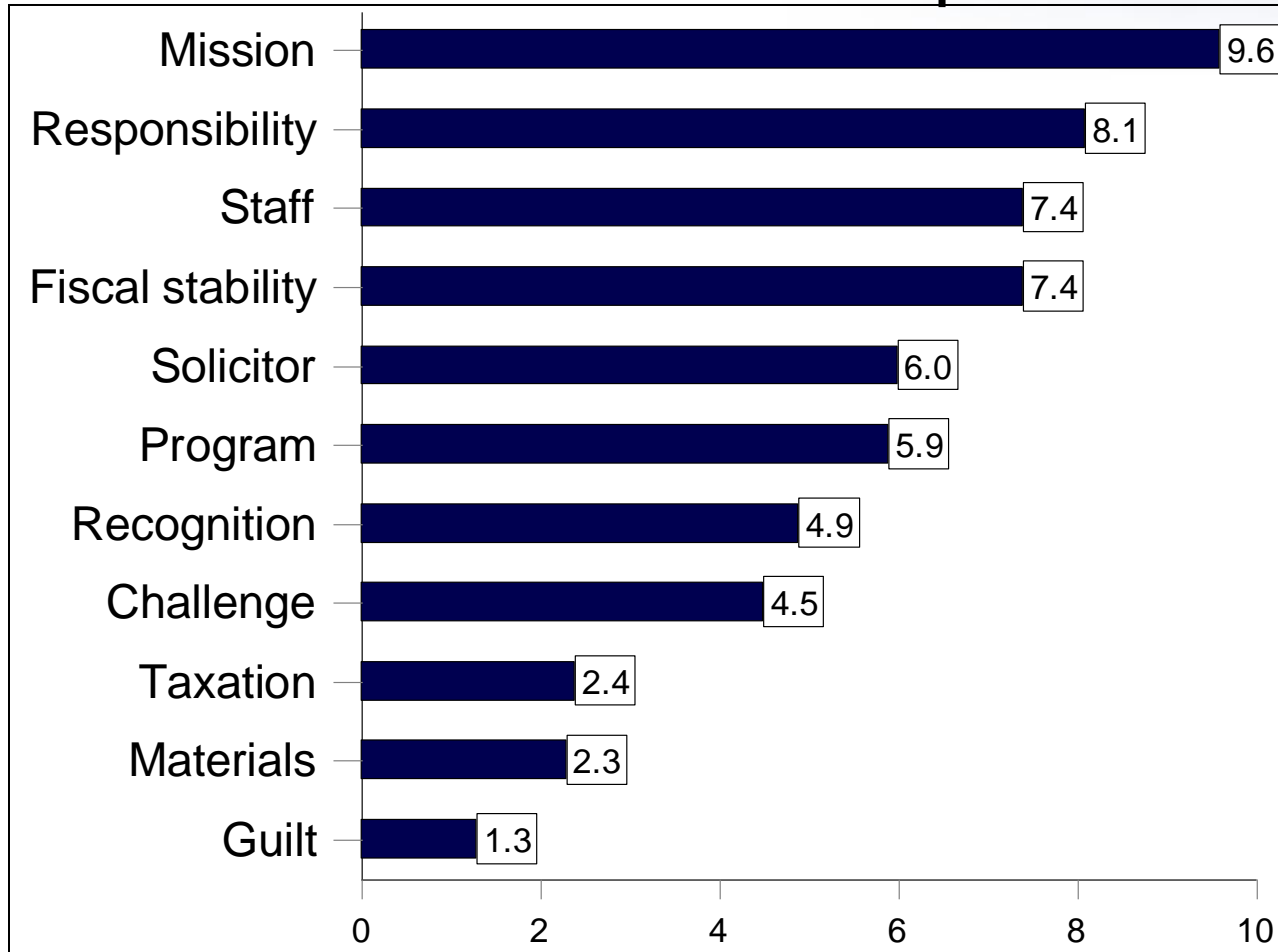
*“Infrequently asked for, infrequently given.” They are not reoccurring annual gifts, regardless of size.*

*Industry standard classification is typically a gift of \$10,000 or more to be considered truly a Major Gift.*

