

HOW TO CREATE A MAJOR GIFTS PROGRAM & FIND MAJOR DONORS

About DonorSearch

DonorSearch was founded in 2007 with one goal: to provide nonprofits with the nation's largest philanthropic database and best wealth information to identify your best donors. The current vision is to make high quality prospect research affordable for every nonprofit and make it available proactively to improve the operational efficiency of fundraising.

The Giving USA – Annual Report

- Longest Running Annual Report!
- Begun in 1956 by the American Association of Fundraising Counsel, now The Giving Institute
- Researched and written by the Indiana University Lilly Family School of Philanthropy

The annual report examines the rates of change for giving in the previous two years, by:

- Source and recipient type
- Trends in total giving
- Economic trends and giving
- Trends in giving by source
- Trends in giving by recipient type
- Trends in volunteering
- Trends in number of nonprofit organizations

Where do gifts come from?

Individuals contribute the largest amount to charitable giving.

Markers of Philanthropy

How do you know them when you see them?

Who are in the top 20% for your nonprofit?

Donor Identification Process: Collect Names

- Look for individuals, foundations, businesses, etc.
- Work your connections – board, donors, volunteers, employees, grateful patients
- Look at other organizations – donors give to multiple organizations, especially those with similar missions.
- People in your service area
- Those with healthcare interest

How Do You First Identify Major Gift Prospects?

Prospect research - Maximize the potential of a major donor by collating and managing a variety of information which fundraisers can use to make the relationship with a major donor as rewarding as possible!

- Start with donors and current supporters
- Identify any Internal Relationships and Capacity
- Segment donors & Prioritize
- Use Screening – pinpoint capacity, uncover relationships, identify competitive philanthropy

Five Markers of Philanthropy – DonorSearch Study



\$5 billion
in giving



2 million
individuals



400
organizations

1. Previous Giving to Your Organization

- $R+F+M = \text{RFM}$ or $82+43+65=190$
- Common measure of loyalty
- Easy to calculate
- Can be weighted to suit your organization

2. Giving to Other Organizations

Largest Gift	% of Donors	% of Giving	Predictive Strength
Benchmark	100%	100%	1.00
\$100,000+	0.7%	24.1%	32.67
\$50,000 - \$100,000	0.5%	13.5%	25.02
\$25,000 - \$50,000	0.6%	6.5%	11.79
\$10,000 - \$25,000	0.7%	7.0%	10.73
\$5,000 - \$10,000	1.1%	5.4%	4.98

3. Foundation Trustee

- Information is easy to find
- Understand the importance of philanthropy

4. Political Giving

	% of Donors	% of Giving	Predictive Strength
All Giving > \$2.5K	3.8%	54.6%	14.37
All Giving > \$1K	11.0%	70.7%	32.67
All Giving > \$500	14.4%	74.3%	25.02

- Single gift of \$250 puts your donor in the top 6% of the U.S. population
- Single gift of \$1,000 puts your donor in the top 1/10th of 1%
- Virtually every FEC donor with lifetime political giving of \$15,000 has made a 4-, 5-, 6-, or 7-figure charitable gift somewhere

