

Compton ISSUES

Why Major Donors Give

For the first four decades of our firm's 65 year history we focused purely on capital fundraising campaigns and the extraordinary major gifts that fuel them.

While we do much more than major gifts work in our practice today, the current climate of uncertainty and the drive for higher return fundraising, is generating more enquiries than ever about how we are able to consistently achieve five, six and seven-figure gifts from major donors on Compton planned and managed projects.

So, from our experience of thousands of fundraising campaigns, we offer the following thoughts on why philanthropists choose to support charities with game-changing giving.

The big picture | 5 major donor drivers

1. Purpose with a difference | philanthropists want to make a difference through their giving. Does your charity have an urgent and potentially transformational mission that responds to one of the great challenges facing our communities today?

2. Scale | there is concern about the growing gap between the wealthy and the poor. Major giving increasingly tends to flow to charities that are leaders in their fields, can demonstrate critical mass, reach as many people as possible or have the potential to innovate and accelerate what they are doing to achieve wider impact.

3. Replicability | achieving scale does not mean that philanthropists always want to give exclusively to big not for profits. There are some excellent small to medium sized charities with models that can be emulated in other settings and it can be exciting to see how giving to one charity can be translated to ideas and activities in other fields of work.

4. Sustainability | philanthropists do not want to create over-dependence on their giving. Charities need to show how major gifts will create leverage and empower them to raise more money and involve more people in their work.

5. Evidence of impact | charities need to be able to demonstrate:

- How they make a difference to people's lives
- How major giving has generated scale, accelerated achievement of goals, inspired other organisations and boosted sustainability.

Major donor motivations

Of course - it's about key people too

The majority of major donors and their advisors, (particularly in the current Third Sector climate) will only give once they are comfortable with the quality of the governance and management of a charity.

Who are the key people in the organisation?

Beyond the urgent and attractive cause - and strategic and operational plans that must stack up - do they demonstrate the vision, innovation, leadership, intelligence, character and hard work consistent with high level performance?

- Who is on the board of trustees and what are they personally and collectively doing to support the charity?

- Is there a passionate and professional management team who can deliver on strategic and operational goals.

Drilling down | the Top 12 personal giving motivations

There tends to be two stages to major giving: the emotional buy in (is this for me?) and then the more rational final decision making (how much, how and when?).

There is a lot of research available on donor motivations, but here are the Top 12 from our experience:

1. Peer to peer asking

There is no substitute for committed volunteer leaders making peer to peer approaches in major gifts fundraising.

Influential volunteer leverage combined with visionary Board and Management leadership and capable, supporting fundraising professionals is as close to a guarantee of success that you can get in major gifts work.

2. They are expected to

Leadership by example is a core principle of effective fundraising. If Trustees and others close to the charity do not make their own thoughtful and proportionate gifts it will be harder to persuade major donors they should make theirs.

3. They want to make a difference

Of all the questions asked of our campaign managers by major gift prospects 'What difference will it make?' is the most frequent. You need to believe that your charity will make a difference and that you, and all of your fundraisers, are well-equipped to explain how.

4. Genuine altruism

The majority of major gifts are made by people who want to give back to a community, project or cause. They often want to repay the good fortune or opportunity that they were given or that helped to create their wealth.

5. Reciprocal social networking

An extension of 'peer-to-peer' asking is 'peer-to-peer' expectation of reciprocal asking and giving.

If volunteer and major donor Smith asks peer and major gift prospect Jones, it is highly likely that Jones will be asking Smith for support for a favoured cause in due course. At HNW gatherings all over the world (and the UK is no different to this) latest news of generosity to charities is openly and freely shared.

6. A sense of duty

In many established wealthy families, there is a deep-rooted sense of noblesse-oblige : a sense of duty to make charitable commitments to the community with responsibility for giving taken very seriously from one generation to another.

7. Habit

'We can't keep going to the same well' is one of the biggest fundraising fallacies we have to counter. The best source of future giving is from past donors. Being in the habit of giving - and enjoying it - is a big motivator of major gifts.

“If you are generous with your wealth, the money that would have disappeared sooner or later becomes an everlasting jewel, deeply engraved in the heart of the recipient.”