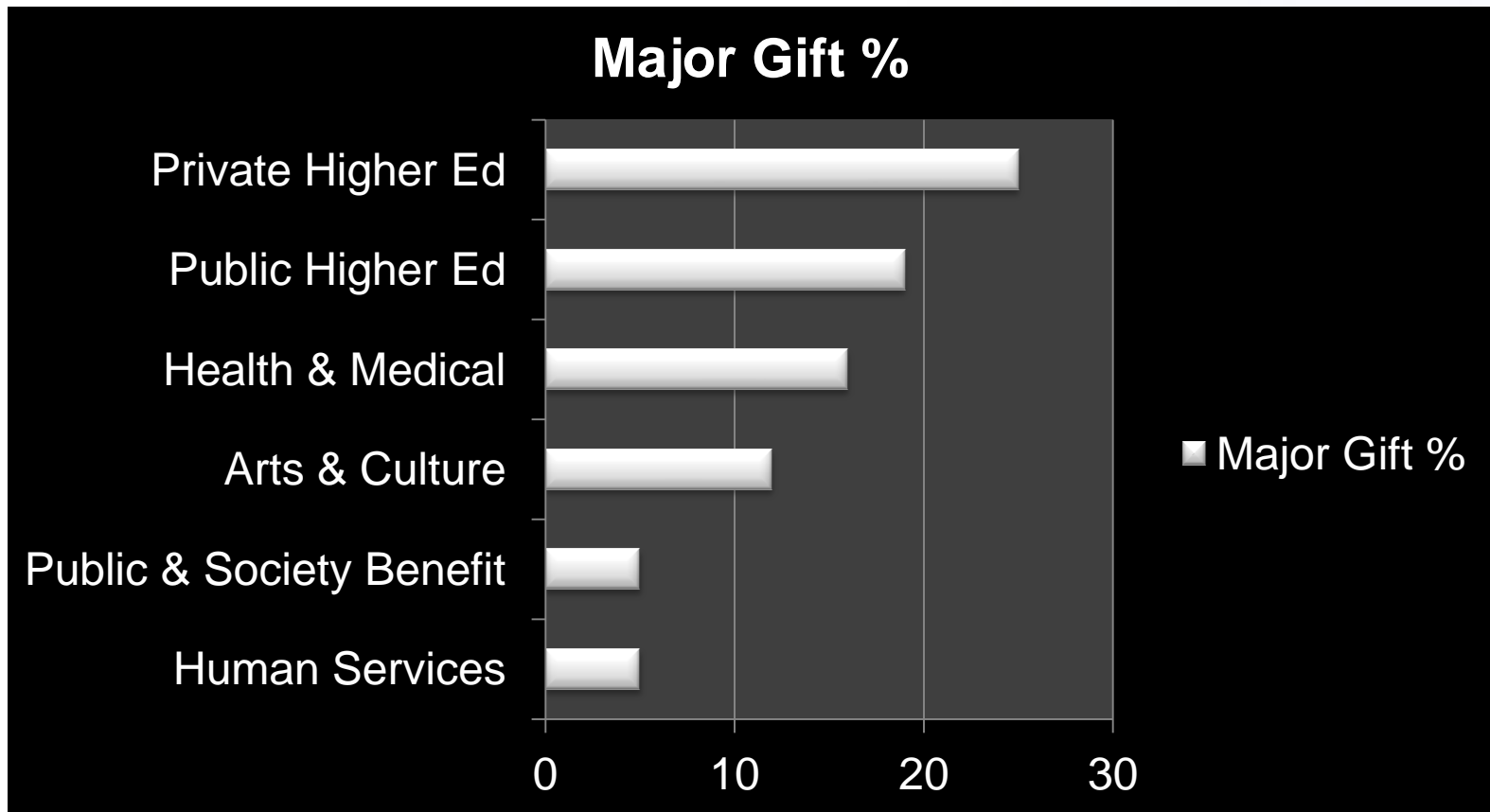
*Major Gifts fundraising is more an art than a science.*

