

# Face to Face

## How to Get BIGGER Donations from Very Generous People

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# **The Right Stuff**

## **Six Secrets of Big Gifts**

**The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.**

— The Six Secrets

**There are six secrets to getting bigger gifts. This book will focus on how to find out what is `right' in each case.**

**Depending on your circumstances, you may not need to go through each one — or you may need to linger longer over areas that need extra work.**

**In a religious congregation, for example, it may not be appropriate to look beyond your own members for donors; however, research into their interests may be very important.**

**In a large organization with a history of major fundraising campaigns, it may not be hard to find good volunteers; in others, this may be the key to success.**

**For most groups, I recommend that you follow the sequence laid out here in logical and chronological order.**

**Identifying and acquiring major gifts is not a mystery — it is a simple process made onerous only by those who choose to make the process of acquiring leadership gifts difficult.**

**The magic words are *hard work* and *high visibility*, that is, getting big gifts is tedious and requires your absence from the office and your presence in the streets. If you are in your office every day, you are not cultivating and soliciting major gifts.**

# Is Face-to-Face Fundraising for You?

## **The Least Expensive, Most Productive Fundraising Method**

**Talking to specially selected people face-to-face is an excellent way for a non-profit group to raise money. It is the among the easiest sources of large sums of money. It works well in the short term — and even better with planning and careful cultivation of prospects. It is also done less often than it could be, particularly among grassroots groups. This method is for you if you:**

- **need quick cash for your organization;**
- **want a lot of money for a special project, such as a building or equipment; or**
- **dream of an endowment fund earning interest to give your group long-term financial freedom.**

**The techniques described in this book will explain how to achieve those goals. But this method is not for everyone. You must decide first if it's the right one for you. Here's how:**

*Decision #1: Do you need big gifts?*

**This manual is devoted to helping you get big donations. But is `big' too big for you? Or not big enough?**

**For many grassroots groups, having an individual donate \$100 to \$500 would**

<sup>1</sup> Michael F Luck, "A New Twist on Old Fundraising Maxims", *NSFRE Journal*, Summer 1990, p 30. Reprinted with permission. (National Society of Fundraising Executives, Suite 3000, 1101 King Street, Alexandria VA 22314, USA).

be cause for celebration — particularly if it happened often! For hospitals, universities and other large charities, the definition of big gift may start at \$10,000, \$50,000, \$100,000 or more. Anything smaller might be considered ordinary.

With subtle variations, the techniques outlined here apply at all these levels, no matter how many zeros appear in the figures.

This book focuses on how to ask people for money *in person*. If you are ready to get personal, then the definition of 'big' is strictly relative to your organization's past gifts. Use this handbook to learn how to approach the special few.

Finding a special few who give much more than others will be a welcome achievement in most groups — but not all.

A strongly egalitarian organization may consider it a matter of principle for everyone to give about the same amount. They choose to ignore the potential for different donations resulting from differences in people's incomes, expenses, assets, lifestyles or level of commitment. They are concerned that all donors be treated equally. They suspect that if a few people make a disproportionate contribution to the budget, they might gain a corresponding degree of control. Some people assume that those who have enough money to give big donations must have done something unethical or immoral — and are therefore enemies of the cause. If this describes your group, the techniques discussed here may not be for you.

Some groups need a wide base of support. Advocacy groups, for example, need to demonstrate that lots of people are on their side, whether or not the supporters are all big donors. Religious groups need lots of people to attend services, whether or not they are all generous donors. Clubs, membership organizations, performing arts groups and many others have similar needs.

Groups like these may want major donors at the beginning, to help them grow. They may want them to help pay for special extras as the organization matures. In between, however, their main goal may be to increase the number of small donors.

Direct mail, telephone solicitations and special events are generally good techniques to reach large numbers of people who can each give smaller donations. Those are the subjects of other Voluntary Action publications.

Through the upgrading system outlined here, you will discover the hidden advantage of those techniques: they will lead you to the special few, the very generous people who give so much.

**If your primary need is for support from a large number of people, even if they all give relatively small amounts, this technique is not for you.**

*Decision #2: Can you focus on individual donors?*

This manual concentrates on *individuals* who give large donations. Some of those people are rich and famous. Most are not; they are simply very generous.

You will learn how to find these generous people, and how to appeal to them for large donations. The techniques apply equally well to capital campaigns and to ongoing fundraising.

This book is about *individuals*. It is not about corporations, foundations or

**other big institutions that give grants.**

**Grant-giving organizations usually operate in a different way than generous individuals. They often have a formal application process. It is usually formalized and bureaucratic, and requires proposals written in accordance with standard models. This is necessary when decisions are to be made by a committee.**

**Individuals make faster decisions, often after a single conversation. They seldom have to check with anyone except their spouse.**

**But the methods outlined here may also help to open doors at granting institutions. You'll learn how to find contacts who will help your grant application stand out from the pile. Learning how to present an appeal face-to-face will be useful if you can arrange to meet with the institutional decision-makers. Such discussions greatly increase your chances of success.**

**To get an institutional grant, however, you will almost certainly need to supplement the techniques outlined in this handbook with a well written proposal. The art of proposal-writing is a topic for another book.<sup>2</sup>**

**Some prospective donors (or *prospects*) who own small businesses or have family foundations may prefer to make donations on their institutional cheques instead of their personal account. If they operate without answering to others, then you can use the techniques suggested here.**

**This manual does NOT try to cover all the aspects of campaign planning. Its focus is precise: it's on *people* — how to find them, how to get ready, and what to say so they will give you a big donation (no matter how you define `big'). If your interest is primarily in institutional donors, this book is not your best choice.**

*Decision #3: Can you find the prospective donors?*

**Are you thinking, “We don't know anyone who could make a major donation”?**

**People involved with non-profit groups are often surprised when they discover the hidden contacts they have. Gifts ranging from \$500 to \$1000 each are easily available to virtually any group. Many individuals are ready to give donations of thousands of dollars — and more.**

**In the United States, amazingly large donations have been reported. Comedian and educator Bill Cosby and his wife Camille gave \$22 million to Spelman College.<sup>3</sup> Pulitzer prize-winning author James Michener has given away artwork valued at \$25 million to museums, and an additional \$7 million to creative writing programs,<sup>4</sup> including a graduate writing school he helped launch at the University of Texas with a \$1 million endowment.<sup>5</sup> Paul Mellon**

<sup>2</sup> Author's hint to the Publisher.

<sup>3</sup> Joan Flanagan, *Successful Fundraising* (Chicago: Contemporary Books Inc, Suite 1200, 180 North Stetson Avenue (2 Prudential Plaza), Chicago IL 60601), 1991, page 147; reprinted by permission.

<sup>4</sup> Lynn Rosellini, “The Man Who Loves Facts”, *US News and World Report*, 17 June 1991, vol 110, no 23, p 58.

<sup>5</sup> Jim Shahin, “The Continuing Saga of James A Michener”, *The Saturday Evening Post*, March 1990, volume 262, no 2, p 66.

**has given away more than \$300 million.<sup>6</sup>**

**Sinéad O'Connor, the Irish rock star, donated her Hollywood mansion to help starving Somalians. After watching a Red Cross TV charity appeal, she telephoned the station and gave them the house. It is said to have five bedrooms, three reception rooms, a jacuzzi and a pool, and is worth around \$970,000.<sup>7</sup>**

**The past contributions of Andrew Carnegie and John D Rockefeller live on in the names of countless libraries, concert halls and other buildings, foundations and endeavours.**

**Canada, too, has seen multi-millionaire philanthropists, some of whom were noted eccentrics. While the main goal of this manual is to help you get substantial donations from less exalted personages, a few examples of the great and the notorious are important for the historical record.**

**Liquor baron Hiram Walker based a distilling empire in his company town of Walkerville (now a suburb of Windsor, Ontario), built churches both there and in Detroit, but closed the former chapel for two years after discovering its pastor, a cuckoo in the nest, was preaching temperance.<sup>8</sup>**

**Donors, no matter how rich or poor, do allow personal prejudice to influence their decisions. Unlike government, they are accountable to no-one. Knowing their biases may make all the difference. Another famous Canadian proved this point:**

**Donald Smith (aka Lord Strathcona), the Canadian Pacific Railway financier who drove the CPR's last spike, was a munificent but quixotic philanthropist. Smith gave away \$12 million during his lifetime, and another \$20 million in his will. Among his most outstanding gifts were the donation in 1900 of an entire mounted regiment to British forces fighting the Boer War, and a \$1 million donation to found Montreal's famed Royal Victoria Hospital. Still, Smith's generous legacy was marked by personal biases: unable to forgive Winnipeg voters for their failure to re-elect him to his House of Commons seat, Smith held back his charitable impulses from schools and hospitals in that city; and his upper-class pretensions were betrayed in his will, which made a bequest to set up a leper colony — but stipulated that only Englishmen**

<sup>6</sup> Joan Flanagan, 1991, pp 135, 160.

<sup>7</sup> Reuters News Agency, "O'Connor Calls Charity and Donates Mansion", *The Globe and Mail*, 1 December 1992.

<sup>8</sup> David Olive, *Just Rewards: The Case for Ethical Reform in Business* (Toronto: Key Porter Books), 1987, pp 215-216; reprinted with permission. Olive notes, "In his famous essay, 'The Gospel of Wealth', Carnegie argues that rich men should give away their great fortunes, and in so doing create 'an ideal state in which the surplus wealth of the few will become, in the best sense, the property of the many.' To date the Rockefeller family has given away more than \$1.5 billion to universities, medical schools, and dozens of other worthy institutions and causes. The Rockefeller image has been well and truly cleansed, to the point where even the most thorough encyclopedia accounts often do not trouble to mention how *paterfamilias* John D Rockefeller employed a vast network of spies to sabotage competing oil companies' refineries and pipelines."

of good social standing be allowed to stay there.<sup>9</sup>

In more recent times, Canadian universities have received many large — and sometimes unusual — donations. Late in 1992, Queen's University received \$12 million from Alfred Bader, an alumnus living in Milwaukee, Wisconsin, to buy a 15th-century castle in England, with 140 rooms, a 93-hectare demesne, and a moat. It will be converted into an international study centre. Queen's also received a \$15 million donation in the late 1980s from an anonymous source.<sup>10</sup>

There have been other breath-taking donations:

McMaster University in Hamilton, Ontario, received a \$25 million bequest from Dr Harry Lyman Hooker when he died with no family in the early 1980s. Dr Hooker was not a McMaster graduate, and lived in New York City, not Hamilton, although he had some business interests there. Dr Hooker was an early investor in IBM. The president of the university got to know him and built up a relationship. As a result of his gift, “you see students on campus wearing jackets that say ‘Hooker Scholar’”, says McMaster fundraiser Tom Daly.<sup>11</sup>

McMaster also received a sizeable donation in the form of a collection of art worth \$30 million from Dr Herman Herzog Levy, a Hamilton jeweller, who took art history courses at the university. When he died at the age of 88 in June 1990, also with no family, he left an estate of over \$28 million to be split in approximately equal amounts between McMaster and the Royal Ontario Museum. This brought his total gift to McMaster to \$44 million.

The University of Victoria received the \$6 million Dunsmuir Lodge conference building as a donation in 1986.

The University of British Columbia received \$15 million from Vancouver financier Peter Wall in 1991, and a \$10 million gift from the Chan Foundation of Canada to establish a performing arts centre in 1989.

Simon Fraser University received \$13.6 million in the late 1980s from a donor who wished to remain anonymous.

Most groups can only dream of such huge sums. They would be happy with less than 10% of the \$25 million gift McMaster University received. For most of Canada's 67,000 registered charities, it would be fantastic to get a donation totalling 1% of that record — or even .1%. In fact, many groups would be delighted to find people who would give them \$2500 — .01% of the gift to McMaster.

For all too many nonprofits, it would be exciting to get donations of \$250 on a regular basis — and that is only .001%, or one ten-thousandth of the amount McMaster University raised from a single person.

Getting donations of a few hundred to a few thousand dollars is an achievable dream for almost every group.

<sup>9</sup> David Olive, *Just Rewards*, pages 215-216.

<sup>10</sup> Alanna Mitchell, “Universities learn to cultivate the rich,” *The Globe and Mail*, January 15, 1993.

<sup>11</sup> Private conversation with Thomas M Daly, Development Officer (Foundations), McMaster University, 3 May 1993.

**Oddly, many *donors* are also surprised at how much they will give. Few people consciously set out to give away large sums of money. When they do give, it is in response to an exciting cause or a properly worded, well timed presentation made by the right person.**

**The construction of the largest modern mosque in the western hemisphere provides an example. It was built in 1992 in Maple, Ontario, just north of Toronto, by Ahmadiyya Muslims. They raised a total of \$4.5 million.**

**“Every cent was raised by Canadian Ahmadis”, said Hasanat Ahmad Syed, national secretary of the Canadian Ahmadiyya Movement. (It is estimated that between 5000 and 10,000 Ahmadis live in Canada.) “Some sold their homes, some borrowed money, some female members sold their jewelry to pay for the mosque.”**

**Ahmadis are asked to donate from one-sixteenth to one-third of their monthly income to the movement.**

**While all the major work was contracted out, hundreds of volunteers contributed thousands of hours, some working 18-hour days and sleeping overnight in a trailer. “It was a privilege”, said Naseer Ahmad, 39, the owner of an advertising agency. “Not many people are given the opportunity to help build a mosque.”<sup>12</sup>**

**Similar stories could be told by people of every religion. Dedicated people also outdid themselves to create many of Canada's community centres, theatres, homes for senior citizens, health-care institutions and grassroots groups of every type.**

**Don't think that only the rich and super-rich are sources of generous gifts. They are not only NOT the *only* sources, they may not be the *best* sources of significant gifts for your organization. In fact, “giving decreases as donor income increases,” according to John William Thomas, Vice-President for Development at the New England Medical Centre in Boston.<sup>13</sup>**

**Perhaps you happen to have a board member who knows one of the M'Cain family<sup>14</sup>, or the Eatons, or Peter Pocklington, or the Bronfmans<sup>15</sup>, or one of Canada's other wealthy families? If so, by all means pursue that connection —**

<sup>12</sup> “Volunteers share ‘privilege’ of helping build mosque.” *The Toronto Star*, 17 October 1992.

<sup>13</sup> Mr Thomas was speaking at *Impact 88*, a conference at the Canadian Centre for Philanthropy, held in Toronto in November 1988; reprinted with permission.

