

THE Major Gifts REPORT

MONTHLY IDEAS TO UNLOCK YOUR MAJOR GIFTS POTENTIAL

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When Is a Prospect Ready To Be Asked?

How do you know when it's time to ask for a major gift? Although several factors come into play, there are three primary criteria that should be taken into consideration. They include:

1. The prospect's giving history — an indication of both capacity and proclivity to give.
2. The knowledge that sufficient cultivation has taken place.
3. Signals from the prospect that indicate now is the time.

GIFT NEGOTIATION STRATEGIES

Open Versus Close-Ended Questions

Most high-level major gift experts will say there is a time to talk and a time to be quiet when negotiating a major gift — or a donation at any level, for that matter. When you're talking, though, the key to success in your major gift quest is knowing when to use open versus close-ended questions.

That's the experience of Peggy Calhoun, senior principal of Miller, Calhoun & Co. (Fort Lauderdale, FL) and coauthor of the booklet *Asking for Major Gifts: Steps to a Successful Solicitation for the Association of Fundraising Professionals*.

Open-ended questions are a great way to both learn about your prospect's interests and build his or her enthusiasm prior to making the ask. "Let's say your organization is an opera or play house," Calhoun explains. "The day after a performance, you're visiting with a donor who attended, and you ask, 'Well? What did you think of the opera last night?' And you get information that lets you continue that conversation."

Calhoun continues, "Let's say you've gone on and listed your needs — say you need new chairs and you've got a campaign going on for chairs. This is the time for close-ended questions. You can say, 'You agree we have a great program, don't you? Don't you wish more people could take part? Well, our campaign will make room for a larger audience without sacrificing the quality of their experience — can you support this today with your gift of \$250,000?' Then you stop and listen for a response."

Calhoun says appointment-setting time is one of the best times to use a close-ended question. Rather than asking a prospect "What's a good time for you?"

Calhoun says it's much better to name a specific date and time: for example, "Are you available next Wednesday at 3 p.m.?" The direct, close-ended question makes the issue more concrete, which makes it more likely you'll close the call with a firm meeting commitment.

Finally, if a prospect indicates strong interest but says he or she needs to speak with their accountant, it's time for a direct, close-ended question: "What is your accountant's name? I'd like to work with both of you, because we have several opportunities that would allow you to be included at this recognition level."

Source: Peggy Calhoun, ACFRE, Senior Principal, Miller, Calhoun & Company, Ft. Lauderdale, FL. Phone (954) 493-8958. E-mail: pcalhoun@att.net. Website: www.CampaigningToPotential.com

Target the Right People to Prepare for Your Campaign

Susan Peirce, executive director of development at Nova Southeastern University (Fort Lauderdale-Davie, FL), says when you're planning a capital campaign, securing the right people for the right roles during the feasibility study and the campaign is critical.

For starters, it might not always be the people you think. Peirce says board members aren't necessarily the right fit. "They're not always philanthropists, nor do they have the ability to be," notes Peirce. Determining whether or not they have that ability is important. It's also important to choose the right person to make the ask of the philanthropists you want to include in your feasibility study.

So how do you find the right people to talk to? Peirce suggests asking community leaders: "Who else do I need to talk to?" You can also ask, "If there's only one person I need to talk to, who is it?" Then follow up by asking them if they can make an introduction for you or if they would allow you to use their name in making your own introduction.

Source: Susan Peirce, Executive Director of Development, Nova Southeastern University, Fort Lauderdale-Davie, FL. Phone (954) 262-2136. E-mail: sp933@nova.edu. Website: www.nova.edu

- ✓ Develop a list of up to 200 prospects who have the capability of making what you have defined as a major gift. (For many organizations just getting started, a major gift would be a gift of \$10,000 or more to be paid over a one- to five-year period.)
- ✓ Commit yourself to spending no less than 20 percent of your time focusing on major gift issues: identification, research, cultivation, solicitation, etc.