*There is more than one path to a successful outcome.*

# Reasons Donors Give \$1 Million+



# Where Gifts of \$1,000,000+ Go



Source: The Institute for Jewish & Community Research – 9/08

# Generational Giving



**Matures (b. 1945 or earlier)**  
US population 39 million;  
Estimated 79% give



**Boomers (b. 1946-1964)**  
US population 78 million;  
Estimated 67% give



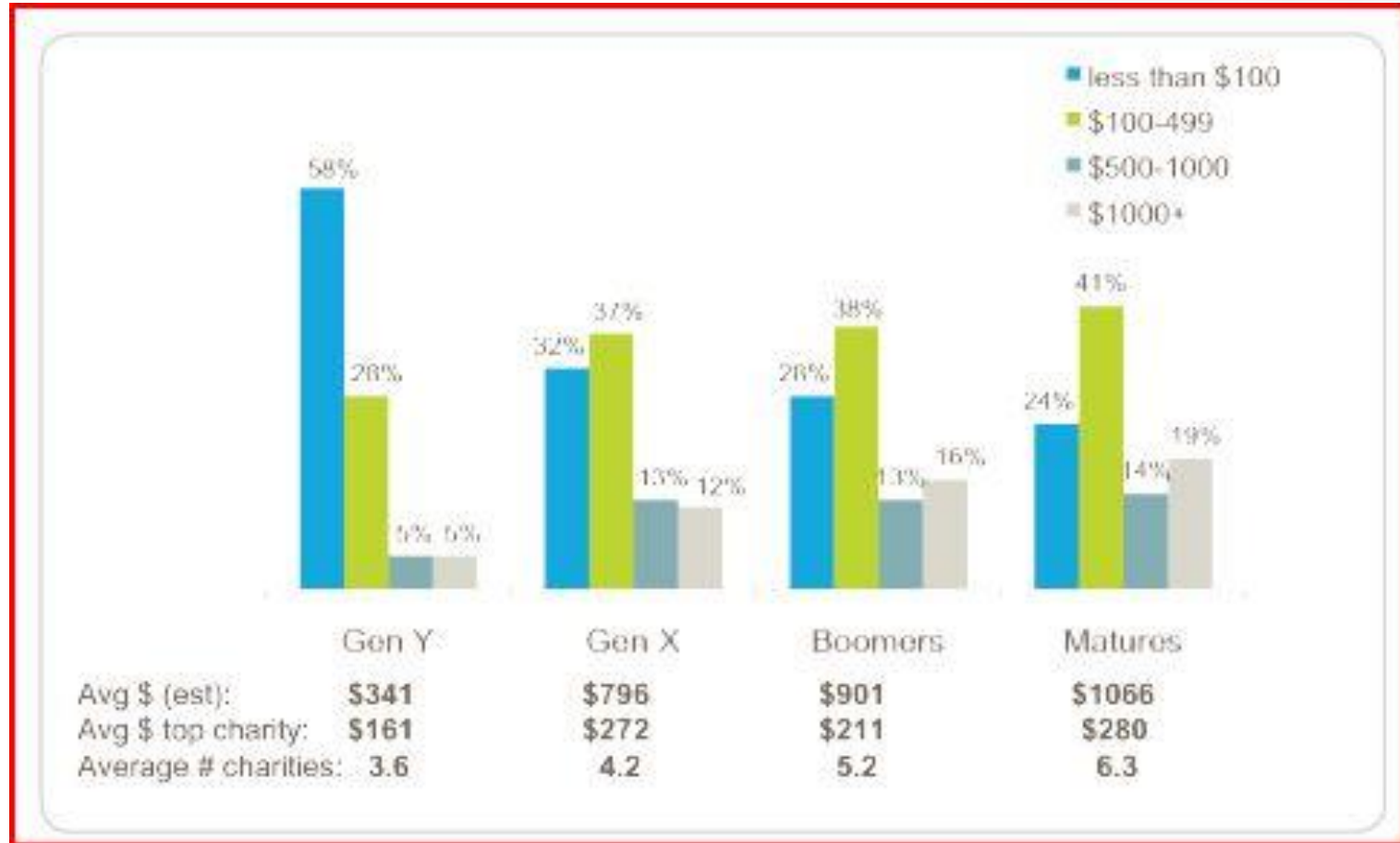
**Gen X (b. 1965-1980)**  
US population 62 million  
Estimated 58% give



**Gen Y (b. 1981-1991)**  
US population 51 million;  
Estimated 56% give

Source: AFP

# Generational Giving



Source: Convio, The Next Generation of American Giving, March 2010



# Importance of Women Donors

- Control 60% of nation's wealth
- Net worth of \$6.4 Trillion
- Own 40% of US Businesses – 10.4 Million
- Women outlive men by an average of 7 years

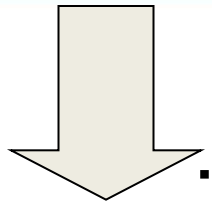


# MG Philanthropic Motivation

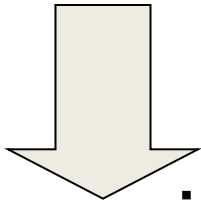
- Gift can make a difference
- Gift to organization that is efficient
- Give back to the community
- Volunteer for organization
- Set an example
- Because they were asked



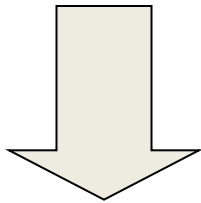
**Everything a Fundraiser does flows**



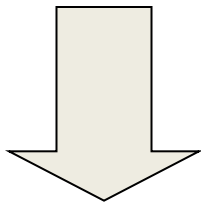
**...from the strategic plan**



**...into the development plan**



**...through the marketing plan**



**...out to stakeholders and the community**



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# Development Planning

“She/He who fails to plan, surely plans to fail.”



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# The Development Plan

- The Development plan exists for the following reasons:
  - To have one plan that reflects the mission of the organization and supports it's priorities.
  - To coordinate all fundraising activities.
  - To sustain and build upon the relationships already established.
  - To plan for success and have a guide for fundraising and income for the next 12 months.
  - To implement based on current organizational readiness and capacity.