<sup>14</sup> “In the summer of 1986, brothers Harrison and Wallace McCain were appalled by news reports that farmers across the southern United States were suffering the worst drought in a century. The brothers, whose McCain Foods Ltd is one of the world's largest frozen french-fry producers, organized a relief program through which McCain itself and hundreds of growers who sell produce to the Florenceville, NB, company sent more than two thousand tons of hay to the stricken farmers free of charge. The bales of hay, each bearing the message, “Gift of the farmers and citizens of New Brunswick, Canada”, began arriving while US farmers still awaited proposed drought-relief legislation from their own government, and made unnecessary a choice by farmers to let their livestock die or sell the animals at below-market prices.” David Olive, *Just Rewards*, p 224.

<sup>15</sup> “Two Montreal institutions — the Jewish General Hospital and the Samuel and Saidye Bronfman Cultural Centre — owe their existence to the generosity of the founding generation of Bronfmans; the succeeding generation that now runs the company has been tireless in its support of good causes...” David Olive, *Just Rewards*, p 67.

**but use the methods outlined here for best results.**

**For the rest of us, whose world is made up of ordinary people, don't despair. In the following pages, you'll learn how to find contacts you never knew you had. You'll also discover how to make it possible for donors to give more than they thought they ever could, painlessly and happily.**

**But could it work for you?**

**Granted, some communities are very poor, and face high rates of unemployment. Certain regions of Canada have chronic problems, yet they give more generously. In Atlantic Canada, for example, people had an average family income of \$30,254 in 1986. The average donation was \$417 per family, or 1.37% of pre-tax income. By comparison, people in Ontario had an average income of \$39,444 but gave only \$349, or .85% of pre-tax income. That means that although the incomes in Ontario are 30% higher, the donations are almost 16% lower.<sup>16</sup>**

**Steinbach, Manitoba, had an average reported income of only \$18,054 per tax-payer.<sup>17</sup> Yet they are the most generous donors in the country, with a median donation of \$870 in 1990. The median donation for all Canada was \$120 per tax-payer.<sup>18</sup>**

**When they give, poor people give a far higher percentage of their income than the richest. In 1990, Canadian donors who earned less than \$5000 a year gave 4.5% of their income to charity. This percentage dropped steadily as income increased. At the \$45,000 to \$50,000 annual income level, it bottomed out at 1.12%. After that it climbed slightly: people earning over \$250,000 a year claimed 1.69% of income as charitable donations. The average was 2.3% for all returns.<sup>19</sup>**

**To be fair, the average dollar amount donated did climb steadily with income:**

- **People earning from \$10,000 to \$15,000 gave an average of \$321.**
- **People earning from \$45,000 to \$50,000 gave an average of \$529.**
- **People earning over \$250,000 gave an average of \$8,475.**
- **The average for all returns was \$555.**

**In addition, the more people earn, the more likely they were to claim a tax deduction for a charitable donation. This ranged from 21% of people earning from \$10,000 to \$15,000 to 76% of people earning over \$250,000. On the average, 30% of all people filing returns claimed charitable donations.**

**Of course all this is based on what people report on their income tax. That makes it somewhat unreliable. Not everyone claims all their charitable donations. Some kinds of support given to charities are not eligible for tax**

<sup>16</sup> Allan Arlett, Phelps Bell and Robert W Thompson, *Canada Gives: Trends and Attitudes Towards Charitable Giving and Voluntarism*, Toronto: The Canadian Centre for Philanthropy, 1988, pp 26-27.

<sup>17</sup> Revenue Canada, Taxation, 1992 Taxation Statistics (Ottawa: Revenue Canada, 1992), p 336.

<sup>18</sup> Statistics Canada, *Charitable Donations Data, 1990*, ranked by media donation, distributed at a Statistics Canada presentation in Toronto, 4 December 1991, p 7 (original is unnumbered).

<sup>19</sup> Calculations were based on information contained in *1992 Taxation Statistics*, Summary Table 2, p 96.

receipts, such as part of the cost of a ticket to a special event, a raffle ticket, or the purchase of services. Nonprofits that are not registered charities can't even issue tax receipts.

Some social-change organizations assume they cannot use face-to-face fundraising techniques because they attack the interests of the rich and powerful. But remember: a donor does not have to be wealthy to be generous. Actual experience proves that there are many people who have enough income to make generous donations as well as sufficient political consciousness to be willing to do so. They can be found among progressives who have taken jobs as university faculty, government staff, employees in many industries, the self-employed and successful artists.

However, if you are still convinced after reading chapter 2 that there are no individuals who are willing or able to give you donations of a few hundred dollars or more, this technique is not for you.

*Decision #4: Can you find the volunteers to ask for donations?*

Asking people face-to-face for a donation is the most efficient way to raise money. It is also the scariest.

In addition, it must be done by volunteers. The reasons why this is so are outlined later in this book. For the moment, take it as a simple fact that you cannot succeed with this fundraising technique unless you have volunteers who are willing to personally ask for the donation.

Experience suggests you need a minimum of ten volunteers to achieve 'critical mass'. Theoretically, it could be done with just one: if one person asks others, the team can grow. But realistically, this is difficult in practice.

This handbook will touch on some techniques for recruiting volunteers, but volunteer recruitment is a broad topic, and there are many good publications on the subject.<sup>20</sup>

If you don't have volunteers and can't recruit any, this technique is not for you.

*Decision #5: Can you devote time and effort to preparation?*

Volunteers who will be asking for donations need and (usually) appreciate training before they hit the streets. Are you prepared to invest time and energy in training?

You may also need to spend time gathering information to help build enthusiasm among volunteers and donors. For example, can you quickly answer questions like these: What are your goals? Your projects? What would a gift of \$500 or \$50,000 accomplish? What recognition can you offer?

<sup>20</sup> For more information on recruiting volunteers, see Joyce Young, *Fundraising for Non-Profit Groups* (Self-Counsel Press, 1481 Charlotte Rd, North Vancouver, BC V7J 1H1, 1991); Joan Flanagan, *The Successful Volunteer Organization*; Maurice Gurin, *What Volunteers Should Know for Successful Fundraising* (McGraw-Hill Ryerson, 300 Water St, Whitby, Ontario L1N 9B6, 1981) ISBN 0-8128-2739-2; *Volunteers: How to Find, Select and Train* (Ontario Ministry of Culture, Tourism and Recreation, Community Information Services, Toronto, 1978), 32 pp (out of print, but copies were sent to every Ontario library).

**This book will show you how to prepare volunteers, provide kits, and follow up after a campaign. The preparation process doesn't have to take long, but it is essential.**

**In fact, it may be faster than most other fundraising methods. The alternatives almost always involve more work for less financial return. The heavy work involved in special events is legendary. The high cost of direct mail can be staggering. Government, foundation and corporate grants can take months to arrange, and require writing complex proposals and waiting for slow decisions.**

**Success in finding major individual donations does require preparation. Wise planners spend two thirds of their campaign time on internal work before they approach the first prospective donor. *You must prepare your organization.* Research must be done to find prospects, and to find out their interests, solicitors must be trained, and so on. All this will take time. Don't be impatient. Careful preparation is worth while.**

**However, if you cannot take the time, this technique is not for you.**

*Decision #6: Can you separate the fantasy and the reality of big gifts?*

**This technique is good, but it is not magic. Prepare yourself and your organization for long-term fund raising.**

**Some people dream of a single huge campaign to raise “all the money we'll ever need.” But in reality, needs keep changing and growing.**

**The Fantasy:** You buy a list of the richest people in the country. You write them a short and simple letter — well, maybe two. Suddenly it is revealed to them in a blinding flash that their worldly wealth has all been misspent. Overcome by delight in your group, they shower you with money. In fact, they give you so much money that you can't spend it all at once. You invest their huge donation in an endowment fund. Your organization lives happily ever after on the interest.

**The reality, of course, is not like that. Most often, the donors who make large gifts have supported your work for a long time. You may never have realized that they could give much more, so you never asked. They may not have thought of giving your group a lot of money, either. Here is a more realistic version.**

**The Reality (Part I):** You have found a few individual supporters: a small mailing list and a few other nice people. Perhaps some current and former board members give more than token amounts. For the most part, they give relatively small amounts, and they give irregularly.

**Your team is afraid to ask them too often, for fear you will offend them and drive them away.**

**Carefully, tentatively, you build your relationships over months and years. You send newsletters and form letters. Occasionally, one or two donors stand out from the pack, because they give a bit more, or a bit more often, or because they write you a**

thoughtful note, or because someone knows them. You write a personal letter. Maybe you make telephone calls. When you talk to them, you listen to them carefully, and take their concerns seriously.

When the time is right, a volunteer goes to see them in their home, or they come to where you work. The volunteer, who has been properly trained and rehearsed, asks them to give a specific amount of money for a project they might like to make possible. They give more than they ever have before.

Over the years, these donors give a little more. You look for a way to pay tribute to these special people, and start one or two groups with names such as Benefactors, Friends, or Sustainers. They give still more.

Eventually, the donations become quite generous. When the donors can no longer give you more money in the here-and-now, you discuss ways to give from future money, such as wills and life insurance. Finally, after a long and happy life, a donor passes gently away to a better world, leaving your group a modest but significant endowment in her will.

You combine these with other bequests accumulating as a result of your thoughtful work. The interest pays a significant portion of the costs of some important projects. The organization recognizes that the need for its services is continuing to grow, and fundraising efforts must expand to become more productive than ever.

**What if you can't wait? You need money urgently! You don't have any contacts like that.**

**Relax! There's still hope. Big gifts do sometimes come from people who have never given to your group before.**

**The Reality (Part II):** After careful thought, two or three of your board members or volunteers each discover one or two contacts with people who are capable of making a larger gift. The potential donors they know aren't usually the sort who give away millions, or even thousands, but they might give you an amount that is larger than you usually get.

The volunteers may not be old friends of the prospective donors, or even know them well. It would be wonderful if the prospects owed the volunteer a big favour, or wanted the volunteer's business — but that's unlikely to be the case in a grassroots group.

The volunteer is nervous about approaching the potential donor. After some careful training and role-playing, the volunteer, teamed with a buddy, is hesitant, but is now willing to try.

After several phone calls, the volunteer arranges an

**appointment to meet the prospect. They talk. The prospect is impressed that this person she knows, even if only slightly, is so dedicated.**

**After the discussion, she wants time to think about it — after all, this is a lot of money. They arrange to talk again.**

**On the second visit, the prospect gives more money to this group than she ever gave them before.**

**The volunteer isn't sure whether to be grateful for this gift, or frustrated that it wasn't much more. Mostly the volunteer is relieved that it's over, and makes a quick exit.**

**The organization, if it's smart, thanks the donor quickly and treats her well. The next year, the same volunteer goes back and gets a bit more. This continues through increasing gifts and, ultimately, a bequest.**

*Is this for you?*

**To summarize, the techniques described here are not for groups that:**

- **are primarily interested in building up a large base of supporters for now;**
- **are uncomfortable asking some people to give more than others;**
- **want to focus on institutional donors, direct mail, or special events;**
- **cannot identify any prospects who might give even a few hundred dollars;**
- **cannot find the volunteers they need;**
- **cannot devote time and effort to preparation; or**
- **are enthralled by the fantasy of super-rich people giving endowments without work.**

**This method is for nonprofit groups that:**

- **need quick cash;**
- **want a lot of money for a special project, such as a building or equipment; or**
- **are prepared to work over the long term to build an endowment fund that will earn interest to give your group financial freedom.**

**If you're ready to continue, let's go!**

## **How Much More Income Could You Raise This Way?**

**You could do a quick-and-dirty campaign in just a few weeks. The main task would be to have volunteers visit the most generous of your current donors. Leave new donors out for the moment — it takes a little longer to prepare for them.**

**Here's how to estimate your income:**

### **The Income Potential Test I: A Short-term, Quick-and-Dirty Campaign**

*How many volunteers can you gather?*

**The number of volunteers is usually the limiting factor. It surprises many people to discover that they may be able to identify a surplus of potential donors. If there were time and people enough to ask them all, you could raise still more.**

**Start by estimating how many volunteers would be willing to:**

- (a) invest 15 or 20 hours,**
- (b) participate in training,**
- (c) visit people they know, and**
- (d) ask for a donation in person.**

**Let's use a fictitious organization as an example: "Friends of the Fountain Pen" (FOFP). They can get 12 volunteers involved in this task, not counting some who said they were too shy to visit anyone in person, but would write letters with their favourite fountain pens.**

*How many prospects can you visit?*

**Doing this properly, each volunteer works as part of a two-person team. Thus the Friends of the Fountain Pen, with 12 volunteers, have 6 teams.**

**Each team visits at least 5 prospects. Thus, 6 teams visiting 5 prospects each gives you 30 visits.**

**Some people prefer to work alone. Although the total number of prospect visits will be higher, in many cases the average donation will be lower.**

*How much have the prospects you will visit given in the past?*

**Look at the top individual (not corporate, foundation or government) givers on your donor list. Choose one prospect per visit.**

**How much was their total giving last year? If any of them gave significantly more in the previous two years than they gave last year, use the larger amount as your base line.**

**The top 30 donors to Friends of the Fountain Pen gave from \$50 (most of them) to \$500 (one of them). The total for all 30 was \$3000.**

**For now, don't include people who might give for the first time if only you could figure out how to get to them. Estimating their giving will depend on more careful research into their ability to give and how much they are publicly**

**known to have given to other nonprofits.**

**FOFP reluctantly agrees that without personal contacts, three 'fantasy' prospects cannot yet be included: two former prime ministers and a famous millionaire, all of whom board members had seen using fountain pens on TV. Such people may become donors in the long run, but don't spend time considering them during this brief campaign.**

**Do not include anyone you are certain would not give more even if the right person asked them personally. Perhaps they are angry with your group; perhaps you suspect they could not afford to give more. Cultivation and research may bring them around, but that's not a job for a quick-and-dirty campaign.**

*How much could these prospects give?*

**Were your supporters' past donations made in response to letters, phone calls and events, and not to visits like this? If so, they are likely to give much more generously than they ever have before. Many of them will give from 50% more to double their past gifts.**

*Realistically, what portion will give, and how much?*

**Not every prospect will be willing or able to give. Past experience shows that three or four out of five past donors will probably donate again at this level, using these techniques.**

**If you approach people who have never given before, a smaller portion will respond. Your results are more likely to be one in five for them.**

*Will people make multi-year pledges?*

**Many of the donors will agree to give each year for three to five years. Unfortunately, not all of the donors will make good on their pledges. You'll probably collect about three-quarters of the amount promised.**

## **The Income Potential Test II: A Long-Term, Careful Campaign**

*How much of your income could come from major individual donors if you keep at this and do it right?*

**The usual ratio is that 80% of a group's donations should come from the top 20% of donors. This is the "80/20 Target".**

**In some large capital campaigns the ratio is now higher. Some have seen 90% of the money come from 10% of the donors. In some cases a mere 1% of the donors contribute fully 95% of the income.**

**That's impossibly heady country for most grassroots groups. However, most small organizations can do better than they are doing now. The 80/20 Target is a reasonable goal — over several years. How much more could your group raise if you could achieve the 80/20 Target?**

**The top 20% of donors are very important:**

**Of that 20%, about 90% are seen by somebody face-to-face. Very few people give \$100,000 over the telephone. And probably even [fewer]**

**people give \$1 million in response to a letter. People have to be seen; there has to be contact eye-to-eye and heart-to-heart in order to be convincing. Now why isn't it done more? Because the solicitation process is a much more difficult process than all other fundraising methods.<sup>21</sup>**

<sup>21</sup> Aryeh Neshet, "The Skills Required for Face-to-Face Solicitation," *Fund Raising Management*, November 1984, p 18. Reprinted with permission.