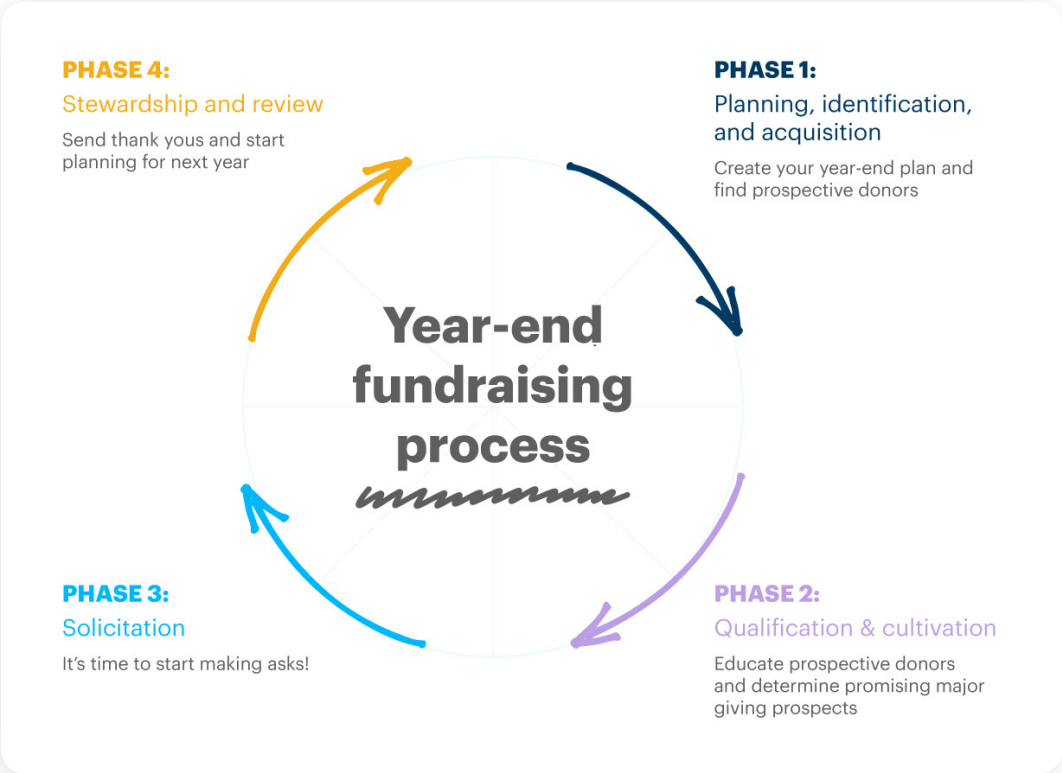
5. Value of Real Estate

Real Estate Value	% of Donors	% of Giving	Predictive Strength
\$2+ million	1.4%	25.0%	17.6
\$1-2 million	3.2%	13.2%	4.2
\$750K - \$1million	2.5%	5.7%	2.3
\$500K - \$750K	5.4%	6.8%	1.3
\$250K - \$500K	12.8%	8.6%	0.7
\$125K - \$250K	10.9%	4.8%	0.4
<\$125K	8.4%	3.5%	0.4

Donor Identification Process: Test Your Judgements

- The data is just a starting point – you have to validate it.
- Triangulation is helpful, but the ultimate test is in the field.
- Fieldwork can be an opportunity to collect more data.
 - Things you can see – homes, cars, furnishings, diplomas, photos
 - Things people will tell you – relationships, businesses, family

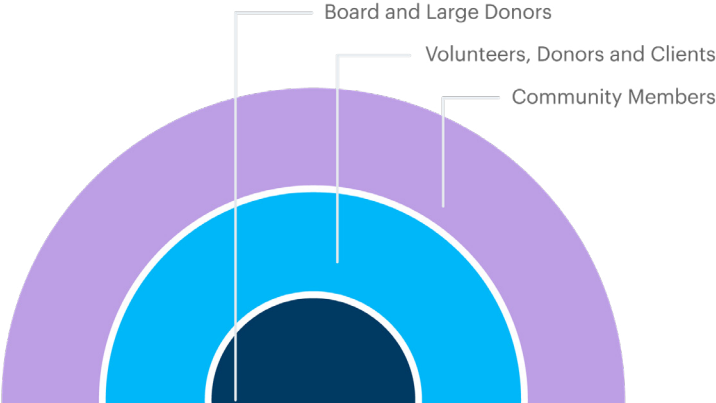
Fundraising Cycle



1. Identification

Access, Belief, Capacity

AFFINITY (Access and Belief)



Capacity

- 5 = \$25,000 +
- 4 = \$10,000 - \$24,999
- 3 = \$5,000 - \$9,999
- 2 = \$1,000 - \$4,999
- 1= Under \$1,000

2. Cultivation

Month	Activity	Responsible Party
January	Tour	Development Director
February	Coffee	ED & Board Member
March	Newsletter	Development Director
April	Event Invite	Development Director
May	Gala Table	ED & Board Member
September	Coffee	ED & Board Member
December	Holiday Card	Executive Director

3. Solicitation

The critical conversation: *“We would like to ask you to consider a gift in the range of \$ _____ to support our _____ (programs or services).”*

4. Stewardship

Thank you!