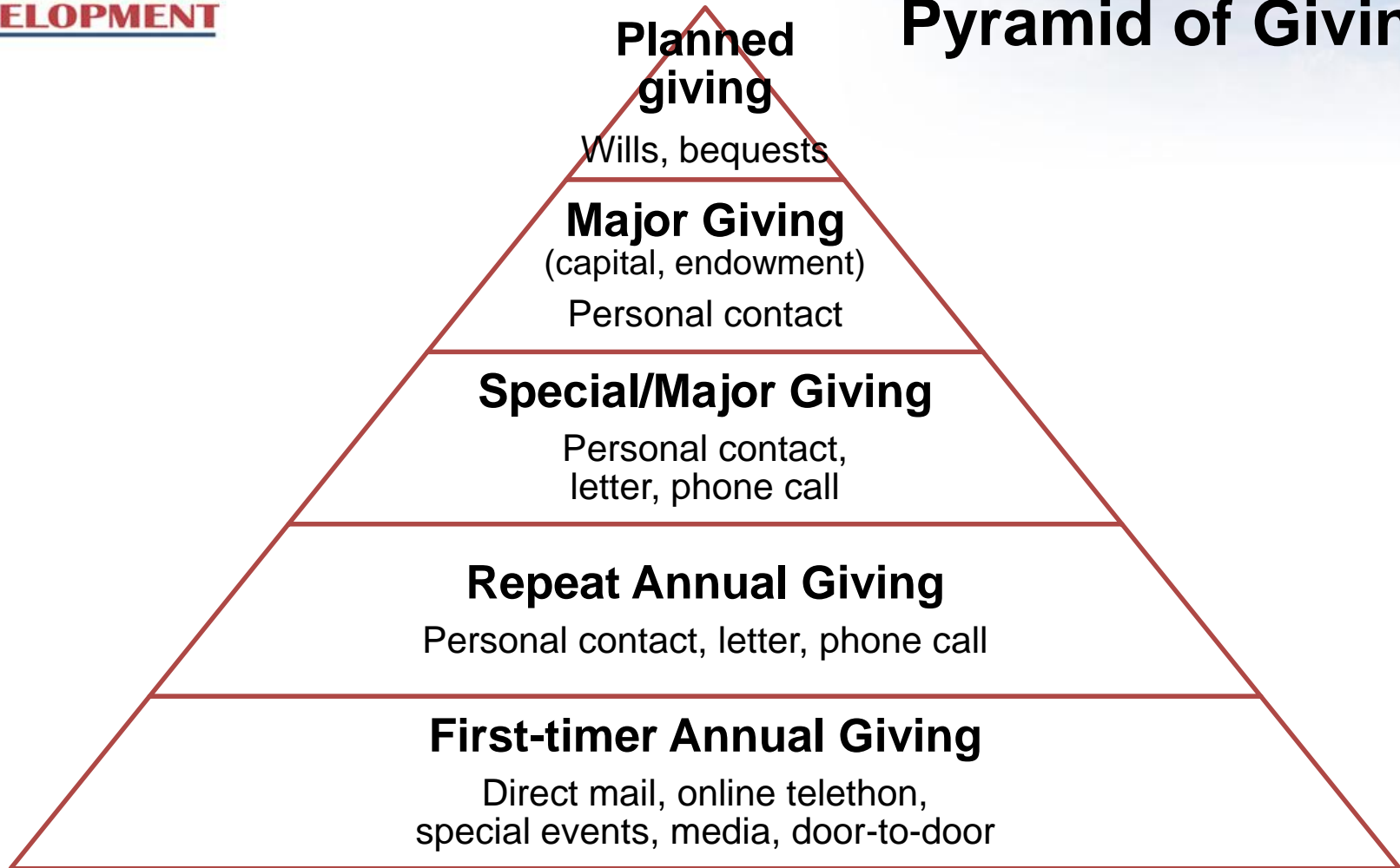


## Most Cost Effective Ways to Raise \$

- Email Marketing – \$.02 per \$1 raised
- Major & Planned Gifts - \$.10 to \$.20 per \$1 raised
- Capital Campaigns - \$.10 to \$.20 per \$1 raised
- Corporations & Foundations - \$.20 per \$1 raised
- Direct Mail (renewal) - \$.20 to \$.25 per \$1 raised
- Special Events - \$.33 to \$.50 per \$1 raised
- Direct Mail (acquisition) - \$1.25 to \$1.50 per \$1 raised

Source: DMA 2009 & The Nonprofit Handbook 2002

## Pyramid of Giving



*Adapted from James M. Greenfield, Evaluating and Managing the Fund Development Process, 2<sup>nd</sup> ed., New York, NY: John Wiley & Sons, 1999.*



# Case for Support

- “Organizational Resume”
- Centralizes information about organization
- Provides why support is needed and for which programs
- Shows how new programs will benefit
- Should demonstrate the organization’s impact on the community



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# Raise Your Sights!!!