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Make a Convincing and Compelling Case For Your Library Campaign

Matthew Blumenfeld, principal at Financial Development Agency, Inc. (Amherst, MA), a fundraising consulting firm for nonprofits, says capital campaigns for public libraries are usually a once-in-a-lifetime event. So when organizations undertake them, careful planning is crucial. The success and future of that library can rest on that one opportunity.

For the same reason, libraries face some unique challenges when mounting a capital campaign. Their boards generally aren't fundraising boards — often they include elected officials and people who do not picture themselves as having the ability to make or obtain major gifts. "The fundraising infrastructure just isn't in place," says Blumenfeld. "However, if you can make a compelling case to donors, major gifts can have a decades-long impact on the library and community." In fact, studies show a 50-percent usage increase within a few years of any capital projects' completion.

Blumenfeld says the biggest hurdle for raising library funds may be convincing people that, even with advances in technology, the library will continue to grow in relevancy and usefulness to the community. So how do you make that happen? By doing your research and understanding nationwide and regional trends in library services and use, says Blumenfeld. "Studies show library usage has gone up dramatically along with the rise of the computer age. Libraries are helping to bridge the digital divide for lower income people and others who don't necessarily have access to technology in their homes. That's important." Blumenfeld adds public libraries are one of the only resources in most communities that serve everyone in the community from cradle to grave.

Because most library campaigns typically involve a public/private partnership, Blumenfeld says a feasibility study to determine buy-in from both public officials and private sector opinion leaders is critical to success. A good study should also test your campaign goal.

In addition to a feasibility study, Blumenfeld says signature drives and petition campaigns can help to create buy-in and build momentum by tangibly demonstrating that those who use the library actually want it and will use it.

Finally, Blumenfeld says it helps to be as flexible as possible in terms of securing gifts. "Library campaigns are perfect for planned gifts. Donors have a chance to emulate Andrew Carnegie and to continue his legacy of providing libraries to local communities. Naming opportunities can also be real drivers in increasing gifts." Blumenfeld recommends mostly five-year pledges for library campaigns — sometimes even extending out past five years, depending on the size of the gift. "It's important to try and meet the donor where they are," notes Blumenfeld.

Source: Matthew Blumenfeld, Principal, Financial Development Agency, Inc., Amherst, MA. Phone (413) 253-0239. E-mail: matthew@financialdevelopmentagency.com. Website: www.financialdevelopmentagency.com

PRE-CAMPAIGN ACTIONS**Top Management Should Step Up to the Plate**

Even before going to lead donors during your campaign's "quiet" phase, it's important that all of your organization's top management and development officers make their gift commitments to the effort — commitments that, for them, are stretch gifts. Your CEO should take the lead in setting the bar high enough for gifts that follow from other top management and development officers.

It's sometimes said that successful campaigns are "top to bottom and inside out," meaning those at the top should set an example for others and those on the inside (top management, development officers) should set the example for those on the outside.

No employee can passionately invite others' investments if he/she hasn't yet risen to the occasion.

Fewer Asks Help Pinpoint Message

Patience Boudreaux, director of the annual giving programs at Trinity University (San Antonio, TX), says they recognize people have a lot they're passionate about, "so we focus on how impactful leadership support is to Trinity's ability to remain excellent."

To that end, once people join on at the Associate level, with an unrestricted gift of \$1,000 or more, the school removes them from general solicitations and begins soliciting them in the three months around the anniversary of their last gift instead. "This is a more donor-centered approach and allows us to focus on messages of impact and stewardship the rest of the year," says Boudreaux. "We base our stewardship activity — events, mailings and premiums — on bringing these donors closer to the university so they can see the impact of their generosity. We want to share things that make sense to them as donors, not just share that we're doing something for them. This strategy helps us reinforce the giving cycle in preparation for their next ask."

Boudreaux says the most important thing to do if you're just getting started with leadership giving is to decide what you want it to look like (e.g., what levels you will have, how they are named, the benefits, whether you plan to recruit volunteers, etc.) before you implement anything official, because it's disruptive to make changes later. Boudreaux says, "For example, make sure your minimum leadership gift level truly feels special for your organization, and be aggressive. Having to come back later and increase that amount lowers your credibility among donors and their satisfaction with the program."