# Secret No 1

## The Right Volunteers

**The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.**

— *The Six Secrets of Big Gifts*

**Volunteers must be the ones who ask prospects for big gifts. This is not a job for staff — not even the executive director. It is certainly not a job for consultants.**

**Some organizations with few or no staff have dreamed of hiring someone to look after fundraising for them. Re-evaluate! Staff can fill in grant applications for government, foundations, and some corporations. Staff or consultants can handle direct-mail campaigns. It is even possible (if expensive) to pay people to make telephone fundraising calls.**

**Appeals to major individual prospects, however, must be led by volunteers. A staff person may *accompany* the volunteer on a visit to an individual prospect, but should never take the lead role. There are several reasons for this.**

**First, donors *expect* to be visited by volunteers, not staff. As one donor said, “If the organization can't get a volunteer out for the 15 or 20 minutes it will take to talk to me, they are in big trouble, and I'm not throwing good money after bad.”**

**When staff people ask for donations, it looks too much like they are asking for their own salary — and often, they are! Volunteers convey sufficient distance to keep the focus where it belongs: on the work the organization will accomplish with the donors' money. In rare cases, where a senior staff person carries a great deal of prestige, he or she can be involved in a fundraising presentation. A university president or a dean, a bishop or a respected rabbi, a scientist or a noted journalist, for example, may be exceptions to the rule.**

**In addition, face-to-face solicitation often depends on personal contacts. At a forum I helped organize on major gifts, philanthropist Lyman Henderson talked about who can ask him for a donation:**

**It must be a personal approach by someone we know. And the credibility of the appeal is going to be very much dependent on the credibility of the person we know, and the degree of friendship or the degree of prestige or whatever, that that person has.<sup>22</sup>**

**Other people have said much the same. For his book *Mega Gifts*, Jerold Panas interviewed people who had given donations of over \$1 million. Here's how one of them described the importance of who asks.**

**George Pardee tells how having 'the right' person call on him can make the difference:**

**I'm really interested in the Boy Scouts; so when they called on me the first time for the YMCA capital programme, I just wasn't interested. That's no reflection on the Y — it's just that it isn't as dear to me as the Boy Scouts. The second time around, well, the person who made the call on me was the difference. I have so much respect for him, I felt I had to do something. It wasn't nearly as much as I give to some of my other charities, but it wasn't insignificant, either. I like to be called on by the right person. No matter how worthy the cause, the solicitor has to be someone I respect.<sup>23</sup>**

**Don't let this frighten you away. Many people assume they don't know anyone who could be a major donor. As you will see in this book, most people have more contacts than they realize at first. Further on, we'll explain how to work with people you don't know, and develop new contacts.**

**However, everybody has a limited number of existing contacts. If you depended only on staff people to use their contacts, their lists would quickly be exhausted. Fortunately, every volunteer brings his or her own circle of friends, and each new volunteer brings more contacts.**

**Finally, face-to-face fundraising takes time. It does not make sense to pay people to do what volunteers can do. Although the rewards are very large, volunteer labour is still more cost-efficient. In this era, all nonprofits have to be highly cost-conscious.**

**Despite my strong conviction that this work is best done by volunteers, there may be exceptions to this rule. I write this reluctantly, fearful that some novices will see this as an excuse not to follow the more difficult, but more effective route of volunteer leadership.**

**A volunteer who knows the prospective donor will almost always be the best**

<sup>22</sup> Canadian Centre for Philanthropy workshop, Toronto, June 13, 1989. "This is a convention of foxes," Lyman Henderson said, "and you've asked four hens up to say how to undo the lock on the chicken coop." Lyman Henderson, in addition to being a generous donor and co-owner of a printing company, is the author of *The Ten Lost Commandments of Fund Raising*.

<sup>23</sup> Jerold Panas, *Mega Gifts: Who Gives Them, Who Gets Them* (Chicago: Precept Press, 160 East Illinois, Chicago, IL 60611, tel (800) 467-9271 in the US or (312) 467-0424 Fax (312) 467-9271), page 87. Reprinted by permission.

**door-opener. If you don't have such a volunteer, however, the choice comes down to approaching the prospect now with a staff person or waiting until you can find the right volunteer. In some cases, the group's need is so urgent that it just can't wait. In others, the chances of finding a good volunteer (even after reading the rest of this chapter) may seem low. If that is your situation, begin the process with staff — but use the most senior staff person you have. More research, more homework, and more visits will almost certainly be required to achieve success.**

**But in an article devoted to taking a contrary view of accepted wisdom, US fundraiser Michael F Luck writes:**

*...Fundraisers should do most of the fundraising and not depend solely on volunteers. Most people dislike the act or process of fundraising. The few people who are comfortable asking for gifts are usually not even good at it. The idea of assigning prospects to volunteers and training them to be fundraisers is part of philanthropic legend — it is just not worth the time and energy. For peer solicitation, however, volunteers may be of help in writing letters of introduction, making telephone calls or making verbal requests for attention from their colleagues, friends and acquaintances on behalf of the fundraiser.*

**One way to be an effective peer fundraiser is to become well known in the community. This is accomplished by being active in the community — getting on boards, helping other nonprofits and socializing. The bottom line is: If you do not have social events in your home for people in the community, they will not invite you to theirs.<sup>24</sup>**

### **Is there a role for consultants?**

**Consultants can be of great help, but they can't do it for you. They are not for every organization, either.**

**As solicitors, consultants invite even more controversy than staff. Prospects may see them as mercenaries without real loyalty. Despite many honourable consultants with outstanding records of public service, the behaviour of a few unscrupulous individuals has led to understandable concerns. This is especially a problem if the consultants are paid a commission based on a percentage of the total raised, or if they contact prospects on the group's behalf. Ethical consultants are paid according to the amount of time they work, and they always stay behind the scenes. They must not act as your 'sales representatives'.**

**Although I am writing this as a self-help book, I am also head of a consulting firm. To avoid a conflict of interest in answering this question, let me turn to Lyman Henderson:**

**What about the incorporated fundraising companies? It would seem that a charity could benefit from their experience without making a staff commitment. On the whole, they are effective or they wouldn't still**

<sup>24</sup> Michael F Luck, "A New Twist on Old Fund-Raising Maxims," *NSFRE Journal*, Summer 1990, pp 30-31.

**be in business. But they are expensive — particularly when compared to volunteers. And because their reputation rests on success, they may push you farther and faster than you wish to go.**

**A fundraising company will:**

- 1. provide you with experience and expertise in planning and methods;**
- 2. analyze what needs to be done to reach your goal and advise whether this is realistically obtainable;**
- 3. help with organization and administration;**
- 4. plan the recruitment process;**
- 5. set a value on key target corporations and individuals (from previous experience);**
- 6. plan and produce campaign materials;**
- 7. train canvassers;**
- 8. keep the machine running even during difficult times; and**
- 9. most importantly, provide *focus*, cutting short time-consuming discussions about which organizational setup or which approach to use.**

**It will not:**

- 1. raise money for your cause;**
- 2. provide canvassers or volunteers;**
- 3. guarantee success.**

**Professional fundraising companies are particularly valuable in one-shot appeals, where you have neither the time nor opportunity to build up experience and expertise. They are also excellent when an organization is starting out on the campaign trail. In these cases they can be worth their weight in gold. But they would be the first to say that their value is in the relatively short term while they train your volunteers to do the job themselves. Are you too small to interest a fundraising company? Why not ask them? They'll soon tell you whether they're interested or not.**

**It is essential to build up a professional approach and method in fundraising. If you are new to the game, you can follow the twisted trail of trial and error (if you survive long enough) or you can recruit or hire experienced help. Having tried both, I strongly recommend getting a consultant on board even if you have to pay for it.<sup>25</sup>**

**To get a list of consultants, contact:**

**The Canadian Centre for Philanthropy  
2nd floor  
1329 Bay Street  
Toronto, Ontario  
M5R 2C4  
(416) 515-0764**

<sup>25</sup> Lyman Henderson, *The Ten Lost Commandments of Fundraising*, David + Henderson's Bicentennial booklet (Toronto: The Council for Business and the Arts in Canada), 1984, pp 25-26. Reprinted with permission.

## **How many volunteers do you need?**

**You need volunteers to do several different tasks. Depending on your situation, these may include:**

- **Recruiting other volunteers**
- **Training other volunteers**
- **Identifying potential donors**
- **Researching prospective donors**
- **Preparing information about the organization**
- **Cultivating the prospects**
- **Visiting the prospects and asking for the donation**
- **Handling simple correspondence**
- **Making sure good records are kept for the future**

**In small organizations, the same volunteers will do all these different types of work. This is easiest to administer, and makes sense when there aren't many people. In addition, it saves a lot of formal research if a volunteer who knows the potential donor well handles all the phases. That may not always be the best way, however.**

**If your current volunteers are overworked or don't feel competent to do some part of this, you may need to recruit others with special skills. Many grassroots groups find that their volunteers and board are very committed to the cause, but don't approach prospects directly because they are too busy or because it makes them uncomfortable.**

**It may be appropriate to divide the tasks according to special abilities. Someone who is good at research may not be good at asking directly, or *vice versa*. Or someone who is good at asking may be too busy to handle the other details.**

**At least ten volunteers are required. Below that number, it is hard to sustain enthusiasm. It may also be hard to keep up the momentum if one or more volunteers drop out for personal reasons. It is possible to succeed with fewer volunteers — but it is harder.**

## **What would be a good job description for a volunteer solicitor?**

**The volunteer solicitors you need must be willing to:**

- *Ask potential donors face-to-face.* **It is important that the volunteers actually visit the prospects, and come right out and ask for a donation. They must not fall back on using the telephone or writing letters. Much, much more money is raised through direct personal contact than by mail or phone calls. They must not be wishy-washy. Ultimately, they must ask.**
- *Accept training.* **There are right and wrong ways to ask prospects for donations. Using the wrong methods can damage your reputation and turn off a potential donor — permanently. Training will likely take about three hours in a group session.**
- *Ask five to ten people each.* **In view of the training and preparation needed, it is usually not worth the trouble to train someone who will ask fewer than five prospects. Of course, there are exceptions to the rule. If a volunteer can get a large enough donation, a single appeal may be all that is needed. For the most part, however, that is fantasy, not reality. Don't let volunteers take on more than five visits at first. In a list of common mistakes people make, Warren Steen includes this:  
*One volunteer took 22 pledge cards! Isn't that great?*  
**No, that is terrible! Encourage your enthusiastic volunteer to take a maximum of five or six pledge cards. Diplomatically tell him or her that additional cards will be assigned after these have been worked.**<sup>26</sup>**
- *Make their own generous gift.* **The volunteers who ask others to give must first make their own donation. It does not have to be a lot of money, but it must be generous according to their own ability. "It's interesting to ask a person who approaches you, 'How much did you give?'" says Lyman Henderson. "If we find somebody said, 'Well, I'm still thinking about it,' then I don't think that approach has been particularly significant."**<sup>27</sup>

<sup>26</sup> J Warren Steen, "Fourteen Fallacies of Capital Campaigns", *Fund Raising Management*, September 1992, page 22. Reprinted with permission.

<sup>27</sup> Canadian Centre for Philanthropy workshop, Toronto, June 1989.

## **Why is it better to have volunteers work in teams of two?**

**Have your askers work in pairs. Two people should visit each potential donor.**

**This does mean it will take more volunteers than if one person visits alone — twice as many. The results are worth it, however.**

- **Before the visit, if they are reluctant to make calls, one can urge the other on.**
- **The prospects will be impressed that they are important enough to send two people.**
- **The two volunteers can keep each other on track, each filling in any points the other has forgotten.**

**It is tempting to skip this stage. Some inexperienced people let the volunteers decide for themselves if they want to team up. This is a bad idea. Here is how one fundraiser learned the merit of visiting in teams:**

**One prospect taught me the value of taking along a co-solicitor. He was a master of dramatically and unexpectedly changing the subject. Just when I thought he was ready to hear an important point or was primed to respond positively to my donation request, WHAM! — off he went on an unrelated topic.**

**So I tried again. We'd end up on the same roller-coaster ride. I was stymied and went home without a gift. He was chuckling, I'm sure.**

**The director of development came along for the next visit. She presented the case. I observed and made points at opportune moments. He tried to divert our attention, but I was able to steer it back on track. I heard when it was time to ask for the gift. I did, and he said yes.**

**He's now my favourite prospect to solicit — with or without a partner. Our time together is almost like a fencing match. Thanks to him, I've learned to listen intently, to be very focused, and to have some fun.<sup>28</sup>**

**Match the teams up carefully, if you can. There are various ways to do this. Hints for matching include:**

- **Match an experienced person with a new person.**
- **Match someone who is shy with someone outgoing.**
- **Match someone who knows the facts and figures with someone who can make an emotional appeal.**
- **Match a person who is a close friend of the prospect with someone who is more objective.**
- **Match someone who may be impressive, but doesn't know your organization well, with someone who can speak knowledgeably and can close strongly.**
- **Match a volunteer with a staff person, if a staff person must go.**

<sup>28</sup> Marga Callender, "Solicitation Calls: A Personal Reflection", *The Nonprofit Times*, March 1993, page 28. Reprinted with permission. Marga Callender is a development officer for the School Sisters of St Francis, an international organization of women religious and associates.