- **Gifts of \$1,000; \$2,500; and \$5,000 are needed!**
- **Major Gifts are \$10,000+**



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# Case Studies







## How To Get Started

- Assess organizations realistic capacity.
- Involve staff and board leadership to help create your MG Plan.
- Gain approval of MG Plan by staff and board leadership.
- Integrate MG Plan into overall Development Plan.
- Implement & Monitor MG Plan.
- Emphasize teamwork, overall goals and praise/reward everyone when a gift is received.
- Review Annually & Update MG Plan.



# Create Your Internal Staff Team & Processes

- Determine who should be involved:
  - Executive Director
  - Development Director
  - Membership Director
  - Program Staff
- Determine how often you'll meet



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# Identifying & Qualifying Prospective Major Gift Donors

- Develop Prospect Pool
- Prospect Review & Evaluation of Pool
- Informal Qualifying
- Conduct Formal Prospect Research
- Involvement
- Interest



# What's the difference?

## Suspect

A possible source of support whose philanthropic interests appear to be a match with your organization, whose ability to give, interests, and linkages have not been qualified via research.

## Qualified Prospect

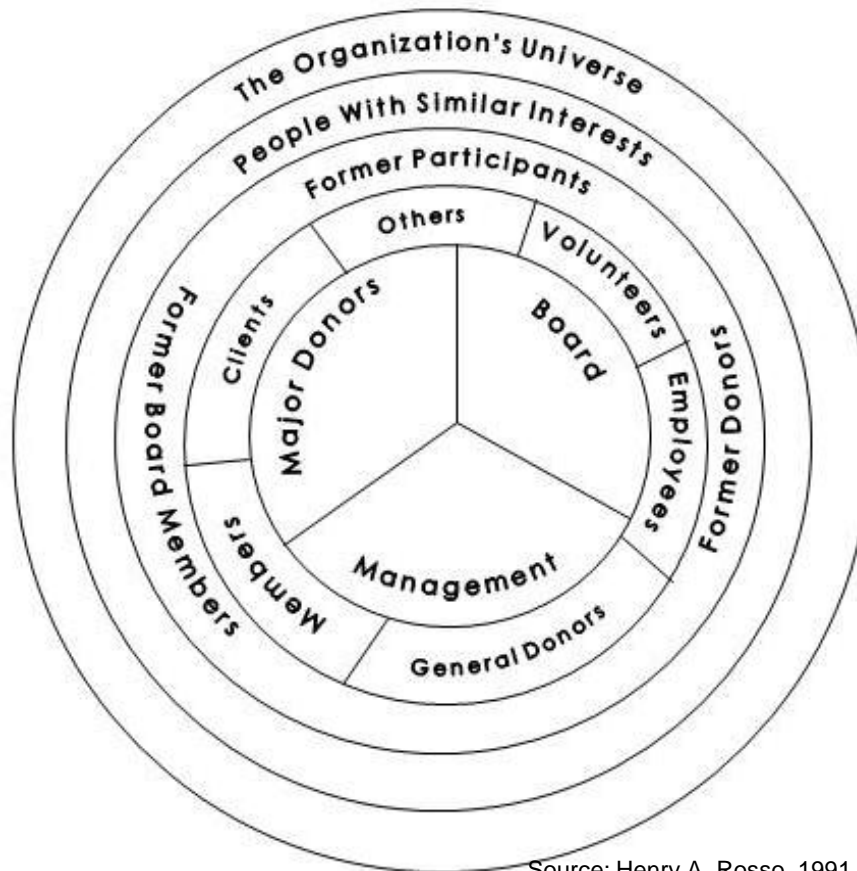
A prospect who continues to qualify as a logical source of support for the organization throughout a research, evaluation, and cultivation process.

# Developing the Prospect Pool

## “Fish in a Large Pool”

- Best Prospects are current donors!
- Look within our family!
- Special Events.....are the best source!
- Board/Committee’s both current & former
- Dedicated Volunteers
- Donors giving \$1,000+
- Individuals served by programs...
- Friends/relatives
- Former campaign contributors
- Database Screening Tool

## Rosso's Concentric Circles The Constituency Model



Source: Henry A. Rosso, 1991. *Achieving Excellence in Fund Raising*

# Prospect Review & Evaluation

## Involve Key Staff & Volunteers

- Survey prospects
- Group discussion
- Past giving
- Giving to other NPO's
- Pertinent newspapers, business journals & Social Media Channels
- Identify known prospects
- Organize by giving capacity
- Thorough & realistic
- Organizes prospect information
- Information handled in an ethical & confidential manner