The Associates, Trinity's leadership annual giving society, provides support for the university's greatest needs: scholarships and financial aid, faculty support and student programs. Associates gifts are payable over a full 12-month period from the date of joining the program. Gifts may be made by check, credit card or stock and can be billed monthly, quarterly or annually. Benefits include preferred seating at select campus lectures, concerts and events; on-campus parking stickers; sponsorship and contact with a student scholarship recipient; and dinner at the president's house, depending on the level of giving. There are currently more than 550 Associates.

Source: Patience Boudreaux, Director of Annual Giving Programs, Trinity University, San Antonio, TX. Phone (210) 999-8425. E-mail: patience.boudreaux@trinity.edu. Website: www.trinity.edu

VOLUNTEER INVOLVEMENT

Do You Have a Long-Range Planning Committee?

Does your board have a long-range planning committee? Many organizations do not have such a standing committee, however, there are some clear reasons why you should give thought to one:

1. This committee can lay groundwork for any future strategic planning that takes place — even if you have a separate strategic planning committee that takes shape at some future point. Plus, this committee can be the liaison between strategic planning and the full board.
2. Long-range planning committee members will gain greater ownership of future funding needs and be better positioned to sell those needs to others, including their colleagues on the board.
3. The long-range planning committee may serve as valuable training ground for those who eventually get appointed to a capital campaign steering committee.
4. Board members from this committee can serve as advocates on your behalf when more pressing, short-term needs appear to be getting more attention than they deserve.
5. The more ways in which you can meaningfully engage board members, the better. Engaged board members are more likely to give to their fullest capacity.

Root for Your Major Donors: Two Easy Tricks

Asking a major donor to make a sizable gift to your nonprofit is not just asking for funds. You're also hoping the donor will take on the role of organizational cheerleader, talking up your achievements and demonstrating to the community confidence in your mission.

It makes good business sense, therefore, to likewise cheerlead for your donors in return. As Emily Abernathy, director of development and stewardship at the Episcopal Diocese of Oklahoma (Oklahoma City, OK), puts it, "I try to make donors feel like we are rooting for them too." Here, she shares two very easy and effective ways to show donors you're in their corner.

1. "Oftentimes, I have clients who use our services write or call the high-end donors to thank them personally." Coupled with a personal thank-you from your executive director, this kind of acknowledgement can really pack a punch. If your nonprofit mostly serves young children who might not yet possess good writing skills or phone etiquette, a videotaped message can also prove moving.
2. "If I see a picture or article in the newspaper about (a particular donor), I'll use social media to promote it and send a copy to the donor too." Let them know you're paying attention to their achievements, in and out of the nonprofit realm. If the donor has children, look for their names in the newspaper as well.

Source: Emily Abernathy, Director of Development and Stewardship, Episcopal Diocese of Oklahoma, Oklahoma City, OK. Phone (405) 232-4820. E-mail: eabernathy@epiok.org. Website: www.epiok.org

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Volunteering Helps to Groom Probable Donors

Thanks to the effective strategies of your nonprofit's communications team, your organization has a number of new constituents, all of whom feel an emotional connection to your cause. With major donations in mind, what should you do with these interested individuals first — make a move for a monetary solicitation, or make a volunteer request?

While the former may be the norm, you should consider the latter if your goal is a long-term relationship between individual and organization, as well as a greater likelihood those constituents will develop into major donors down the road.

“Volunteers are 10 times more likely than other Americans to make a charitable donation, and they are usually the more robust, untapped donor base among your constituents,” explains Annalisa C. Emerick, director of ACE Consulting (Birdsboro, PA), a nonprofit consulting firm.

In terms of grooming a constituent for a future major ask, what's best about the volunteer-first approach is it makes for a soft sell. “Asking people to donate time is much more palatable than talking about money,” Emerick says. “In several ways, this makes the development officer's task much easier.”