## **How much time will this require?**

Each visit will take from twenty minutes to an hour. (If the volunteers stays longer than that, they're visiting their friends, not making a fundraising call.) A few prospects may require a second visit, or even a third.

A volunteer team will need time to plan a strategy before visiting. Allow a little more time to make notations in the file after each visit. Add in a little travel time to and from each visit. Altogether, it may take five to ten hours for this segment.

Add to this two or three hours for a post-campaign session to share lessons learned, to evaluate and to celebrate. Include the three hours for training noted above. We're now up to between 10 and 22 hours.

If the same volunteers are involved in identifying potential new donors, an additional two or three hours each will be needed.

Researching the prospects is important, particularly if you are approaching people you don't know very well, and even more so if you are looking for very large sums of money. The amount of time for research is harder to estimate. An hour or two is often plenty for covering the main points for an average prospect. However, when the prospect is well known or exceptionally generous, research can continue to uncover useful information for much longer — days and days. But that is rare for a grassroots group.

## **Where can you find volunteers?**

There are people in almost every community who would be willing to help you raise money. Many organizations are surprised to discover how easy it can be to line up volunteers.

Start with people who already know your organization. They are already supporters, and have a good understanding of your purposes. It will take less time to convince them of the need or to educate them on your work. They may need training on how to ask for a big donation, though. Begin with:

- *Current board members:* Members of your own board of directors are the best volunteers, because prospects will see them as the people who are most committed. Important prospects may also feel that people equally important should come to see them about gifts. However, current board members may be too busy, or feel that this was not why they joined the board.
- *Past board members:* They have almost as much prestige and commitment as the current board — maybe more. They are likely to have more free time. Many organizations have been surprised to discover that people who were board members years before would welcome the opportunity to help out, but may prefer not to serve on the board again.
- *Current and past volunteers:* They know what you do, and they may be glad to do some different work for a change, if they have the skills. You

**know them well enough to evaluate what they can and can't do.**

- *Current donors:* **They can talk to other donors as equals, and they obviously understand and support your work to some degree already. Some are pleased to be asked to do more; few are likely to be offended at being asked. There is a risk that they will discover unpleasant truths about your organization when they see it in action up close.**
- *Current and past participants* **You may call the people your organization serves by many names: alumni, audience, clients, customers, drop-ins, fans, learners, members, parents, performers, players, recipients, spectators, street people, students, subscribers, telephone callers, viewers, and so on. For brevity's sake, I will refer to them all here as participants.**

**This applies equally to arts groups and social service groups, advocacy groups and schools, sports teams and health care providers. All have people who participate in one way or another.**

**They can explain why the work you do is important better than anyone. They are not appropriate in some groups, for example where confidentiality is a concern.**

- *People not already active in your group.* **Don't limit yourself to people who are already or have been actively involved with your group. Although people who have been active are probably easier to recruit and more effective as representatives, new people may have much to offer. They bring new contacts, fresh energy and a new way of looking at things.**

**Some groups are hesitant to bring in 'outsiders'. Self-help groups, for example, may feel that no one else can understand the situation the way they do. Sports groups think that people who don't participate (or drive their kids to practice) will not care as deeply. Cultural groups may suspect that people not steeped in the intricacies of their culture won't communicate in the same way.**

**All that may be true, but outside people can still be useful, even if sometimes in a limited way. Often, outside people are interested and supportive. Discovering how to include them can be energizing and liberating.**

**Care should be taken in opening your group up to new volunteers, of course. Don't ask them to do too much too soon. Don't give them too much power before you have developed trust.**

**Here are some examples of outside people who would be particularly useful to recruit to help with major individual donations:**

- *People active in fundraising and service clubs:* **Someone who learned how to do this kind of fundraising in a campaign for the United Way, a hospital, a school or a religious centre may be willing to show you the ropes.**
- *Family and friends of people actively involved with your group:* **People who care about your current volunteers, staff and participants may be very willing to help out. Often they wonder when they'll be asked, and are pleased to be included.**
- *Business leaders recently promoted to upper management:* **Busy as they**

are, they still need to make contacts and demonstrate that they are community-spirited citizens. If they don't already support you, though, you have to persuade them that you do good work *and* that they should volunteer. Find them through colleagues who work in the business world and by reading announcements in the media.

- *People who have recently retired from business:* You can help them fill their newly empty hours and make use of their experience. A cautionary note is required: many people who retire discover that their influential circle of business contacts evaporates the moment they leave the job.

It can be depressing to discover that people you thought would do you a favour as a friend were really only interested in a mutually beneficial business relationship that you can no longer deliver.

- *People just moved to town:* You can help them make new friends and get established in the new community. They can bring expertise they've developed elsewhere. Find them through Welcome Wagon, real estate agents, schools, and so on.
- *People connected to politics:* People who run for political office (and those who work behind the scenes) are often active in many ways in their communities. The best of them do so because they genuinely care. Cynics may say that some are only interested in gaining exposure and meeting potential supporters. In either case, political people may be willing to be involved in your fundraising campaign (and if they get elected, you may have friends in high places). Get their help before they declare their candidacy. Once they are openly running, they may be too partisan, and too busy, to really help.

Frank Stronach, the millionaire owner of auto-parts maker Magna International, is one example of the positive side. He has been active with charities for years. For example, he served as national chair of Big Brothers in the mid 80s, and they continue to be a favourite of his. He holds fundraising barbecue parties on his farm called Frank's Festivals (with entertainment from bands like the Good Brothers) to benefit organizations in the Aurora-Newmarket community, ranging from a shelter for abused women to sporting groups. He chaired the regional United Way campaign in 1983. In 1986, he served as chair of the York-Finch Hospital's \$5 million dollar campaign, because so many of his employees lived and worked in the area. "He signed every single letter, hosted lunches and dinners, leveraged several big gifts, and was a real hands-on, terrific chair", according to Nancy Redner, who was the hospital's staff fundraiser. Frank Stronach ran for political office in York Simcoe in 1988. Although he lost the election, he continues to be an active fundraiser.

## **Help volunteers overcome the fear of fundraising**

**Most of us believe that we don't know much about fundraising. And many of us are afraid of it.**

**“Ask people for money? Not me! No way!”**

**Sound familiar? There is a solution: get them `hooked' on fundraising.**

**Many people find they get hooked on fundraising. They cite a number of reasons leading them to feel this way:**

- **Comprehensive training leaves volunteers confident that they know how.**
  - **After you successfully obtain a donation, the feeling is fantastic.**
  - **Fundraising is enabling and empowering. Good fundraisers realize they are not merely asking for funds — they are creating a better, more effective organization. Fundraising builds public support and enhances your group's public image.**
  - **Fundraising allows you to get out into the community at large and talk about the organization to new people.**
  - **Fundraising can help educate people about your organization's work. It also measures the success of your past educational work.**
  - **If you handle it properly, you're not going to lose friends by asking for donations. In fact, people who give feel good about themselves. People who are not asked to give often wonder why they have been left out.**
  - **The volunteer who raises funds uses and improves skills in communication, presentation, networking, educating and organizing.**
  - **It is pleasant to discover how much you already know about how to raise funds, and about who gives.**

*Remember: You're not begging: you're offering an opportunity.*

**It is easier to recruit volunteers if you remind them that the prospective donor is not going to be forced to do anything unpleasant.**

**The goal is to build a long-term and positive relationship with supporters who may give again and again over many years. Offer prospects an opportunity to fulfill their own best intentions. Contributions make a difference in people's lives — no small benefit!**

**Henri Nouwen, a Catholic priest known for his many books on spiritual journeys, tackled this very topic. “Fundraising is proclaiming what you believe in,” he said, “and doing it in such a way that you offer the other person an opportunity to participate in your vision; precisely the opposite of begging... People only invest money in people who know how to make money grow... not in people who say they have nothing, who will start begging again next week... Ask for money standing up, not bowing down.”<sup>29</sup>**

**Neither guilt, embarrassment, harassment, pressure or any of the other**

<sup>29</sup> Speech given by Henri Nouwen on “The Spirituality of Fundraising” at the St Marguerite Bourgeoys Society annual meeting, Toronto, 15 September 1992. Reprinted with permission.

**negative reasons to give have any place in this kind of fundraising. The goal is not to extract money from unwilling victims by any means necessary. This is not the place to try to squeeze money from a rock or a turnip. At best, that gets money for today, and makes future fundraising much harder. At worst, it backfires immediately.**

**Your goal is nothing less than to change the donor's life by a great unselfish act — a huge gift in money and effort to achieve good. You inspire him to transform his life by tremendous benefits to others.<sup>30</sup>**

**Some people are amazed to discover that this approach works! Here's an example of what happened when a tenants' rights group approached a slum landlord. The story is told by the board member who made the visit:**

**He didn't own any property where we were organizing. I knew he owned some really foul buildings in another part of town, though. I took some pictures in our neighbourhood, and took a community leader from that neighbourhood with me. We talked for a long time about irresponsible landlords, run-down properties, crisis in public housing and the like.**

**He finally said, "You must know that I am one of the people you are criticizing".**

**I said, "I don't believe you would have agreed to see us if that were true. You have made some serious mistakes with your properties and let them get run down, but in your heart you are not a slumlord." He looked so puzzled and sort of half hurt and half complimented.**

**He said, "How much do you want?"**

**I said, "\$5000." He wrote the cheque right there. The next day he started fixing up his buildings.**

**This slumlord was not a bad person. He grew up in a slum, but he had removed himself from all that. Instead of reminding him that he was a capitalist pig, I reminded him of something that had been true a long time ago — that he was a decent, caring person. Who knows how long he's going to act right, but it's a good start.<sup>31</sup>**

*Don't do what feels wrong.*

**Some volunteers feel a prospect would only give as a personal favour. This certainly happens. However, it does not build a long-term relationship between the organization and the donor. It is seldom worthwhile.**

**Some volunteers feel they will be obliged to give an equally large gift to some other cause the prospect supports. This too happens. It is the organization's job to make this less likely, by keeping the donor excited about the work and pleased to be thanked so thoroughly.**

**Don't send any volunteer to ask for a donation from someone they don't want**

<sup>30</sup> Charles F Mai, "Cultivating Major Gifts", *Fundraising Management*, August 1991, p 56. Reprinted with permission. Mr. Mai is the past director of planned giving and legacies for the American Cancer Society in Chicago, Illinois, and in Columbia, Missouri.

<sup>31</sup> Kim Klein, "Profile of a Major Fundraiser", *Grassroots Fundraising Journal*, October 1987, vol 6, p 6. PO Box 11607, Berkeley CA 94701. Telephone (718) 768-3403. Reprinted with permission.

**to ask. Some people are willing to ask strangers, but never someone they know. Others feel the exact opposite.**

**For more information on how to proceed once you have recruited them, refer to the chapter on how to train volunteer solicitors.**

**The next step is to identify potential donors. This may involve work by volunteers as well as staff (if you have any).**

# Secret No 2

## The Right Donors

**The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.**

— *The Six Secrets of Big Gifts*

### Who gives more: individuals or corporations and foundations?

**Contrary to popular belief, corporations and foundations are not the most important source of income for nonprofit groups.**

**Corporations give only 7% of all private donations to nonprofits in Canada. Foundations give only another 5%. Individuals give 88% of the money — about \$3 billion dollars in 1990.<sup>32</sup> These percentages are almost exactly the same in the USA.**

**Individuals give more to Canadian charities than foundations and corporations *combined* — 730% more!**

Foundations                      5% or \$170 million

|||||

Corporations                      7% or \$238 million

.....

Individuals                      88% or \$3 billion

#####

<sup>32</sup> Allan Arlett, Phelps Bell and Robert W Thompson, *Canada Gives: Trends and Attitudes Towards Charitable Giving and Voluntarism* (Toronto: The Canadian Centre for Philanthropy, 1988), p 18. Reprinted with permission.

## **How do you find the generous people who donate big gifts?**

**It is not as hard to find generous donors as most people think. In fact, you may be surprised to discover major prospects among people you already know.**

**Research has given a detailed profile of the typical major donor. Of course, your own donors may have a different pattern of characteristic traits. *Canada Gives* provides two profiles of donors.<sup>33</sup>**

**The most generous donors to nonreligious activities are most typically:**

- **thirty years of age or older<sup>34</sup>**
- **married, with children or with children who have left home**
- **two-income families**
- **in a professional or managerial occupation**
- **making \$50,000 annual household income**
- **university-educated**
- **regular religious service attendees<sup>35</sup>**
- **also donors to religious organizations<sup>36</sup>**
- **Prairie residents**
- **active in the community**
- **members of at least two associations**
- **volunteers**

**“The two most important factors are religion and community involvement.”**

**The most generous donors to religious organizations are often:**

- **sixty years or older**
- **married, aged 30 to 50, with children**
- **married, aged 40 and over, with no children**
- **single, age 50 and over, with no children**
- **two-income families**
- **in a professional or managerial occupation**
- **making an annual personal income of \$40,000 or more**
- **university-educated**
- **Atlantic residents**

<sup>33</sup> Allan Arlett *et al* in *Canada Gives*, p 77 (nonreligious causes) and p 83 (religious causes).

<sup>34</sup> “The average size of donations increased with age. Average income increased up to a peak for the 50-54 age group and thereafter it declined. In percentage terms, donations related to average income increased consistently with age from 0.12% for those under 20 years of age to a high of 2.04% for those aged 75 or more”, according to Allan Arlett *et al* in *Canada Gives*, p 30.

<sup>35</sup> “Those who claim to be very religious and attend religious services more frequently give larger amounts to charity. Similarly, those who are most active in the community and belong to the most organizations are the most generous.” Allan Arlett *et al*, *Canada Gives*, p 81.

<sup>36</sup> “The 42% of respondents who support only nonreligious causes gave \$42 (Quebec \$32); the 42% who gave to both religious and nonreligious causes gave a median amount of \$241 (Quebec \$169). This is a very major difference.” Allan Arlett *et al*, *Canada Gives*, p 82.

