How to Discover and Engage Major Donors

5 WAYS TO MANAGE AND GROW MAJOR DONOR RELATIONSHIPS
Intro

Major donors are the most valuable supporters of the nonprofit world. They build wings in museums, sponsor new research at hospitals, and provide large amounts of financial support for special projects. They find great satisfaction and pride in funding growth and expansion.

The key to achieving your nonprofit’s greatest goals? Find high net worth donors who share your vision.

Who Are These Wealthy Constituents?

When it comes to fundraising via major donors, there’s no set definition. It’s up to your organization to decide what qualifies as a major gift and who qualifies as one. Although the definition is flexible, it’s still very important to specifically define these terms as your nonprofit sees because then you’ll be empowered to measure the success of the strategy you build around gaining and retaining them.

The amount can depend on a number of factors: the size of your organization, the nature of the mission, the demographics of your donor population, and the variation of your funding sources.

In DonorPerfect’s recent study of hundreds of millions of donor transactions, we used $10,000 as the minimum amount for a donor to be considered a “major” one. The data revealed that while major gifts are a small percentage of the overall number of gifts a nonprofit receives in a year, they add up to more than half of its annual revenue.

A Small Number of Major Gifts Makes a Serious Dent in Fundraising Goals

Just 1% of donors give $10,000+ donations, but they represented 64% of total dollars raised.

On average, major donors contribute more than $56,000 per year.

More than 50% of major donors increase their donation amount year over year.
#1. Discover big donors in your network.

The first step in growing your major gift revenue is to pinpoint the people who have maximum philanthropic power. Your fundraising CRM serves as your main resource for wealthy constituents. With a donor database like DonorPerfect, you have a wealth of information about your supporters’ giving history, interests, and engagement with your organization. In addition, our integration with DonorSearch prospect research tool and wealth screening allow you to effortlessly screen your donor list for:

- Past donations to your organization
- Past donations to other nonprofits
- Involvement in philanthropic work
- Real estate ownership
- Stock ownership
- Political donations

Learn more about how you can identify donors in your database who can fund your greatest goals with DonorSearch.

5 Markers of Philanthropy That Predict Major Giving Potential

Not sure who might be a good fit for a major donation? These factors can reliably predict one’s ability and willingness to give and give big.

**Giving History to Your Organization**
Key metrics like the Recency, Frequency, and Monetary (RFM) value scores of gift activity reveal a donor’s giving patterns. In other words, when was this prospective donor’s last donation made? How often do they give? How much have they given? The RFM metric quantifies these three factors into a score that helps you more quickly and easily identify those who should be the first on your list to be solicited.

**Giving History to Other Nonprofits**
Chances are if someone has donated a substantial amount to a charitable organization before, they’re likely to do it again. Prospect research and wealth screening tools that integrate with your donor database can reveal major gift activity and public filings from other nonprofits that your donors support.

**Grant Giving Foundation Trustee**
Participation as a trustee of a grant-giving foundation
is the most predictive attribute of a potential big donor. Names of these trustees are accessible through public filings of nonprofits’ 990 forms.

**Political Donations**
People who donate to political campaigns are passionate about what they believe in, so be sure to incorporate advocacy into your fundraising strategy. Virtually every FEC donor with lifetime political giving of $15,000 has made a 5, 6, or 7-figure charitable donation at some time. According to DonorSearch, this type of donor is 14 times more likely to make a charitable donation than the average individual.

**Value of Real Estate**
Someone whose real estate value is between $1-2 million is 4 times more likely to donate to a 501(c)(3) organization than anyone else. Individuals exceeding $2 million in real estate are 17 times more likely.

#2. Invite major donors to be an integral part of the work they’re funding.

A wealthy constituent wants to know what their money will be going toward and what it can accomplish. They may even want to help guide you in how it’s spent. When you solicit a prospective supporter, you need to be prepared with data, compelling testimonials, personal knowledge of what motivates the donor as an individual, and a concrete plan of how their major gift will help you make major changes.

During your solicitation meeting, make sure you communicate:

- How much money the project needs
- The specifics of what their money would be funding
- What you expect the end result to be

Be as transparent as possible about the path your donor’s funds are taking from contribution to action to impact.

- Provide them with a resource that outlines your goals and plan to achieve them.
- Offer volunteer opportunities to give them hands-on experience with your team.
- Keep them apprised of key developments within your nonprofit.
- Inform them about the real-life changes you are making with their support.
- Acknowledge their support in a way that encourages repeat donations and participation.
#3. Consider each major donation a worthy celebration.

Major gifts are a major deal. That’s why it’s crucial to inform your Executive Director, Director of Development, and your board so they can reach out and personally thank large donors in a timely manner.