That's because these constituents are the ones who can be groomed donations-wise to do more down the road than just answer annual appeal letters, because “that donation-driving emotional connection happens naturally with volunteers,” Emerick explains. “People who care this much about your nonprofit will be happy to have a conversation with your development officer. By the time they meet your clients, ‘like’ you on Facebook and — most importantly — carve a space in their calendar for you, they're hooked.”

Source: Annalisa C. Emerick, Director, ACE Consulting, Birdsboro, PA. Phone (484) 624-7541. E-mail: smithson.emerick@gmail.com. Website: www.acemerick.com

Have Your CEO Use a Soft-Sell Approach

Oftentimes, a nonprofit's development executives will ask their chief executive officer to insert himself or herself into a major ask that's in the works. Colloquially, this is referred to as “bringing in the big guns.” Unfortunately, such an aggressive approach can all too easily backfire.

“By the time the CEO calls you (the donor), now you're getting the big ask. You know it's coming,” says Bill Horne, CEO of Truist (Washington, DC), a consulting and software solutions firm that helps manage employee volunteer and giving campaigns for corporate clients. “It's the schmooze call, and you're the big fish the CEO is going to try to reel in.” Being pursued so doggedly can be a turn-off to the donor.

For a more sophisticated approach, Horne suggests considering ways your CEO can be employed in soft-sell techniques. For example, Horne says one of the most effective ways a CEO can be a skillful part of a big ask is “to figure out what the donor's interests are and to see if the CEO knows someone whose interests are aligned with that donor's who also gives to the nonprofit.” The CEO can then place a call to the potential donor and suggest he or she get to know the other donor on a colleague-to-colleague level. “That's a more effective call to make to a potential, rather than the CEO, in effect, going for the jugular,” explains Horne.

What if the major ask you're pursuing doesn't involve a potential new donor but a recurring donor whose contributions seem to have lapsed? Horne says these lapses are often easy to detect. For example, says Horne, “If there appears to be a stall in that person's giving — in other words, we're used to seeing this gift every year in November or right before Christmas, or we see it in January after bonus time — if it's a matter of timing, and that gift hasn't come in.”

In that case, Horne recommends continuing with the soft-sell approach by having the CEO call the lapsed donor and invite him or her to lunch — but not for a one-on-one ask. Instead, he suggests the CEO say something like, “I'm having a meeting with a number of people over here in the next couple weeks, kind of a roundtable discussion to talk about our community. Would you do us the favor of attending that luncheon?” In other words, implicitly remind the donor of his or her value as part of your organization's community rather than as a signed check. Horne considers this another example of when “this kind of softer appeal coming from the CEO actually works better than the hard sells.”

Source: Bill Horne, CEO, Truist, Washington, DC. Phone (202) 903-2585. E-mail: info@truist.com. Website: www.truist.com

VOLUNTEER INVOLVEMENT

Involve Your Most Prominent Donors Judiciously

When you're fortunate enough to have prominent donors with some celebrity status — Fortune 100 top management or board members, for example — it's certainly to your advantage if they are willing to lend their names and/or time to your cause. But be sure to use such influence judiciously. Before asking a celebrity donor for assistance — to sign a letter, call on a colleague for support, etc. — be sure you are making the most of the opportunity. Never give persons at this level the impression that you are “going to the well too often” or that you are not using their time to the utmost advantage.

Look at your donor as a genie who will only grant three wishes, then ask yourself the following questions:

1. In asking the donor volunteer to perform this task, what is the likely payback in terms of major gift revenue?
2. How many prospects might this request for assistance impact?
3. How fulfilling will the donor volunteer find this request to be? (Will this request for assistance make him/her even more committed to our cause, or will it be perceived as a nuisance request?)

Endowed Awards and Prizes Provide Additional Major Gift Opportunities

Many donors would like to create endowed scholarship funds but are not able to do so. Centre College (Danville, KY) has found a way to provide an outlet for these donors through its endowed awards and prizes.

Shawn Lyons, associate vice president for development and alumni affairs, says these awards and prizes, which vary greatly in value and criteria, are always generated by the donors because they have something very specific in mind they want to do. “Those conversations are started by the donor,” says Lyons.