- **very religious<sup>37</sup>**
- **religious attendees**
- **active in the community**
- **members of at least two organizations**

**A US researcher added a few other factors, and came up with the next profile. It varies only slightly from the Canadian models above, but focuses more specifically on the biggest donors. The most likely major donor has<sup>38</sup>:**

- **previously given to your group**
- **personal contacts with someone in your group**
- **money to give**
- **been known to give to many causes**
- **demonstrated interest in your cause/issues**
- **served as a board member — if not on your board, for other groups**
- **received an award for community service**
- **children**
- **lived to be over 55 years old**
- **conservative views (no matter how they vote)**
- **fairly religious values**
- **remained married to their first spouse**
- **a high profile in the community**
- **a likelihood of leaving a bequest to your organization**

**At the simplest level, the people who will give the largest amounts are “willing, capable, and interested”, in that order, said John Thomas.<sup>39</sup>**

*Willing:* **First and foremost, the prospect must be willing to give to some organization. Many people have enough wealth to make major donations, but simply are not the generous type. In fact, the wealthiest people are not the most likely to give to a nonprofit group.**

**After your own donors, focus on people who already give to other nonprofit groups. It is easier to convert them to your interests than it is to get a donation from people who like your work but don't have the giving habit.**

*Capable:* **The ability to give requires more than wealth and a generous heart. Some people would like to give but cannot, because of their expenses. People living in magnificent houses and driving fancy cars may be so deep in debt that donations are not possible until they return to fiscal health.**

*Interested:* **There are over 67,000 registered charities in Canada, and countless more unregistered nonprofit groups. Even the most**

<sup>37</sup> “Non-Christian religions give substantially more than Christians. Among the latter, Protestants donate more than Catholics.” Allan Arlett *et al*, *Canada Gives*, p 86.

<sup>38</sup> Original source unknown.

<sup>39</sup> Speech at the Canadian Centre for Philanthropy Conference, November 1988.

**generous donors must make decisions about what to support and what not to.**

### **Start with people who already support your group**

**There is a big and dangerous delusion about major donor campaigns.**

**Many people share the false notion that the campaign should begin by finding a really wealthy person (even though that person may never have heard of your group before, much less donated to you). Then they try to persuade him or her that your group is worthy of support.**

**Quite the contrary. The secret of success is to begin with those most familiar with your group, those who have already demonstrated their commitment. Then slowly widen the circle of contacts.**

**...The danger is that enthusiastic campaign leaders sometimes concentrate so much on new money that they have no resources left for base maintenance. Consequently, their growth is not what has been predicted as most of the new money is needed to replace erosion of the old. Why does the *new* glitter more than the *old*?**

**Consider there's extra gold in them thar old hills. What better place to search for additional support than among those who have already been won over to your side? Old supporters can often be convinced to increase their giving at least to match inflation. Others can be coaxed to move up from the `Friends' category to the `Patrons', by giving more and enjoying the added privileges of the higher bracket. Still others can be convinced, on a more direct approach, that the organization needs them for an extra special effort this year and they may respond because of their strong belief in the cause.**

**In any case, the message is, "Look to your old money first."**

**"A bird in the hand is worth two in the bush",  
but only if you keep a good grip on the bird!<sup>40</sup>**

**Start with the people you know best. It will come as a shock to some people that board members should be your first donors.**

**Your major gift prospects are, in order of priority:**

- 1 board members, current and past**
- 2 largest current and past donors:**
  - a) largest single donations**
  - b) largest total cumulative donations**
  - c) most frequent small donations**
- 3 volunteers and staff, current and past**
- 4 participants and, in some cases, their families**
- 5 contacts of board members and volunteers**
- 6 strangers — people selected on the basis of research:**
  - a) people known to be generous to other nonprofits**

<sup>40</sup> Lyman Henderson, *The Ten Lost Commandments of Fundraising*, p 10 (emphasis as in the original).

- b) people who display interest in your area
- 7 least likely: wealthy people with no known interest in your work and no record of philanthropy

Another way to express this is as 'circles of influence'. Visualize a target, or the solar system. The people in the centre are the most likely to give. The farther out they are, the less likely it is that you will get a big donation. Current and past board members are in the centre. Donors, current and past, are in the next ring. Volunteers and staff, past and present are a little further out still, followed by participants and their families and contacts of board and volunteers. Strangers known for their generosity are at the outer limit — the only ones more remote are strangers known for wealth but not generosity.

**Why ask the board to give first? How do you ask?**

“Our board give? He must be joking! They can only afford to give their time. We don't have a bunch of rich people on the board, and we don't want to.”

Many people don't believe there is any point in trying to get their board to give at all — let alone give first. Yet there are good reasons why it is important. There are techniques that can make it surprisingly easy. Even in difficult circumstances, such as boards intentionally composed of poor people, it can be done.

Board giving is important. Even a token amount has value. In the eyes of prospects, this symbolic gesture of leadership may far overshadow the actual amount of money that a board member may be able to afford.

Let's explore three issues:

- Is it possible to get the board to give major donations?
- Why is it worth the trouble?
- How do you get board members to give?

*Is it possible to get the board to give major donations?*

If you are convinced your board members can not give or will not give, you are not alone. Many organizations share this conviction. They may be right. However, this perception must be challenged and forestalled early in the campaign.

It is not necessary that all board members be rich. It is even not necessary that all of them give large donations. It is, however, absolutely necessary that *all* make some level of financial contribution. Each board member should be giving as much as he or she can afford.

Is this realistic?

A true story will show just how realistic it is. Lucy Charron, the then Coordinator of the National Anti-Poverty Organization (NAPO), was attending a fundraising seminar for small organizations on Grindstone Island (north of Kingston, Ontario) in September of 1989. When others in the room expressed

**doubts about board members of grassroots groups giving money, she responded:**

**NAPO has a by-law requiring that two thirds of board members must be currently or formerly on welfare. One hundred per cent of our board contribute financially.**

**Imagine the *moral power* this gives NAPO when it asks a prospect to give! Many other organizations have found that board members are willing to give donations in addition to their time, when approached in the right way.**

*Why is it worth the trouble?*

**Why is it so important for board members to give money? They already give their time. They may be paying expenses to come to meetings — sometimes major travel costs. Even if they do give, it won't add up to much money.**

**There are several reasons:**

**Prospects have been known to ask outright, “Do 100% of your board contribute? If not, come back and see me when they do.”**

**Prospects feel nervous about an organization where the board does not appear to be firmly enough committed to put their own money on the line. After all, if you cannot persuade your own board to give, how can you persuade others, who have less attachment to your mission?**

**It is also important for at least some of the board members to be involved in meeting potential donors. Staff should not take on this role alone. If a prospect asks the board member how much he or she is giving, as they sometimes do, it is not sufficient for the board member to reply, “I give my time.” Time does not pay any bills. The prospect is apt to respond, “I'll give my time, too, and you've just had an hour of it. Goodbye.”**

**Even if the board member can give only a small amount, this can be adequate. If prospects ask, tell them, “We keep the actual amount of everyone's donations confidential. However, I can assure you that I give as much as I can.”**

**Some board members may be willing to name the amount. They might say “I give X dollars — and that represents a significant percentage of my income and a large share of the money I have available to give to charity. If you'll give in the same proportion, we'd be happy.”**

**It may seem shocking that prospects would ask board members about their own gifts. It happens most often when the prospect and the board member know each other quite well — and that's the very sort of intimate relationship that's ideal for an approach.**

**When a board member gives, the actual amount may not make a significant difference to the overall fundraising goal. But it symbolizes a different relation to the organization.**

**Sometimes the board member's attitude changes as well. Board members who never before expressed any interest in raising funds suddenly realize how central it is when their own money is on the line.**

**A token donation may be all that can be arranged at first. In the long run, the board may have to take on more responsibility and dig deeper.**

**In traditional campaigns, the board members as a group are expected to make**

**personal contributions totalling from 10% to 30% of the goal. If they can't give it personally, they are often expected to take responsibility for raising that much.**

**This may be difficult or impossible for some organizations.**

**Grassroots groups, for example, may have people on the board representing participants or minority groups who are poor.**

**Umbrella organizations and provincial and national federations also have problems. If their board members are appointed as representatives from other groups, their prime loyalty may be to their home organizations.**

**Still other groups have board members appointed as government watchdogs, rather than as supporters.**

**In such cases, board members should still be asked to make at least token contributions. At the minimum, if they are paying their own expenses, the organization might reimburse them, and then ask that the money be donated back. While this is primarily symbolic, it may suffice. Ideally, each member should give to his or her own level of sacrifice. For some that may be \$10. For others, it may be \$100, \$1000, or much more.**

**Grassroots fundraising consultant and author Joan Flanagan offers this advice to board members:**

**If necessary, look at your own list of where you make charitable gifts. If this is the year you want to make a major gift, cut out the \$25, \$50, and \$100 gifts to groups that are less important to you, and combine the amount in one major gift to the organization.**

**Even better, practice what you preach and change your habits to improve your life. Then donate the money saved to the major-gift campaign. Quit smoking and give \$1000 to a nonprofit hospital or the Lung Association; wear a cloth coat rather than fur and donate \$15,000 to the Humane Society or the zoo; ride the bus rather than buy a new statusmobile and give \$40,000 to Mothers Against Drunk Driving; or the group organizing for better access for disabled people on your city's mass-transit system. You get the idea.<sup>41</sup>**

*How do you get the board members to give?*

**Here's the worst way to ask the board to give: march into a board meeting and propose a resolution that henceforth all board members shall be required to contribute a minimum of \$100 to the organization on an annual basis.**

**This is bound to raise a storm. And it doesn't model the kind of approach they should use in appealing to prospective donors: asking privately, listening to their interests, and asking for a gift that is appropriate to their individual situation.**

**Instead, board members should be approached about giving with all the tact and care required for any other major prospect. All the techniques outlined in this manual apply equally to the first round, when you ask board members to donate. In addition, special measures are appropriate for these special people.**

**Choose one board member to spearhead the approach. Select this campaign**

<sup>41</sup> Joan Flanagan, *Successful Fundraising*, p 150.

**leader quietly. Do not ask at a board meeting if anyone would like to volunteer. Do not have someone appointed. The person must be respected by others on the board. She or he must already be giving, or be willing to start giving. The leader will likely require training, as outlined later in the book.**

**The leader should, in turn, choose another prospect. Pick someone who can be persuaded easily to give a significant contribution. Someone who can influence others to give. The campaign leader should quietly speak to the new prospect about contributing. If the prospect agrees, then the two of them approach a third, and so on, until all have been asked.**

**All this is done by appointment. Meet them in your organization's office, or the board member's office or home. Don't slip it in at board or committee meetings or during breaks.**

**It may take some time to reach every board member. This is a critically important stage, however, and the time is well worth investing. In a real sense, all future major-donor contributions depend on the success of this stage.**

**Some board members may not be persuaded to give after this process of quiet discussions. In that case it may be appropriate to make the campaign more formal. Once all the board members have been approached — and not before — the matter could be raised at a board meeting. The campaign leader could announce the degree of success, measuring the percentage of the board members who have given and explaining why it is important to reach 100%.**

**Here's how one national organization based in Ottawa handled the problem of getting the board to give: they made a game of it. A draw was announced. The only eligible entrants were board members who had not previously given and were now making their first contribution. Prizes included restaurant meals and a weekend in a hotel, all donated. It took them three years, but they moved from no board members giving to full participation.**

**Ultimately, when appointing people to the board, consider their fundraising contributions as one of the criteria. This is not to suggest that the only consideration be the person's ability to donate or raise money. However, many grassroots groups have let the pendulum swing too far in the opposite direction. They may wrongly assume that the kind of people they want as board members couldn't contribute anything at all financially, and that people with money can't possibly contribute anything intellectually or emotionally.**

**Where the organization does not have control over the board, another solution is required. This applies when some or all board members are appointed, or for some other reason can't be selected with any consideration of fundraising factors.**

**In this case, set up another quasi-board, specifically for fundraising. It may be called an Advisory Council or an Honorary Board. It may be semi-independent, and be named Friends of \_\_\_\_\_ or The Business Council for \_\_\_\_\_. It may even be set up as a fully independent foundation, as many hospitals have done.**

**This group would be given the mandate of raising funds. Its members would be chosen for their fundraising ability, their contacts, and their personal willingness to give.**

**A team like this is well positioned to fulfil the motto increasingly used to**

**describe the role of the board. Boards have moved beyond being asked to bring their Three T's: time, talent and treasure. Now the catchphrase is the Three G's: give, get, or get off.**

**A separate team with a fundraising mandate leaves the managerial and policy-making power with the original board. This is usually a satisfactory arrangement. People who are capable of serving on a fundraising group usually have no interest in taking over the policies or management of an organization.**

**Nevertheless, problems have occasionally erupted when trust between the two groups breaks down.**

**Advisory Councils have decided the Managing Board is incompetent. They have refused to turn over money on request. They have even decided to give funds to other organizations.**

**Managing Boards, in turn, have decided that the Advisory Council was not to be trusted and refused to share important information.**

**In most cases, however, regular consultation and careful attention to the balance of power have prevented any problems from developing.**

### **How can you find hidden giving potential among current donors?**

**Once you have explored the potential for your board to become donors, you can widen the circle. The next group to look at are your current donors. In almost every case, some of your current donors could give more, if they were asked.**

**If you are fundraising for a new organization with no current donors, you may wish to skip to the next section, which deals with finding new supporters. However, this section is also good preparation for your long-term fundraising planning.**

**Do not pass too quickly to asking strangers. It takes a long time to get results. One study showed that on the average, three years pass between a first contact with a potential donor and the day a large gift is made.<sup>42</sup> Fortunately, you may already be far beyond 'first contact' with many people.**

**With rare exceptions, you should work with current and past donors before starting on strangers, no matter how rich or generous the strangers may appear to be.**

**Incidentally, the same study showed that fundraising staff stay with a charity only 2.6 years on average. Volunteers may move on even faster. This underlines the need for a long-term approach, with good recordkeeping for your successor.**

*Myth: Grass-roots groups don't know anyone with money.*

**Could your donors truly give more? Perhaps not, but if you don't try a face-to-face appeal, you will never know for sure. Donors are not as likely to give large sums as a result of mail or telephone campaigns, which are geared to relatively small donations. If someone does give a lot as a result of mail or phone contact,**

<sup>42</sup> Phil Brain, Henry Rosso, David W Merrill and Roger Reid, "Interpersonal Relationship Skills for Major Gift Development", (The Fundraising School Indiana University, course materials, 1989).