Say thanks right away by setting up custom alerts.

As a development professional who’s tasked with many simultaneous to-dos, the practice of getting the word out about a recent large donation is easier said than done, so automate wherever you can!

With DonorPerfect’s SmartActions, you’ll always respond to high-impact donors who deserve a prompt, personal thank you. Create pop-up alerts, send internal emails, enter data, and launch websites - all automatically.

3 Essential SmartActions for Every Nonprofit

1) Any donor who gives more than a set dollar amount that you determine (for example, $10,000 cumulatively) should be contacted by the Executive Director. SmartActions can alert you the moment you first open any record with a lifetime giving total greater than $10,000 and simultaneously flag that donor as a major donor.

2) Whenever someone gives a donation that your organization deems a major gift (for example, $500+), SmartActions can notify the constituent’s gift officer, via email, and create a follow-up contact record.

3) Let’s say a donor gives a donation three times greater than the average of what they’ve given in the past. SmartActions can email the Development Director and Board Chair with that donor’s gift amount, total giving, phone number, and email address. Customize the email further by pulling additional fields of your choice to further assist your execs or staff with their donor communication and major gift cultivation efforts.

Tip: DonorPerfect makes it easy to keep high net worth donors engaged with simple ways to plan and execute regular outreach. Schedule calendar reminders right from a donor’s contact record. Set reminders for appointments, emails, phone calls, etc. and they’ll automatically connect to your Google, Yahoo, Outlook, and Apple calendars.
#4. Don’t forget about the impact of donor-advised funds.

Since the recent tax changes, donor-advised funds are increasingly becoming a go-to way to give because they offer a convenient way for donors to get a tax write-off now and donate later. There are more than 460,000 individual donor-advised fund accounts in the U.S. today, which is double the number from just five years ago. Collectively, they hold more than $110 billion, all of which are destined for charities. This very second, over $85 billion in donor-advised funds are currently available in more than 300,000 donor accounts. These funds are waiting for contributors to guide the way they’re spent by recommending recipients. So why wouldn’t you incorporate soliciting donor-advised funds into your fundraising strategy?

You can use DonorPerfect to keep track of grants from donor-advised funds along with the recommending donor with these helpful features:

**Soft Credits for Charitable Sponsors**
You can link together the charitable sponsor (foundation, organization, etc.) and donor in DonorPerfect so everyone associated with the donor-advised fund grant can be properly acknowledged. When you enter the “hard credit” grant record for a donor-advised fund into the charitable sponsor’s DonorPerfect record, you should also soft credit the donor who recommended the grant. That way, these gift records are linked together for easy reference, tracking, and reporting.

**Tip:** Set your DonorPerfect parameters to include soft credits in your receipts and make a thank you letter template specifically for this type of supporter. You want to be sure you are also personally thanking those who have prompted each grant (preferably within 48 hours of receiving it), so they see that the grant was valuable to your nonprofit and are encouraged to give again.

**Personalized Thank Yous**
Instantly send personalized acknowledgements to big donors and charitable sponsors. With DonorPerfect’s Mail Merge, you can store templated letters for both charitable sponsors and donors, so you can access them from anywhere. Name, address, and donation information will auto-populate so you can acknowledge all of your donations, personally at the click of a button.

This smart feature helps build relationships while making personalized communication simple and seamless. Personalization isn’t limited to letters. DonorPerfect also provides templates for envelopes and labels.
By creating custom reports in DonorPerfect, you’ll see what types of engagements you should invest in when it comes to this valuable group of donors. Reports can include:

- Major Gifts Follow Up Report
- Major Gifts Identification Report
- Major Gifts Cultivation Report

Having this information available at a glance keeps everyone on your staff aware of the status of your organization’s relationships with wealthy constituents at any given time.

Fortunately, it only takes one staff member to build these custom reports. Once built, the reports can be scheduled with DonorPerfect’s Scheduled Reports. This tool automatically emails reports to stakeholders on a recurring basis. You can choose both the send frequency and the recipients.

8 Best Practices for Major Giving Guide

Now that you’re ready to accelerate your major giving program, lean on tried-and-true best practices to guide your strategy. Learn how to perform a prospect screening, create a major giving society, recruit board members for fundraising, and engage high net worth donors for the long term. Read the guide.

Get Set for More Major Donors

Right now, there are donors with incredible giving potential who would love nothing more than to leverage their power and influence to partner with you to ensure that you have the funds you need to make your mission a reality. Learn how DonorPerfect can become your digital assistant to help you find, engage, and retain these crucial supporters today. Get a demo.
GET A DEMO

VISIT DONORPERFECT.COM OR CALL 800-220-8111