Due to this, Lyons says, there was no system in place for ensuring equality across the award spectrum. “There might have been a freshman academic award worth 10 times the award amount given to the valedictorian of the senior class. There wasn’t necessarily any parity that made sense between the various awards.”

To respond to the problem, the college created an Honors and Prizes Committee, made up of faculty, to oversee the endowed awards and prizes process. The committee works with staff to create a ranking system to help resolve the disparity issue.

The committee ranks the relative prize value of awards compared to the criteria necessary to receive them using a tri-level ranking system (e.g., a level A award has the most strenuous criteria, a level B rank might be given to a lower-level academic award and a level C rank might be awarded for nonacademic criteria). Donors work with development staff to determine the criteria for awards and prizes, which can still vary greatly from very objective (e.g., the economics major with the highest GPA) to very subjective (e.g., the most popular senior man and woman, voted on by their classmates).

Donors are informed up front that they may endow a specific amount but 100 percent of those funds will not necessarily go to their specific award because of the ranking system. Donors then have the opportunity to decide whether they wish to proceed based on that information.

Source: Shawn Lyons, Associate Vice President for Development and Alumni Affairs, Office of Development, Centre College, Danville, KY. Phone (859) 238-5513. E-mail: shawn.lyons@centre.edu. Website: www.centre.edu/giving/endedawards.html#

The Science Of Asking Questions

- If a prospect makes a statement during a conversation that is unclear to you or requires more in-depth information, repeat the statement back as a way of encouraging the prospect to say more.

CAMPAIGN PLANNING

Dealing With Major Donors Who Are Wise To Feasibility Studies

A feasibility study can lay the groundwork for a major campaign by identifying campaign goals, top donors and even obstacles to success. But getting credible, useful results from major donors who have “been there, done that” many times can be a challenge. Fundraising experts Martin Novom, CFRE, a consultant for 17 years and now senior development officer at the College of Education and Human Development, University of Maine (Orono, ME), and Kathleen Grealish, senior managing director of fundraising at Changing Our World (Washington, DC), share their best practices for optimizing the process.

1. Establish a capital campaign planning committee to oversee the study that includes members from the board of directors and the development department. “Their role is to provide leadership and help strategize who should be interviewed,” Novom says.
2. Hire a consultant to conduct the study and keep donor responses blinded to everyone else. “The consultant acts like a firewall between your organization and the donor, freeing them to speak freely and anonymously,” Novom explains.
3. Include a mix of three groups in the study:
 - High-capacity, high-interest donors.
 - Opinion-shapers (volunteers, lower-level donors, alumni and others who have low capacity but are respected within your organization).
 - Representatives from significant contingencies within the organization (such as faculty at a private school). Be sure to include development staff and screen your database for high-capacity donors who have not made major gifts in the past and include them, Grealish adds.
4. Use relationship mapping to identify with whom a major donor is connected and invite a mutual acquaintance to join the conversation. The presence of a peer or colleague often will encourage the donor to speak more openly.
5. Arm the consultant with information that connects the campaign with the organization’s current work in areas that ignite the donor’s passion. “We are seeing less and less interest in checkbook philanthropy,” Grealish says. “Today’s donors are interested in impact.”
6. Move beyond the dollars to ask donors what they perceive to be possible barriers to the campaign and what areas they find most or least interesting. This approach engages donors and gives you a panoramic view of the landscape early on so issues can be addressed before the start of the campaign.

Sources: Martin Novom, Senior Development Officer, College of Education and Human Development, University of Maine, Orono, ME. E-mail: martin.novom@umaine.edu.

Kathleen Grealish, Senior Managing Director, Fundraising, Changing Our World, Washington, DC. E-mail: kgrealish@changingourworld.com.

Surveys Help Flush Out Prospects

When was the last time you surveyed your entire constituency (or even a targeted segment of your database)?

Surveys can be great tools for surfacing major gift prospects, particularly when they ask questions about personal interests, perceptions of your organization, opinions about your organization's future and even personal finances.