**imagine how much more they might have given if approached in person.**

**A case study illustrates the point:**

**First, let's review the background of the group, which shall remain nameless. The organization is large, well known, and has been around for decades. It is controversial. Donors feel strong loyalty, but non-donors often bitterly oppose the group's positions. It is not the type of group that attracts the wealthy. In fact, it prides itself on focusing on ordinary people.**

**A study conducted by Ken Wyman and Associates Inc. found the group's fundraising was very strong in direct mail and telephone campaigns. Many donors were signed up on monthly payment plans. But even though there were a large number of donors, virtually none gave as much as \$1000 a year. This was flagged as evidence of a problem.**

**Although the organization doubted that their supporters could or would give that much money, they agreed to a test. Fifty previous donors were chosen, based on past giving history. Ten volunteers were given one evening of training and then told to go approach their prospects, using the techniques outlined here.**

**Two weeks later, the campaign was over. The volunteers had raised \$40,000. The average donation was over \$1000. The effort involved was minimal.**

**Afterwards the donors were asked why they had never given so much to the group before. Their answer was predictable: "No one ever asked!"**

**Many groups are convinced that all their supporters are too poor to contribute. For a small number of groups, that is true.**

**For many others, there are exceptions. Many of the donors may be unable to give much more, but a few could. Your group, too, may have one or two or more supporters who, while they are far from wealthy, could make larger donations than others.**

**Remember, you don't need a lot of well-to-do supporters, just a few very generous ones. They may be able to make donations now, or leave you money in their wills.**

**Let's look at some examples of actual donors:**

**Marion Fulton lives on a farm four miles outside the small Manitoba town of Birtle, near the Saskatchewan border. The largest donation she ever made — \$10,000 — happened because friends "paid back a debt. I had loaned them the money and expected them to pay back a little at a time, but they paid it back all at once. Maybe they had a windfall. I was debating what to do with it. I decided the church Mission and Service Fund needed it, because they had a shortfall. People weren't giving to the church like they used to."**

**The \$10,000 donation was in addition to her regular Sunday givings. Altogether, Mrs. Fulton gives away "about 16 to 17% of my income. I'd like to do more, but I can't." At 72 she lives on a pension and a small income from her share in the family farm, now leased to one of her three sons.**

**"I gave \$500 to St Boniface Hospital Fund. And £200 — that's about \$450 — to ACWW." That's the Associated Countrywomen of the World, a group she belongs to through the Women's Institute. ACWW has 9.5 million members worldwide. Most of her other donations are about \$100. A few years ago she gave the church a new piano, worth \$4500,**

**in memory of her late husband, Victor.**

**How does she feel about recognition? “I feel awful about it. I get a little uptight when people want a plaque on things. I’m on the hospital board, and some things you can put a plaque on and some things you can’t. Sometimes when people want a big plaque put up I wonder whether we can’t just live without their money. Mind you, I was overruled on that by my own church. They thought there should be a plaque on the piano, saying ‘in memory of Victor’, because people should know.”**

**Mrs. Fulton also gives her time generously. In addition to her work on the hospital board, she travels four times a year to London, England, for meetings of the ACWW, paying all her own expenses. She’s also on the national finance committee of the United Church. “I don’t know why people keep putting me on the finance committee, but I see the need and I do it.”**

**Why does she give so generously?**

**“Compared with our expectations in the old days, probably a lot of older people have more money now than they ever dreamed of. And many of those people are willing to share. So if there are ways I can help, I will.”<sup>43</sup>**

**Names have been changed in the following examples, but they are true stories.**

**Ian Ferguson worked in the labour movement for years. When the provincial government changed recently, he was appointed to a senior policy position. He was suddenly making four times as much money as he ever had before. He works long hours, and has no spare time now for volunteer activities with the groups he used to care about. He feels guilty about his good fortune, when so many old friends are still struggling. He also feels guilty about how much money he has.**

**Roy and Mary Peters retired two years ago, and decided they wanted to live more simply. Roy had been a university professor until he had a heart attack. Mary was a public school teacher. Together they had two good pension plans to supplement their savings. With their kids gone, they sold their large old downtown house and bought a small condo that requires no maintenance. They are active volunteers in several organizations, and Mary is on the board of a local arts group. At tax time last year, they were surprised to discover that they had given away over \$12,000.**

**Laura and Sam married late in life. They had two households full of furniture and kitchen appliances to combine. Instead of wedding presents they asked their friends to give donations to their favourite charity, and raised over \$7000.**

**Rebecca and Irv Singer were very troubled when Israel was attacked in the mid-1970’s. While not ardent Zionists, they were suddenly terrified about the consequences if Israel lost the war. They aren’t wealthy, and didn’t have much money available at that time of crisis.**

<sup>43</sup> Private telephone interview, May 1, 1993, and excerpts from Diane Forrest, “A Christmas Story: Four charitable spirits reveal their strategies for giving”, *Financial Post Moneywise*, December 1988, pp 54-64.

**They took out a mortgage on their house and put thousands of dollars into Israel Bonds. It took them years of scrimping to pay it all back, but they have always been convinced they did the right thing.**

*Myth: Asking for more money might drive donors away.*

**Many groups are unnecessarily nervous about approaching their current donors. They fear that pushing too hard will scare them away. Anyway, they doubt that the donors really have more money to give. Wouldn't it be easier to talk to new people instead?**

**These fears are perfectly reasonable. But the answers, based on years of experience, are reassuring.**

**Will you drive away donors if you ask them again? On the contrary, because you will send a well trained volunteer to talk with the donors face-to-face, in almost every case they will feel closer to your group — whether they give or not. No high pressure tactics will be used. No annoying junk mail or ill-timed phone calls will increase their frustration. Instead, they will have a nice chat with a pleasant person who genuinely cares about their opinions.**

**A few may express irritation. If they are driven away this easily, these were probably people you were losing anyway. Apologies and promises not to offend in future may win them back. If not, the loss must be weighed against the benefits: extra income raised, and improved relations with the majority of top donors.**

**It is *not* easier to sign up new people. It is much simpler to persuade a current supporter to give more, than it is to convince someone who has never given to make a major contribution.**

*Action: Identify the best prospects among current donors.*

**At this stage, your key step is to examine your donor list. There are several ways to spot the people who might be willing to give more.**

- **Look for *past performance*. Search for the top 20% to 30% of donors in the following categories:**
  - N **People who have made one or more unusually large donations;**
  - N **People whose total amount donated over the years is unusually high;**
  - N **People who have given much more frequently than most;**
  - N **People whose total number of donations over the years is unusually high, even if the total amount is not;**
  - N **People who give an odd amount of money, “like \$27 or \$358,” Joan Flanagan suggests. “An odd dollar amount can be a clue the donor is allocating his or her total annual charity budget among several nonprofits. This suggests the donor plans his or her charitable giving and your group is already on the short list of good organizations.”<sup>44</sup>**
- **Look for people with *titles and degrees*. If donors on your lists are**

<sup>44</sup> Joan Flanagan, *Successful Fundraising*, p 134.

professionals such as doctors, lawyers, dentists, university professors or accountants, they can probably afford donations larger than the average person. They may not think so at first, but it is worth pursuing. Also, short-list people who have important job titles at work, such as president, vice-president, manager and so on.

- **Look for people with *upper-income addresses*.** If they can afford a nice house, they might be able to afford a bigger donation (unless they are saddled with a massive mortgage). If you have a second address for their winter or summer homes, this may also be a sign of potential.
- **Look for supporters who are *known to be affluent* and for *celebrities*.** Scan your donor list for familiar names. Are there well known people who have given you a donation — even a small one? Look for business leaders, authors, artists, athletes, politicians — any sort of celebrity. A name that ‘rings a bell’ could belong to an internationally known actor, or a well respected local leader.

You may not know all the names. It may help to have one or two knowledgeable friends go over the list with you, in strictest confidence. It is not (yet) necessary to start comparing all the names, one-by-one, with *Who's Who*. Simply see if any people emerge who can help you.

Leaders such as these can help persuade others. If they will allow you to use their names, it may add needed credibility. There is often a bandwagon effect in publicity — people want to go with a winner. Indifferent people may be more likely to give if they know that people they admire have given.

**Take no action yet. Don't contact the prospects. At this point, you are simply compiling your best list of prospective donors.**

**Do prepare a list covering these top prospects. Include their name, address, telephone number, and complete giving history. If you have additional information, add any other comments you can. More will follow on how to research prospects.**

#### *Note*

*The following section may not be relevant for groups that look for donations only among their own active members.*

*But do not be too quick to limit your scope. Many groups have discovered that people who are not actively involved will contribute. For example:*

- **Religious groups** may choose to look for donations only among members of the congregation. But religious groups have found that people who don't attend services — and even people of other denominations — may be interested in contributing to the upkeep of their building or to social programs. One study showed that people who never come to pray actually donate almost double the amount given

*by those who show up very occasionally.*<sup>45</sup>

- **Self-help groups** may feel that no one outside their immediate circle will care. But they may be pleasantly surprised to find support from families, friends, professionals in related fields and people who are just plain sympathetic.
- **Groups of all kinds** may assume that former supporters would not donate again. But groups that contact lapsed supporters find these are often among the first to give generously, even though they may not have the time or interest to get actively involved again.

### **How can you uncover new prospects?**

**Once you have fully explored potential donors among current and past supporters — and only then — you should look for new prospects. It is not yet time to approach total strangers, however. There are still three categories of contacts that offer better hope:**

- **Volunteers and staff**
- **Participants**
- **Contacts of board and volunteers**

#### *Volunteers and Staff*

*Action: Determine which volunteers and staff will give.*

**It may seem even more absurd to ask volunteers and staff to give than to ask the board. They often work long hours for little or no pay.**

**It's true that the volunteers and staff of most nonprofit groups are already contributing a lot just by being there. Frequently they are not well off financially. Their donations, if they give at all, may not make a huge difference in your income. You may even be concerned that merely asking them would be a severe blow to morale.**

**Despite all that, you should at least consider this step seriously. The results may be a pleasant surprise.**

**Hospitals, for example, routinely ask their staff to give during major campaigns. While the results vary from institution to institution, some staff — particularly the doctors — have made substantial contributions.**

**Here's another example:**

**At an international charity, the consultant's suggestion that the staff should be asked to contribute was met with derisive laughter. "They are all underpaid and overworked," said the Director of Development. "and they've just formed a union. This would be a bad time, and I doubt they would ever react positively."**

<sup>45</sup> Allan Arlett *et al*, *Canada Gives*, p 87.

A few weeks later, however, it became apparent that the staff were giving very generously to an internal United Way campaign. The consultant asked, “If they can raise money on the job for the United Way, why not for the nonprofit they work with daily?”

Despite misgivings, the organization agreed to ask the staff to donate. A special project was selected with a view to exciting the staff. Asking was done on a peer level, never by people in authority.

The results were overwhelming. Money just poured in — and some of the worst paid staff gave the most.

Why did they give so much, despite the awful working conditions? One person summed it up for them all when she said, “We care a lot about the work this organization does. That's why we put up with the low wages and the long hours. Of course we would contribute part of our wages — we sure don't work here for the money! Only nobody ever asked us before.”

Other organizations have had similar experiences. Volunteers and staff members in nonprofit organizations are often very committed to the work they do. It may come as a surprise that they should be considered as potential donors. While they may not all be among the largest donors, a few of them may be `willing, capable and interested'.

Some groups have been pleasantly surprised to discover they had volunteers and staff who were reasonably well off, and happy to give money as well as time. Some staff and volunteers had spouses who worked in high-paying jobs. Others had inherited enough to be comfortable, or had saved up before retiring. The assumption that they were all poor turned out to be false.

While not all volunteers and staff can or will donate financially, it is worth asking which staff and volunteers might. Aside from the financial benefits, it can improve staff morale. It also impresses outside prospects and granting agencies to know that the staff cares enough to give a little extra.

### *Participants*

*Action: Determine which participants will give.*

Consider whether some of your participants (be they audience, clients, customers, drop-ins, fans, learners, members, parents, players, spectators, students, or subscribers) or their families might also become donors. Don't be too quick to say `no'.

*Why is it worth asking participants to give?*

In some groups it may be hard to believe that your participants or their families could contribute significant donations, but it is often true. Perhaps not all can do so; maybe even not the majority.

Even if your participants can't give much money, the fact that they give any at all may impress other prospective donors. This demonstration of their commitment has real value.