8. Religious belief

The UK is a secular society compared to many but we see our fair share of donors who give because of religious or faith-based motivations.

Some of the commitments of this kind we have witnessed over the years have been truly sacrificial. However, whenever we see big, religious-inspired giving it tends to be directed to a faith-based project or a community in which that particular faith is practised. Generally (and we can say this from authority from having worked in many different nations and with a wide range of faith groups) we believe that getting your relationship and dialogue right with the major gift prospect as a human being is more important than knowing great detail about their religious or spiritual persuasion.

9. Nostalgia

Major donors sometimes give because they have fond memories of a place or event in their shared history with a not-for-profit institution. Schools, colleges and universities in the UK are becoming more sophisticated in their engagement with alumni.

But nostalgia is not just limited to alumni fundraising, as our wider fundraising experience has taught us.

10. Recognition

The desire for recognition motivates more major donors in the UK than they would probably like to admit.

Today, the majority of our clients have buildings, parts of buildings, programmes or special funds named after major donors (albeit very often without much thought having gone into how much, for how long and how this impacts on future fundraising efforts).

11. Commemoration

At the other end of the recognition spectrum, we see commemorative giving : where major donors give to celebrate the life or work of another and have this recognised by a wider public. In memoriam giving is usually instrumental in medical research, hospital, hospice and other health care fundraising campaigns. We see naming rights taken up to commemorate family members and other loved and respected individuals. Commemoration is a strong, mainly unselfish and emotive reason for major giving.

12. Good Karma

Sooner or later, anyone who spends time around wealthy philanthropists will pick up references to ‘what goes around comes around’. There is little logic or research backing this motivation. It appears to be based on the experience of serial major donors who have made lots of money and give lots of money away. But it appears to be true. The more major donors become comfortable with the wealth they have accumulated and the more they give away – the more prosperous they seem to become. This is not a new idea, as outlined by the Confucian scholar Jeong Yak-yong in the 1800s:

“If you are generous with your wealth, the money that would have disappeared sooner or later becomes an everlasting jewel, deeply engraved in the heart of the recipient.”

The Main Reason For Most Major Giving : Someone Asks!

But remember – time after time - there is one main reason why major donors make big gifts : because someone they know asks them to! Not just any old someone, but a ‘peer’ : someone who is respected by the prospective giver and who can influence their decision-making.

Someone who knows the major gift prospect very well, and who is prepared to personally champion the charity’s cause to that prospect.

Are you major gift ready?

Don't Get Too Hung Up On Donor Motivations

Let's give this thought piece the right kind of priority in pure major gift fundraising methodology.

If you as a fundraiser are doing your job well, you shouldn't have to worry too much about the psychology of donor motivation.

You will have done your job by helping to recruit and train an appropriate volunteer champion to do the job for you. And he or she will know more about your major gift prospect and what motivates that prospect than you will ever know!

Rather than getting too hung up on the theoretical scenario-planning of donor psychology, time would be better spent on working with your key volunteer to tailor and deliver the best possible approach for the major gift.

Discussion about experience of donor motivations can help to shape and colour the big gift approaches you plan and manage.

It is worth having the above list on hand as a 'backdrop'.

It is informed and compiled from years of experience of working with major prospects and givers in thousands of fundraising planning studies and campaigns.

Are you major gift ready?

A useful check list

- do we have a compelling case for support?
- do our projects and programmes hit the hot buttons of wide impact, scale, replicability and sustainability?
- what evidence base do we have to prove that we are or can make a difference?
- will our business and financial plans stand major donor scrutiny?
- can our Trustees and Senior Management Team speak with authority and enthusiasm about our organisation and its development plans - as proportionate givers and passionate ambassadors?
- do you have an active and well managed major gift prospect pipeline?
- how do you engage with and cultivate major gift prospects?
- are your key leaders and volunteer networkers trained in how to ask for major gifts?
- if I had £1 million to give to a charity right now, would I choose mine? Be honest with yourself!

Want to talk it through?

Please email Laureen Wheatley to request a call from one of our experienced major gift consultants, or to express interest in one of our forthcoming major gifts workshops:

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