Help Callers Identify Wealth

If you hold any form of telesolicitation throughout the year, your callers can play a role in identifying wealth if they know what to look for.

Include "wealth identification" as a portion of your caller training sessions. By making callers more aware of possible clues to wealth, they can make a note of key findings after completing each call.

Examples of potential clues they should make note of include:

- ✓ Mention of a second residence.
- ✓ Professional titles (i.e., CEO).
- ✓ Entrepreneurs.
- ✓ Residences located in affluent neighborhoods.
- ✓ Vehicle ownership (i.e., yacht, aircraft, luxury autos).
- ✓ Extensive travels.
- ✓ Inheritance.
- ✓ Spouse's professional background.
- ✓ Real estate holdings.
- ✓ Children attending private schools.
- ✓ No apparent heirs.
- ✓ Generous support of other charities.
- ✓ Details about assets.
- ✓ Exclusive affiliations (i.e., boards, clubs).

Piggyback on Related Events To Recognize, Recruit Major Donors

Putting events together takes time and money — time and money your major gifts department could be using for other activities. At the same time, however, events are a major opportunity to recruit potential major donors, recognize current ones and involve both groups in the life of an organization's work.

There is a way to enjoy the benefits of hosting events without tying up your and your staff's time: piggybacking on the events already being held by other departments within your organization. That's what the Children's Hospital of Pittsburgh Foundation (Pittsburgh, PA) has done for the past year, and, according to Rachel A. Petrucelli, associate vice president for major and principal gifts, the tactic has been very effective.

"Most of these events are spearheaded by auxiliary groups," Petrucelli explains. "We piggyback on those events and create a very exclusive component that highlights our Circle of Care members." During a hospital Valentine's Day event, for example, Circle of Care members received corsages and boutonnieres. Circle members were treated to a special champagne tasting as they waited in line for the event, and their names were featured in the event program.

"The first time we did something like this was at a wine event in August," Petrucelli remembers, "and two people became Circle of Care donors that night — one of them as a result of seeing the listing in the program. It was the first time we recruited that level of donor on-site at an event." Circle of Care membership begins at a yearly \$10,000 commitment.

The strategy has been so successful, Petrucelli says her organization continues to find new ways to use it. For the hospital's upcoming Fashionista event, for example, Circle of Care members have received a special invitation encouraging them to arrive half an hour early for an exclusive chance to bid on a limited supply of designer watches.

Source: Rachel A. Petrucelli, Associate Vice President, Major and Principal Gifts, Children's Hospital of Pittsburgh Foundation, Pittsburgh, PA. Phone (412) 692-3912. E-mail: Rachel.Petrucelli@chp.edu. Website: www.chp.edu

HOLD YOURSELF TO ACCOUNT

Assign Target Dates for Generated Gift Revenue

There's nothing worse than getting to the final quarter of a capital campaign and realizing far less money has been raised than necessary to meet the goal. It's equally disheartening for a development officer to hit the midyear mark knowing less than 40 percent of his/her yearly fund-raising goal has been raised.

To better anticipate what needs to be done by when, develop a timetable whenever there's a fund-raising goal to be met. Break it down into monthly and/or quarterly projections, and put the greatest pressure on the front end of your calendar, knowing how it traditionally becomes more challenging to raise additional funds as you approach the final months. Plus, if you can set yourself up to meet your goal earlier in the year, anything else you are able to generate becomes "extra."

By projecting the amount of funds to be raised at monthly intervals — and placing more emphasis at the front end of your cycle — you can better monitor if you are on track as each month progresses.

Projected Fundraising Target

Total Campaign Goal: \$5 million				Development Officer: Dennis Knight				Individual Yearly Goal: \$1.2 million in pledges			
Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
0	50M	50M	200M	300M	300M	100M	100M	50M	50M	0	0

Museum Seeks Millions in Matching Gift Grants

In 2008, the Philadelphia Museum of Art's (Philadelphia, PA) respected director, Anne d'Harnoncourt, died at the age of 64. It was bad news for the museum, but noted philanthropist Gerry Lenfest, who had discussed endowing positions with d'Harnoncourt before her unexpected death, soon offered \$27 million to seed 29 endowed positions with one-to-one matching grants from donors who had received naming opportunities.