In some cases, they may have more potential to give than you suspect. It only takes a very few who are unusually generous to make a difference. Remember

**that 80% of the money comes from 20% of the people.**

*Is it ethical to ask participants?*

**Asking participants to give is a forbidden topic in some organizations. While this is partially understandable in social service agencies working with the poor, it is remarkable how many other organizations share the same attitude. Many arts groups, schools, hospitals and other nonprofits are still debating the merits of asking their participants to give.**

**There are many examples of success: a community college expressed delight and surprise when three students each gave \$300 to a campaign for better facilities. An amateur musical group, knowing full well that several performing members were `yuppies' and `DINKS' (Double Income, No Kids) had never thought to ask them for money. While these may be exceptions, there are many more like them.**

**For those who are reluctant to ask participants, one prime concern is that the services must be accessible to all, regardless of income. This is indeed a laudable goal. Asking people to contribute extra *if they can*, however, does not interfere with open access. Make it clear that every person will get the same service whether or not they donate.**

**In fact, some people have said that they *prefer* contributing to the organization that helps them. It changes their relationship from recipient/passive/inferior/ victim to donor/active/equal/self-help. It's empowering. Not asking them can be seen as paternalistic. They should have the right to decide for themselves.**

**One seniors' service group found that asking participants to donate actually tripled the number of people using the service.**

**They posted a sign showing how much it cost to deliver each service. At the bottom of the sign were the words "Any amount you can pay toward these services is gratefully accepted, and will be put right to work. Thank you."**

**The result was a 300% increase in the number of people using the various services the centre provides. The puzzled executive director surveyed the centre users. He learned that people liked being able to pay.**

**Several people made comments like "I never used this place before, because I don't like taking things for free. I am not so poor that I need free service. I can pay my own way." Another said, "I can take care of myself pretty good and I don't need handouts. I've worked hard all my life. I like coming to the Centre and seeing people, and the prices are affordable. Sometimes I put in a little extra for someone who isn't as well off."<sup>46</sup>**

**For a more complete discussion of the ethics of this issue, see *The GuideBook***

<sup>46</sup> Kim Klein, "How to Establish Voluntary Fees for Service", *Grassroots Fundraising Journal*, August 1992, pp 3-5.

to *Fundraising for Disabled People's Groups*.<sup>47</sup>

**Examine your own users and consider if some of them might be capable of making major contributions. Allow them to make their own decisions about giving. Don't say No on their behalf.**

*What if you don't have participants' names and addresses?*

**In some cases, it is easy to find the participants. In a small organization you may know them all personally. Larger groups may have membership lists. Service groups may have files on participants. In this case, discretion will be required; arrange to look only at the relevant information. Respect participants' right to privacy and confidentiality.**

**In other organizations, you may not have the names and addresses. People who use a community centre or a pool, for example, may not be asked for their names or addresses. Spectators at athletic events or art shows may come and go, especially if they are outdoor events.**

**Fortunately, there are ways to collect these names and addresses. Many groups already have a partial list that they haven't recognized the value of. They have held a raffle, and have ticket stubs tucked away in a drawer. Start with those names.**

**If you haven't already done so, consider holding a free draw, to get names and addresses. Arrange an attractive prize. Perhaps a local restaurant will donate a dinner. You might give away a free membership, or a book. In a prominent location, put up a box, bowl or basket. On a large sign, invite people to drop in their business cards or write their names and addresses on a piece of paper.**

**Asking for business cards may not be appropriate in an organization that does not serve business people. It is desirable, however, because of all the information you may get: where people work, what kind of job they do, how senior a position they have, what degrees they hold, and so on.**

**Some people have suggested going to a restaurant or other business that was already collecting business cards and asking for the ones they collect. This is a bad idea. You have no way of knowing whether or not the people whose cards you get are aware of your organization. At best, it is a random sample. At worst, they may even be angry at this invasion of privacy. Collect your own contacts.**

**If your only contact with participants is by telephone, ask the callers for their names and addresses. If your organization provides information on a controversial or sensitive topic, ask for the name *only after* the information has been provided, so you don't discourage a caller. Make it clear their calls are still confidential, that giving their names is optional, and that you are asking for their names for fundraising purposes.**

**If you work with children, try to get the names of their parents or guardians. Depending on the kind of organization, it may be appropriate to ask for**

<sup>47</sup> Ken Wyman, *The Guidebook to Fundraising for Disabled People's Groups*, 1988. Available free from the Disabled Persons' Participation Program, Department of the Secretary of State of Canada, Room 13A5, 25 Eddy Street, Ottawa, Ontario K1A 0M5. Telephone (819) 953-2680. Specify whether you want it in print or on audio tape, in English or French.

**grandparents' names, too.**

*What precautions may be needed?*

**Special precautions are needed in any situation in which making contact could cause problems. Battered women, for example, could find their lives threatened as a result of an innocent fundraising appeal, especially if they are still living with their abusive husbands. The same need for care may apply if you provide therapeutic counselling, treat sexually transmitted diseases, or deal with many other sensitive issues.**

**In this circumstance, make it clear why you are asking for a name and address. Emphasize that it is completely voluntary.**

**Exercise great care in contacting people to make certain that you do not put them in jeopardy.**

**A letter, for example should never have anything `incriminating' on the outside envelope — even the return address could be too revealing. Even if the envelope is blank, someone else might be opening the mail, so decide carefully who you write to and what you say.**

**Similarly, an intercepted phone message could cause problems. Speak only to the person on your list, not to others who answer. Don't leave messages: a suspicious or jealous spouse could use this as an excuse for violence.**

*What do you do after you've got participants' names?*

**A large list of participants is almost certainly worth using in a direct mail campaign. However, this book focuses on major donors. The immediate task is to sort out potential major donors from the long list of names. How?**

**The answer will vary depending on the type of relationship you have with the people on the list, and the amount of information you have.**

**If people have purchased memberships, season tickets, subscriptions or such, focus on the people who have:**

- **paid the most,**
- **been paying for the longest, or**
- **purchased gifts.**

**“For older organizations,” Joan Flanagan recommends, “look for second- or third-generation members and multiple members from the same family.”<sup>48</sup>**

**If people are students, alumni, or participate in activities, note what years they were involved, and what their favourite activities were. For parents, spouses or children, the same question applies. Focus on people who have been involved:**

- **for long periods,**
- **in several activities, or**
- **frequently.**

**Review the suggestions in the earlier section on current donors, such as looking for famous names, degrees, titles, or addresses in pricier neighbourhoods.**

**Remember, you are still only at the stage of building your list of potential donors. Don't contact these people yet.**

<sup>48</sup> Joan Flanagan, *Successful Fundraising*, p 134.

## How Can You Get Gifts from Your Board, Staff, Volunteers, and Participants?

The techniques are the same as for any other prospective big donor:

1. **Make your own gift first.**
2. **Choose the #1 best prospect.**
3. **Choose a specific project dear to the prospect's heart.**
4. **Decide how much to ask for, based on ability to give.**
5. **Cultivate the prospect.**
6. **Pick the best asker for that prospect.**
7. **Train the asker and consider possible objections.**
8. **Approach each prospect privately.**
9. **If your prospects give, train them to ask others.**
10. **Build the pyramid slowly.**

### More Tips

- **Do not just announce a new policy at a meeting. Select one volunteer, board or staff member first. Choose a person likely to give and to influence others to give.**
- **After you have your first contribution, work with the donor to select the next-best prospect together. Ask the donor to ask the next prospect. Then send those two to talk to others, behind the scenes, quietly.**
- **For the 'hold-outs':**
  - N **Discuss their reasons privately.**
  - N **Offer to count unclaimed expenses.**
  - N **Organize contests.**
  - N **Wait for them to retire.**

### *Board and Volunteers' Contacts*

*Action: Discover the contacts of the board and volunteers.*

**Your board, volunteers and staff probably know potential donors who don't already have a direct connection to your organization. Once you have fully explored people who have had direct contact with you, it is time to expand farther afield.**

**These prospects are part of almost everyone's network. They may be friends, family, old school chums, neighbours, business colleagues or chance acquaintances. At first, the board and volunteers may not think they know anyone. Techniques that you will learn shortly may reveal some unexpected contacts.**

*Do you know people with similar interests?*

**Your board, staff and volunteers are likely to know people who will be interested in the same topics as they are. This applies whether the organization is concerned about art, science, religion, social service, recreation, economic**

**development, fighting racism, or any other topic.**

**These sympathetic people are the first set of contacts to explore. You may discover them by using the methods below.**

*Do you know people who give to other nonprofits?*

**The second set of contacts are people you know who are generous to nonprofit groups, even if you don't know their views on your cause. If you have a friend who is an active volunteer or board member with another group, or who has sold you tickets to a charity event, they are potential donors.**

**The world can be divided — unequally — into two types of people: those who are caring, giving and working to make it better; and those who are apathetic and inactive.<sup>49</sup> In the long run, it may be important to educate those who are apathetic and get them active. In the short run, however, it is easier to start with those who are predisposed to care. Once you are stronger, you can take the time to try converting the uninvolved.**

*Who might give just because it's you who asks?*

**In a major-donor campaign, *who you know* is a very important factor. Many prospects will give because of the person who asks them, regardless of their feelings about the organization itself.**

**You probably know people who have purchased tickets for special events that they had no intention of attending, in support of nonprofit groups they did not care about, simply because of the person who asked.**

**People who would give to your organization because the right person asked are the third category to consider.**

**There are many reasons why they do so.**

**A major component has to do with *business*. Someone may give to a major customer, or to an important supplier, because they hope it will improve future relations.**

**People also give out of *friendship and solidarity*.**

**They give because they respect the person who asked them, and know that if that person is involved, the cause must be good.**

**They give because they don't want to say No and risk offending someone they will see regularly.**

**They give because they feel an obligation to someone who recently made a donation to their own favourite cause, or because they know *they* will be asking soon and want to have a favour owed to them. This attitude of 'you scratch my back and I'll scratch yours' is very common among big donors.**

**They give because of power relations. A donor who gave more than \$1 million to a hospital told this story:**

**I was planning on giving the hospital a lot — several hundred**

<sup>49</sup> Less than 30% of Canadians claim donations to charities on their income tax. "About 5.4 million taxpayers donated a total of \$3.1 billion to charitable organizations in 1991, based on tax credits claimed on income-tax returns... There were 18.4 million tax returns for 1991 — leaving about 13 million taxpayers who claimed no donations for tax purposes. But ... many donations aren't claimed on tax returns." Canadian Press, *The Globe and Mail*, 6 January 1993.

**thousand dollars. I knew why the fundraisers were coming to see me when they made the appointment, and I was ready.**

**But when the time came, I opened my office door and in walked the chair of the fundraising committee, who happened to be my company's biggest customer, followed by the surgeon who was scheduled to do an open-heart operation on me in just a few weeks. I knew I was in trouble!**

**Some people will be troubled by this kind of fundraising. They believe that, if the cause is good enough, the donors will find them. I called this the Better Mousetrap Syndrome, in memory of all the inventors who expected the world to beat a path to their doors and were disappointed.**

**Clearly, in the long run, your organization is better off with donors who genuinely respect your work. They are likely to keep coming back year after year — even once their original contact has passed on.**

**In the short term, however, it may be better to have the money for your important projects than to remain excessively pure. In addition, once people have made that first donation, you can continue to educate and cultivate them to become real supporters.**

**That is not to condone manipulation and pressure tactics. Some fundraisers have gone overboard in the pursuit of the donation. In one recent case, a family contested their mother's will after she changed it to leave a large part of her money to a television evangelist. The overzealous fundraiser had wormed his way into her trust, acting as a confidant and business advisor.**

**Between the two extremes lies the path to ethically expanding your support from very generous people.**

*How do you find all your contacts?*

**The next step is to find all the contacts your board and volunteers have, who might want to support your cause.**

**First, here's how *not* to do it.**

**The worst method is to write a letter to all your key leaders asking them to send in a list of their contacts. Time after time, this has produced dismal results. Board members may be too busy. They may be reluctant. They may give a list with conditions, such as “you can have these leads on the understanding that I personally won't talk to any of them.” Even when they are willing to help, they may not be able to think of anybody they consider useful.**

**Because of these problems, we at Ken Wyman and Associates Inc refined a process called *The Webbing Exercise*.<sup>50</sup> It is intended to reveal the *hidden network* of contacts and connections that an organization has — ‘the people you didn't know you knew.’**

**Board members, volunteers, staff and administration, each have their own lives away from your organization and they each know lots of people — in fact, more people than they ever thought they knew.**

**But how do you get to know who they know?**

<sup>50</sup> The Webbing Exercise and related material are © Ken Wyman, 1993.

**Hold a Webbing Exercise (described in Appendix A). This is a session that gives everyone a chance to delve into themselves for the names of people they've come in contact with over the years. Even those who insist that they know no one may think of names that will become 'obvious' through the magic of hindsight. They will be surprised to discover that some people they knew long ago may now be in a position to help your organization.**

**The Webbing Exercise can help your organization beyond finding major donors. It can also help identify people who may become:**

- **Donors and supporters**
  - N **Immediate donors**
  - N **Long-term benefactors**
  - N **Contributors of gifts in kind**
- **Campaign leaders**
  - N **Possible solicitors**
  - N **Door-openers**
  - N **Campaign chair**
  - N **Campaign cabinet**
- **Volunteers for committees**
  - N **Fund raising**
  - N **Communication**
  - N **Special events**
  - N **Recruitment**
- **Future board members**

### *Outsiders*

*Action: Uncover outsiders who should be asked.*

**If a group is very new or very poor, the kinds of contacts suggested earlier in this chapter simply may not exist. You may need to start with strangers.**

**Groups that do have past donors, participants or contacts should explore the potential giving of these prospects thoroughly before approaching people with whom they have never had any communication.**

**But when it's time to look at the outer edges of your potential circles of influence, who should you ask for a donation?**

**The answer begins with research.**

### *People Known to Be Generous to Other Nonprofits*

**The first step is to separate the givers and the non-givers. People who give to some nonprofit groups, even if not yours, are better prospects than people who have never given to anyone.**

- *People publicly recognized for giving.* **Begin by collecting the names of people who have been publicly recognized for giving to other groups — especially groups like yours. Their names can be found on plaques on the walls of nearby hospitals, community centres, post-secondary schools, art galleries, museums, theatres, and athletic facilities. Go with a notepad and copy them down.**
- *People listed in nonprofits' printed materials.* **Check the materials of other nonprofit groups for the names of people being thanked for their**

contributions. Lists of people are often printed in annual reports, newsletters, souvenir programmes at concerts or events, and other publications. These are frequently divided into categories, such as Benefactors, Angels, etc, which reveal roughly how much the donor gave.

- *People mentioned in the media.* Stories in the media often mention people who give and who lead campaigns. When the local newspaper runs a photo of a cheque being passed, clip it for your files. For example, here are excerpts from a newspaper column about Nancy Jackman:

I went to see Nancy Jackman on impulse, to ask her about money — specifically, why she gives away so much of it, and why other women don't.

Jackman is an unlikely combination of imp, cherub and feminist earth mother, and is also, implausibly, the Tory candidate in the St George-St David by-election. She has qualities of spontaneity, feminism and good-hearted generosity that one does not normally associate with Rosedale Conservatives.

Recently, Jackman stunned a group of women who had come to seek her advice by suddenly offering them \$50,000.

"We were blown away", recalled Marjorie Wilson, a Port Perry volunteer. Wilson heads a grassroots group of women who suffer from osteoporosis, the stealthy disease that leads to thinning bones, mostly in post-menopausal women...

Nancy Jackman's \$50,000 is a 'matching' grant; it will be given only if the women can raise an equal amount quickly through a public appeal.

I know that Jackman has helped create and fund some of the most exciting and progressive feminist efforts in the country — from the Women's Legal Education and Action Fund (LEAF) to the Canadian Women's Foundation. But this latest act of generosity made me start to wonder: Why, when there are so many relatively affluent female professionals and solvent widows, do women's causes have to starve? Why do some women have the urge to give, and so many never think of it?

Few of us could ever equal Jackman's largesse. She inherited wealth. But unlike 99% of wealthy women in this country, she immediately began to give it away to help other women.