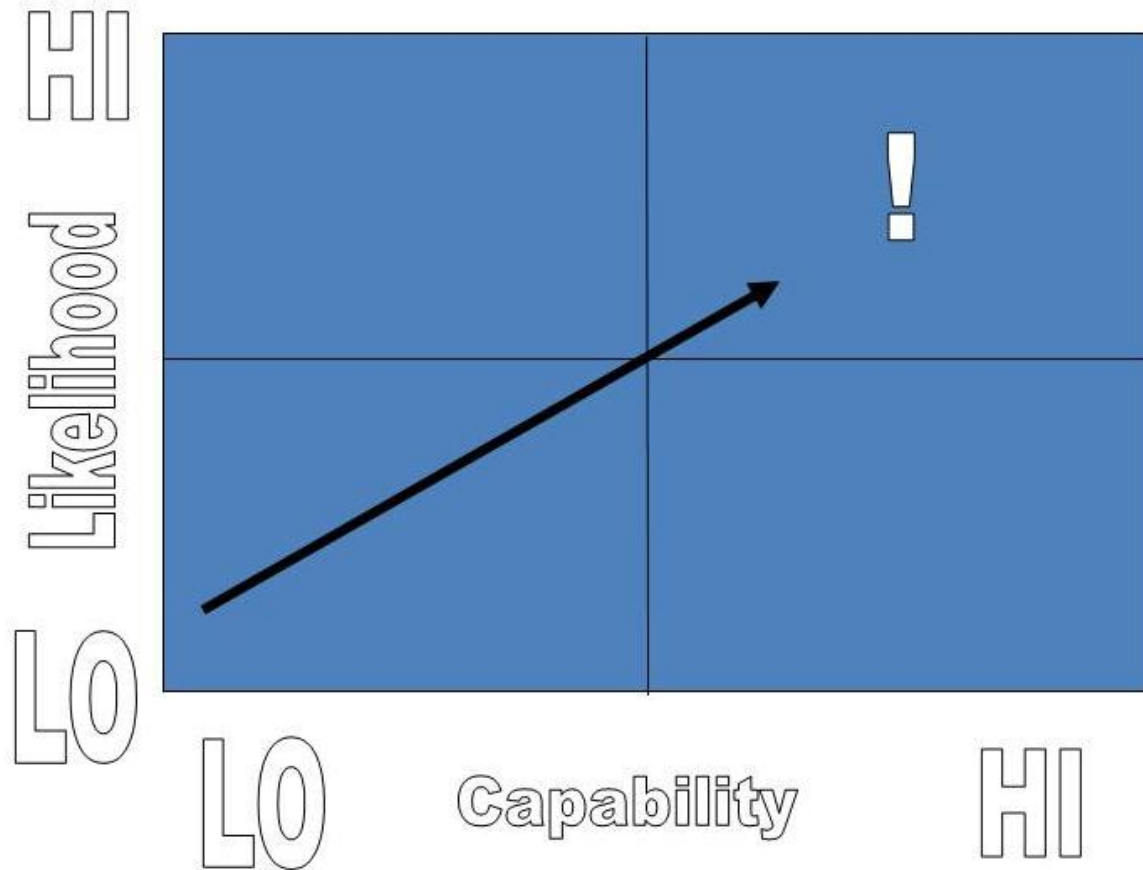
# Informal Qualifying

## “Estimating Capacity to Make a Major Gift”

- Age, marital status, address
- Business/career history
- Social & Business peers/affiliations
- Relationship to Agency
- Salary, Bonuses, Investment Portfolio, real estate owned....known information with logical expectations
- Other income...trusts, other business, family interests
- Inherited wealth
- Origins of Prospect
- Awards
- Major interests & hobbies
- Lifestyle wealth indices
- Known encumbrances (mortgages, inventory, alimony, kids in college, elderly relatives, disabled dependents)



# Prioritize Prospects



## Narrow Your Focus

- **Create a balanced list:**
  - Best case: capability *plus* likelihood
  - Emphasis must focus on high level major gift prospects
  - Consider your ability to access prospects:
    - Can you get to them?
    - How long will it take?
    - Who's in the path, and are there gifts there?
  - Have a few 'stretch' prospects, but not too many
- **Get down to your Top 25**
  - Begin lists for Next 50, Long Term, etc.

## Your Prospect List is a Living Document

- The goal is to MOVE people:
  - To a decision, or
  - To the Next 50 or Long Term lists
- Only spend time on those who we can move toward an ask.
- If they aren't moving? Get them off the list.
- Maintain your list at 25. Remove somebody? Replace them with someone else.



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## *Moves Management*

When dealing with 10%, you need to take one at a time (take each prospect one at a time). The process entails taking a series of steps (*moves*) with the prospects (the 10% who give 90%). The number & type depending upon prospect such that each prospect is moved from attention to interest to desire to action (gift). Build & maintain relationships with donors through the whole giving relationship with the institution.