The effort ran into headwinds almost immediately. The stock market crashed, and subsequently the museum's total endowment sank by about \$96 million, according to the *Philadelphia Inquirer*. Through the Lenfest Challenge, however, which has a deadline of December 31 this year, the museum has garnered 20 gifts totaling about \$39 million. These gifts endow positions ranging from archivist, with a total endowment of \$1.5 million, to senior conservator of paintings, with a total endowment of \$2.5 million. Three more gifts are "nearing completion," according to Kelly M. O'Brien, executive director of development, which would bring in another \$5 million. Beyond that, the museum has "a whole group of prospects in the early stages of conversation," says O'Brien.

"We lag very far behind in endowment support, if you look at places like the Art Institute of Chicago and Museum of Fine Arts, Boston, which we consider our peers," O'Brien says. "Obviously, this is going to have to be a big year. The clock is ticking. The message here in our development office is one a month, because this is too good a challenge. We have to make sure we get every gift possible."

Last year, the museum requested an expansion of the original 29 positions. The Lenfests agreed, and eight more positions became eligible. Not all will be funded with the initiative's \$27 million in matching funds, but the increase did give the museum an opportunity to explore new avenues for support.

Though it's a tall task, O'Brien says she thinks the museum can reach its goal for two reasons: Lenfest is a well-known philanthropist, which inspires people, and donors receive full naming rights for the positions they endow. The challenge brings no naming rights for Lenfest or his wife, Marguerite.

"In the beginning, we joked that this is a kind of 50-percent-off sale, a two-for-one sale, and we could get creative in this regard," O'Brien says. "I think people respond to deadlines. Once this is over, I don't have another donor lined up with this kind of extraordinary offer." Also, the economic wind may have shifted to the museum's back, with the stock market testing new highs and the economy appearing to make at least a tenuous comeback.

Source: Kelly M. O'Brien, Executive Director of Development, Philadelphia Museum of Art, Philadelphia, PA. Phone (215) 236-0796. E-mail: kobrien@philamuseum.org. Website: www.philamuseum.org/giving/586-509.html

What yearly programs or events do you have that are currently underwritten through sponsorships? Make note of them. Then consider each of them as an endowment opportunity. After all, if all existing sponsorships were endowed — covering all future costs associated with those programs or events — that would free up new sponsorship opportunities.

How the Museum Attracts Donors

The Philadelphia Museum of Art has used a number of tactics to bring in donors, according to Kelly M. O'Brien, executive director of development:

- A few months into the challenge, it added a planned giving option to attract long-time donors who might not be able to pay the entire amount for a named position over a five-year period. Though the option has brought in only two donors so far, "It exists for those who are interested," O'Brien notes.
- Development officers sat down with staff members eligible for an endowment and asked about potential supporters. "They were actively involved in identifying prospects, and they have been great about giving ideas and leads and engaging in cultivation efforts," O'Brien says.
- The museum got staff members and potential donors together. "Some of the earliest gifts we received were from donors who already had a great and existing relationship with the person who held that position — the curator, the conservator, the educator, the archivist," O'Brien says. "Those staff relationships provided the opening to begin a conversation about endowing a position." The museum also worked to provide opportunities to connect staff with new prospects. If the museum stages an exhibition opening or dinner in a collector's home, for example, it seats employees at tables with donors "strategically, so they're getting more exposure," notes O'Brien.
- The museum increased its visibility on the web and through publications that go to museum members to attract more major donors and help cast a wider net beyond Philadelphia. For example, the museum recently received a commitment to endow the position of director of information and interpretive technology "because we are behind the curve here in our investments in technology," O'Brien says.
- The museum has used data analysis and tools to mine the museum's rich resource of 70,000 members for leads.
- In addition to naming a position, the museum ensures donors receive an annual report about the activities of the person holding the position they've endowed and an annual visit with that person.
- The museum held a recognition dinner at the challenge's midpoint and plans another after its end so donors "see not only that they have funded a specific thing but that they are a part of the larger challenge effort."

One-to-one contact has been crucial in generating gifts, O'Brien says.

Tactics Versus Strategies: Know the Difference

As you map out fundraising plans, it's important to distinguish the difference between "tactics" and "strategies."

A tactic is a maneuver, a means to an end, whereas a strategy is a systematic plan of action that takes the bigger picture into account.

Stated differently, a tactic is more short-term (averaging 25 face-to-face calls per month), while a strategy helps define overall goals (making calls to increase overall gift revenue).

Stewardship Protocol

Before getting a donor's signature on the dotted line — the pledge — be sure you have shared the funding time line.

Example: "Once you establish this endowment fund, the first scholarship will be awarded one year after the corpus reaches the \$25,000 mark."

Sharing the anticipated schedule of a gift's impact helps to avoid any future misunderstandings.

Three Characteristics of Challenge Gift Prospects

How do you identify and prioritize those persons who may be inclined to establish a challenge gift? What goes into deciding who you should approach first? These key criteria should help you identify and prioritize likely challenge gift prospects:

- ✓ **Past history of giving** – Obviously someone who has given to your organization previously will be more inclined to agree to a challenge gift.
- ✓ **Ego** – Publicity in one form or another generally accompanies challenge gifts, making accompanying visibility more attractive to donors.
- ✓ **Ownership of fundraising efforts** – Those who desire to see improved fundraising results will be gratified knowing how a challenge gift can motivate others to contribute.

Get to Know Donors' Cause-Centric Relationships: Six Questions to Ask

You've just landed a coveted, face-to-face meeting with a prospective major donor. What are you going to talk about?

Keeping the conversation focused on them — past achievements, family life and so on — might seem like a safe bet, while talking up your organization and its mission should pique their interest. But the best possible course of discussion comes from "getting them talking about their past relationships with other nonprofits," says Jeffrey Prottas, managing partner at Nonprofit-360 Consulting (Golden Valley, MN), a nonprofit-management consulting firm.

Bringing up the names of other organizations to which the donor has already contributed may seem counterintuitive. It works, however, because it centers the conversation around relationships, not just names, numbers, facts and figures. The objective, explains Prottas, is to "ask them about their own involvement. 'So, tell me about your experience at ABC Foundation.' Or, 'I know such-and-such at ABC Organization as well.'"

The best way to build that rapport is by knowing all you can about the donor's charitable background before the meeting even begins. In fact, already knowing the answers to the following six questions will help you "build questions around the donor's profile," Prottas says, allowing you to drive the conversation toward what the donor will respond to most passionately: the prospect of building a meaningful relationship with your organization.

The six questions you should be able to answer are:

1. What are the donor's other community involvements?
2. What is the donor's business background?
3. What is the family involvement like? In other words, is there past evidence that the donor's spouse, children, siblings or parents tend to also become involved through volunteering, special-events planning or attending, serving on boards, etc.?
4. On what other boards does the donor serve?
5. To what other organizations has the donor given, and at what levels?
6. Does the donor tend to give politically? "We know if they give to conservatives, then that tells us a little bit about their fiscal beliefs or family values," explains Prottas, so the answer is important even if your organization is nonpolitical.

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Capacity Versus Inclination: Which Is More Predominant?

To secure major gifts, we look for prospects who have both the financial capacity to give and the inclination to support your cause. That's the ideal situation. But in real life, prospects usually possess one characteristic or the other, but not both.

To develop a yearlong or multi-year fund-raising plan — particularly as it relates to major gifts — it's helpful to have some sense of where your collective prospect pool stands. Does the majority have the capacity to give but possess minimal ties, if any, to your charity? Or does your prospect pool have a strong connection to your agency but lack the ability to make major gifts?

Once you can judge the answers to these questions, you can better formulate where to best focus your attention in the upcoming months and even years. If, for instance, you believe many persons in your community or region have the capacity to make sizable gifts but lack connections to your organization, your planning should focus more on relationship-building actions.