## What is a *move*?

A move is cultivation through telephone, letter or personal visit. A move penetrates their consciousness, secures vital strategic information, or secures involvement. You try to make 1 move per month with your best prospects. Try to visit with 4-5 times within a year.



# ***Our Role as Moves Manager***

- Develop a strategy for each prospect.
- Track the relationship with each prospect.
- Plan contacts or moves.
- Implement the moves.
- Reconfigure strategy as you move along.

## Two Types of Meetings

- Asking...
  - Ready to present a clear call to action: A request for a specific gift, made over a specific time-frame, for a specific purpose, with specific recognition.
  - Willing and able to put this in writing, if not at the meeting then soon after.
  
- Not asking...
  - Not ready to etc., etc.



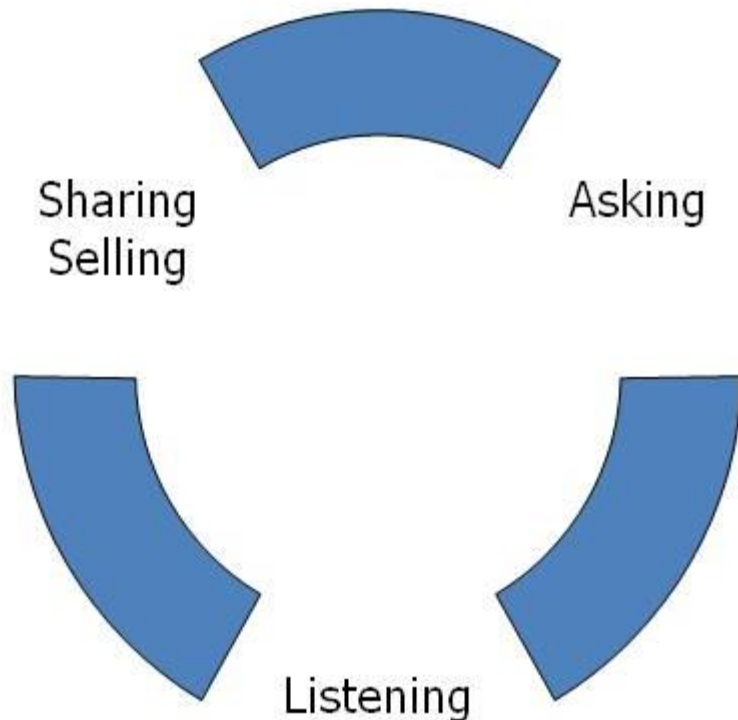
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## ***Coach Listening Skills***

- ***We forget 50%*** of what we heard immediately after a 10 minute lecture
- We forget 66% 48 hours after
- We remember ***70%*** of what ***WE*** said
- We tend to believe ourselves
- The conversations we enjoy most are when we talked the most



# Push The 30/70 Rule



- Asking, listening, sharing, “selling” 30% of the time
- Listening 70% of the time

# The Marriage Proposal





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# Possible outcomes

Annual Gift

Major Gift

**Success** “Yes”

“Yes” or  
Advancement

**Failure** “No”

“No” or  
“Continuation

## Reasons donors say “no”

- Mismatch of interests
- Premature request
- Inadequate cultivation
- Excessive request
- Failure to ask for enough
- Failure to convey urgency



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## Reasons donors say “no”

*CONTINUED*

- Mismatch with solicitor
- Failure to include spouse
- Poor timing
- Bad luck



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**If a donor says no to your request....it's  
an opportunity to get information for the  
next approach!**

**Ask them why they said no?**



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# Best that can happen

- Huge gift
- Happy donors
- Funded programs
- Successful team effort
- Donor involves their friends in Agency
- Donor's friends make big gifts too!



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# Critical Rule for Success

**Meetings = Money.**

**No meetings? No money.**





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# MG Program Evaluation

- % of funds raised
- % of expenses
- # of contacts/moves
- # of proposals
- # of closed gifts
- \$ raised



## Challenge to You!

- Create a prospect list
- Involve key partners/volunteers
- Solicit at least one \$10,000+ gift in next year
- Close at least one \$10,000+ gift in next year



## Major Gifts Plan Components

1. Introduction, Overview & Objectives
2. Major Gift Dollar Level Definition
3. Board, Volunteer Committee & Staff Roles
4. Case Statement Development
5. Identify Current Fundable Major Gift Opportunities
6. Prospect Research & Identification
7. Reporting Parameters
8. Development of Core Portfolio (Top 25)
9. Database Management
10. Moves Management Plan Development
11. Committee Development & Job Descriptions
12. Prospect Review Sessions
13. Cultivation & Stewardship Activities
14. Timeline (Monthly Tasks & Action Steps with Due Dates)
15. Marketing, Communication & Collateral Materials
16. Training & Coaching
17. Budget & Return on Investment



## Your Action Plan

- Assess organizations realistic capacity.
- Involve staff and board leadership to help create your MG Plan.
- Gain approval of MG Plan by staff and board leadership.
- Be the “Moves Manager”
- Integrate MG Plan into overall Development Plan.
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# Final Thoughts.....



# Establish Your Legacy

## INNOVATIVE PLANNED GIFT YIELDS BIG RETURNS

lifelong friends and business partners, Marc S. Saffren, CFRE, and Michael J. Baker, CFRE, have joined the AFP Foundation for Philanthropy's Omega Circle—and they have done so in a most unique way! They teamed up to make a large gift of Joint Life Protection Insurance to the Foundation with a death benefit of up to \$275,000. This instrument, often referred to as a “second to die” policy, provides coverage for two parties with proceeds to be paid upon the death of the second party.

Motivated by their strong commitment to philanthropy and their desire to give back to the profession they love, Saffren and Baker sought a smart and creative way to make a major gift to the AFP Foundation. “Michael and I wanted to express our gratitude in a tangible way for all that our profession and AFP have given us over the years,” Saffren explained.

“Our desire was to create a model that may inspire other young donors to secure planned gifts that will have significant impact and benefit in the future,” Baker said. Joint Life Protection Insurance provides an ideal and affordable option for individuals who aspire to make a sizable planned gift to the AFP Foundation that will advance ethical and effective fundraising in the future.



*Michael J. Baker, CFRE (l) and Marc S. Saffren, CFRE are new members of the foundation's Omega Circle.*

“Who knew when we met the first day of kindergarten in 1975, that 28 years later we would be founding partners of a development firm,” said Saffren. “After college, we both entered the nonprofit sector as fundraisers and managers of community and national health organizations. We stayed in touch with each other and worked closely with AFP and the AFP Foundation. We are now proud to support such a worthy cause.”

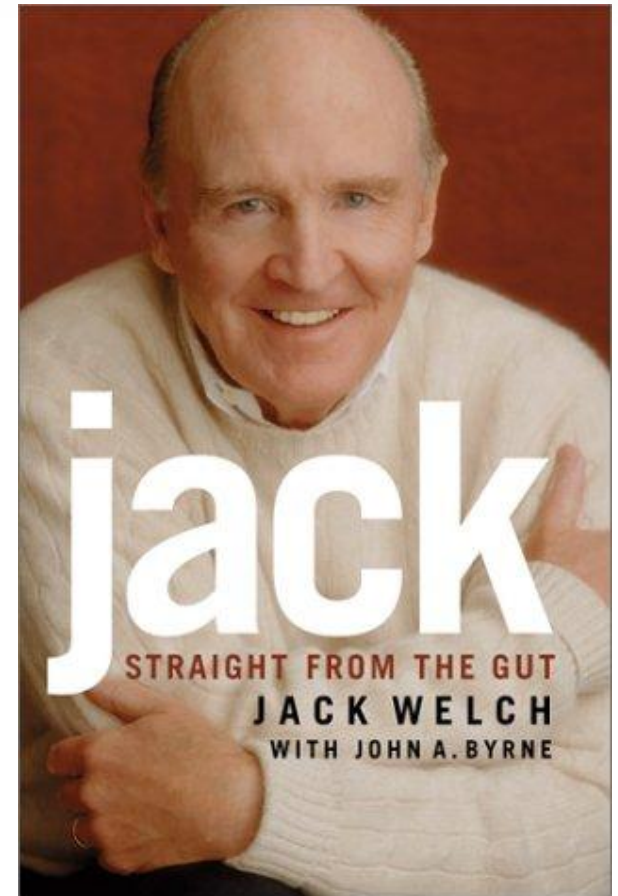
Saffren and Baker, co-founders of m3 Development, attribute much of their success to the skills and knowledge, mentoring, and leadership opportunities they received through their relationship with AFP at the local and national levels. “The AFP Foundation for Philanthropy warmly welcomes Marc Saffren and Michael Baker as new members

of the Omega Circle,” said Mary Jean Gilbert, CFRE, chair of the foundation's Planned Giving Committee. “We are grateful for their generosity and applaud their vision in making a significant planned gift.” ■

*For more information about the Foundation's planned giving program, please contact Martha Kirkland at (800) 666-3863, Ext. 480, or [mkirkland@afpnet.org](mailto:mkirkland@afpnet.org).*

“I hate having to use the first person. Nearly everything in my life has been accomplished with other people... It’s the **we** that counts, not the I.”

Jack Welch





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**Thank You!!!!**

**Michael J. Baker, CFRE**

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