Jackman tried to explain. "Most women owe their money to being part of the status quo, so they give to status quo charities, their husband's or boss's favourite hospital or arts group. It takes strong character — and maybe a fundamental rage at unfairness — to break that pattern... I give to create systematic change, not for service agencies."<sup>51</sup>

**While newspaper stories don't always provide such valuable insights, they can provide many useful nuggets. Just two days after the story**

<sup>51</sup> Michele Landsberg, "Wealthy women should do more to help out worthy groups", *The Toronto Star*, 20 March 1993.

about Nancy Jackman, another journalist reported on a \$2 million donation made by Patrick and Barbara Keenan for kidney disease research at St Michael's Hospital in Toronto:

Patrick Keenan told a news conference: "We've planned this day for a long time. ...Because we have special feelings for this hospital, we always thought we would like to do something significant for it.

Barbara Keenan added that there were family reasons for choosing to underwrite kidney disease research with their donation, but she declined to elaborate.

Patrick Keenan is chairman of the hospital's board of directors and of the Canada Development Investment Corp. He is on the board of the Ireland Fund. Barbara Keenan is past clerk of the session of Rosedale United Church.<sup>52</sup>

Because March is Kidney Month, there were many stories on the theme. Another paper reported that "Hockey personality Don Cherry recently donated \$15,000 to the Kidney Foundation of Canada and the Credit Valley Hospital. The money [was] raised from last summer's Don Cherry Golf Tournament..."<sup>53</sup>

Clearly, it pays to have several volunteers clipping stories from newspapers and magazines, and taking notes when stories run on television or radio. Even if you are not raising money for kidney disease, this kind of information can be useful in estimating a prospect's potential gift to your own group.

- *People found in private research.* In addition to these open lists, private research is likely to turn up a few names. Talk to fundraisers, both staff and volunteers, from other groups. Some of them may be protective of their donors, but others may willingly suggest potential donors. The United Way may be particularly helpful, whether or not your group belongs to it.

In some cases, if the other group supports what you do, they may be willing to exchange lists of donors. This is done routinely for direct mail campaigns, and can be done for major donors as well. (For a discussion about the ethics of list exchanges, and practical tips about protecting your interests, see *Everything You Need To Know To Get Started in Direct Mail Fundraising*.)

- *People giving to political campaigns.* Interview politicians and their campaign managers — they, too, are fundraisers. Discuss your need to locate special supporters with others who know the community well, such as service clubs, local journalists, and the Chamber of Commerce. Sympathetic business leaders, such as bankers, car dealers and real estate offices, can also point you in the right direction, if they wish.
- *People who fit the profile of major givers.* Finally, study the profile of major givers (presented in Chapter 2 of this book) and look for people

<sup>52</sup> Donna Jean MacKinnon, "Pot of gold gift to kidney research", *The Toronto Star*, 18 March 1993.

<sup>53</sup> "Kidney Foundation fundraising moves into high gear this month", *The Mississauga News*, 7 March 1993.

who fit the pattern.

Be realistic about how productive it will be to make cold calls on people — even those known to be generous. “It is futile to cannibalize these lists if the names are all strangers to your volunteers”, Joan Flanagan warns. “If none of your leaders know any of your community’s current major donors, work on recruiting people with wealth and power for your board before you launch a major gift campaign.”<sup>54</sup>

#### *People Who Display Interest in Your Area*

Sometimes you can uncover the name of someone with a real motivation to care about your work. Even though you have no contacts, and even though you have no reason to think they are philanthropic, it may be worth contacting them.

- *People who have had life-changing experiences.* Someone who has had his or her first heart attack, for example, may suddenly be interested in donating to a health charity. Someone may start collecting art, have a child enroll in a school, or become religious.
- *People with similar interests.* You may find out about an old connection that would be a clue that the person might be receptive. “Historic preservation groups can check the historical society and genealogical society to find people with deep roots in the community”, Joan Flanagan suggests.<sup>55</sup> “Environmental, hunting and fishing clubs can find wealthy outdoorsy types by checking... for owners of campers and recreational vehicles and... boats and yachts.”

#### *People with No Known Record of Philanthropy.*

Now we’re down to the bottom of the barrel — people who have:

- never been involved as a board member of your group,
- never donated to your group before,
- never been a volunteer or staff person in your group,
- never been a participant or part of the family of a participant (as far as you know),
- never been mentioned as a personal contact of anyone you know,
- never displayed interest in your area, and
- never shown up on lists of people generous to other charities.

Perhaps the only thing you know about these people is that they appear to have a lot of money.

Why even bother asking them? There is not much reason to think they would give you money. Most groups should never have to ask people in this category, but many think this is exactly where you should *start*. They study stories in the media about the rich and famous, make lists, and dream big. They watch the

<sup>54</sup> Joan Flanagan, *Successful Fundraising*, p 137.

<sup>55</sup> Joan Flanagan, *Successful Fundraising*, p 134.

lotteries, and contact big winners.<sup>56</sup> “If only someone could get in to see Mr and Ms Rich,” these wishful thinkers sigh, “they would see the light, and understand why they should support us.”

Realistically, such people are probably not worth the time and effort it takes to make a proper approach as outlined here.

At the most, you might invest a postage stamp to send a letter to such a person. If you get a glimmer of interest, or a token donation, you might proceed — slowly.

Even that might be a waste. “Do not be misled by people who flash a lot of cash,” Joan Flanagan notes. “With easy credit, almost anyone can *look* rich. I knew a salesman who dazzled his clients with an \$80,000 sports car. He confessed to me that it was 102% financed: he even financed the licence plates. On the other hand, there are people worth millions who drive the same compact car for fifteen years.”<sup>57</sup>

For now, let's stick to the proven methods.

### *Research*

*Action: Research each suspect.*

**People who *might* give, but who are not yet serious prospects, are called *suspects* in the jargon of major-donor fundraising. Once you have identified suspects, you need to collect basic information about them in one place, where it is easy to find and use. More research is needed to decide who is really worth the effort, and who may not be.**

### *Open a File on Each Major Gift Prospect*

**Create a file folder for each person who has the potential to give a substantial donation. Collect all the basic information in one place, for easy reference.**

**For most groups it's easier to do this with a file folder and pieces of paper than with a computer. Don't waste time developing your own custom database. Many software companies have developed special fundraising databases for sale; they are excellent. When you are ready for a computer database, purchase one designed for fundraising records.**

**However, many grassroots organizations find them too expensive and time-consuming to use at first. This can be a complex distraction from the major mission: asking the prospects to give. Start with old-fashioned file folders.**

**What exactly do you need to know?**

**The more you know, the better. Ideally, the person who will actually ask for the donation should be a friend or business colleague of the prospect — someone who knows the donor well. If you don't have that degree of familiarity, extra information can make all the difference in the world.**

**Start with basics, like the proper way to spell the prospect's name. Lyman Henderson says:**

<sup>56</sup> Asked how they would spend \$100,000 won in a lottery, only 8% (Quebec, 5%) mention giving to charity, according to Allan Arlett *et al*, *Canada Gives* p 72.

<sup>57</sup> Joan Flanagan, *Successful Fundraising*, p 138.

What are the biggest mistakes that people have made in asking for money? Well, Ann, who is spelled A)N)N, says `misspelling my name'. ...It seems such a simple thing. If you send something to me spelled L)I)M)O)N, I'm not likely to be particularly turned on.<sup>58</sup>

**Pay attention to the titles people prefer.**

- **Some women will be irate if you use anything but *Ms*; others will be equally adamant that they want to be called *Mrs* or *Miss*.**
- **Some want to be known as *Doctor*, or *Professor*.**
- **Some titles are complicated. An ordained minister, for example, would be addressed as `The Reverend AB Black' on an envelope, but in the salutation of a letter would be `Dear Mr/Miss/Mrs/Ms Black'. It is considered bad form to address most clergy in the salutation of a letter or in person as `Reverend Black'.**

**If the person was a volunteer, board or staff member with your group, add in a few notes about that experience. With rapid turnover in personnel, it's amazing how short an organization's memory can be.**

**One fundraiser described the day he called an organization where he had worked ten years before. Although he had held a very responsible position for five years, there had been three other people in his old job in the interim. Now no one was left from the old days, and no one even recognized his name.**

**The same has happened to people who were members of the board of other groups, and even people who considered themselves founders of an organization.**

**Collect as much information as you can. The more information you have, the easier it will be to make an effective appeal. When people talk to the prospect, put notes about the conversation in the file. If a newspaper or magazine article is written mentioning the prospect, put a copy in the file.**

**On the following pages are sample information forms for you to adapt. If some questions are irrelevant to your appeal, omit them. Add others you may consider important. No standard form can be perfect for everyone.**

**In the chapters to come, we will add more parts to this form.**

### *More Information*

**As time goes by, you will compile more information in each person's file. This information will help you answer vital questions such as:**

- **Who should you approach first?**
- **What parts of your work will interest this person most — and what might you be wise not to mention?**
- **How should the approach be made?**
- **Are there sensitive issues that may arise?**
- **Will a particular prospect appreciate public recognition? If so, what kind?**
- **Who has the best chance of persuading a particular prospect to give, or to give a little extra?**

<sup>58</sup> Canadian Centre for Philanthropy workshop, Toronto, June 1989.

- **When would be the best time to ask?**
- **How much might this person give?**

**Some people are shocked at the idea of gathering this kind of information on a prospect. None of this requires you to violate a person's privacy, hire a private detective or become a snoop. Much is available from public sources. Sometimes it is legitimate to supplement this with casual conversations with the prospects' friends, or even with prospects themselves. You will find guidelines on what to look for and where to find it in the pages following.**

**If you feel uncomfortable with any part of it, however, you may wish to gather only the information that you feel is legitimate. Do not abandon all research just because some of it seems inappropriate.**

**Some information comes from statistical tables published by the government and other researchers. This may not tell you details about a specific person, but it can help a great deal.**

**Some information can also be gathered by talking to your own friends or colleagues. For example, if you want to know how much a certain lawyer earns, ask another lawyer about the general salary levels for people at the prospect's firm, and those at her or his level of experience.**

**Sometimes, you can get the information directly from the prospects themselves. This may come in casual conversations, in surveys, and even in formal interviews.**

**Even though you may be overworked and in a hurry, research like this is not a waste of time.**

**If you are in an emergency situation, you may not have time to do all the research properly. Do as much as you can, and hope you guess the right answers on other questions. Without this preparation you may find that a prospect gives much less than you might otherwise have received.**

**You can, however, begin to make contact with the prospective donor before you have all the research done. This is especially true if you expect to visit the prospect more than once, which is a good idea for really big donations.**

**As noted earlier, fundraiser Michael F Luck wrote an article reminding experienced fundraisers that it is sometimes necessary to bend the rules. On this topic, he wrote:**

*...Prospect research can be a long and arduous task which delays major gift fundraising. If you know where a prospect lives and that they have had a relationship or interest in your cause, there is sufficient information to start *cultivation*. Most people, if asked questions in a relaxed and informal way, will tell you everything you want to know during a visit. Prospect research is important and it is helpful, but too much can be unproductive. I have seen too many fundraisers so 'hell-bent for leather' with a giving target and specific need that they never listen to what the prospect has to say during the visit. The fewer preconceived notions you have prior to an *initial* visit the better.*

**Sometimes being too smart isn't smart at all.<sup>59</sup>**

**Of all the questions you need to answer, one of the most important is, “How much might this person give?” Yet many groups don't know why this is so, or how to develop an answer. The next chapter is devoted to this topic.**

<sup>59</sup> Michael F Luck, “A New Twist on Old Fundraising Maxims”, *NSFRE Journal*, Summer 1990, p 33 (emphasis added). Note, however, that such cultivation may not be sufficient basis to ask for a donation.

# Prospect Information Form

## Part I - Individual Profile

CONFIDENTIAL		
Prospect's Name:		
Home Address:		
City:	Province	Postal Code
Phone: (Home)	(Work)	(Fax)
Salutation:		
What is the prospect's relationship to us?		Dates
Role	Activity/Topic	
<input type="radio"/> Present donor  <input type="radio"/> Past donor  <input type="radio"/> Present board member  <input type="radio"/> Past board member  <input type="radio"/> Served on committee(s)  <input type="radio"/> Served as a volunteer  <input type="radio"/> We presented him/her with an award  <input type="radio"/> We consulted him/her for advice <input type="radio"/> Participant  <input type="radio"/> Other:		
What is the prospect's background?		
Business interests:		
Current job/business/profession:		
How long at this job:		
If retired, last job and year retired:		
Previous known jobs, businesses owned, directorships:		

From *face to **Face**: How to Get Bigger Donations from Very Generous People* Ken Wyman 1983  
 published by Voluntary Action Directorate. Multiculturalism & Citizenship Canada, Ottawa K 1 A 1 K5



# 3

## The Right Amount

*The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.*

### — The Six Secrets of Big Gifts

**YOU SHOULD NOW HAVE A LARGE LIST OF PROSPECTIVE DONORS that has been carefully and rationally compiled, based on the advice in earlier chapters. But it's still too soon to talk to them. It's time to find out more about their willingness, interest and ability to give.**

**You must now tackle an issue many new fundraisers consider the hardest problem: deciding how much to ask the prospect to give.**

**Is this really necessary? Some people, who are new to their roles as fundraisers, fear that specifying an amount will anger or insult the prospect. “That's a decision,” these skeptics say “that should be left entirely to the individual. We'll just state our case and leave it to the person's generosity.”**

**Ultimately the decision is up to the prospect, of course. Yet most people actually appreciate guidelines. They don't want to give too little and have someone think they are cheap. They don't want to give too much and look like suckers and easy marks.**

**You will raise far more money if you know how much the prospect might give. It is usually (but not always) better to also suggest the amount as long as it is the right amount.**

**Challenging the majority view on this topic, fundraiser Michael F Luck wrote:<sup>60</sup>**

**...You do not have to ask for a specific amount of money in every instance. When you visit with a prospect and (s)he tells you about the areas of your organization (s)he is interested in, your eventual `ask' is just beginning to be defined. I once sought a gift from a very prominent family in the community. After a series of visits, the day of reckoning came — how much should I ask for?**

**The prospect asked me how much I had him down for, to which I replied that I didn't have him `down' for anything. I went on to explain that he could give whatever amount he wished to give to establish the endowed fund that would forever carry his family name and assist in supporting burn victims and their families. I got the gift, and it was a large give — much larger than I suspect he was initially prepared to give.**

**The prospect later confided that during 35 years of multiple solicitations too numerous to mention, I was the first fundraiser who did not ask for a specific amount of money — he was both elated and impressed.**

**What does this mean? It means that sometimes the endless task of prospect screening to size up your prospect is not the most productive use of time. In the instance I just shared, I had a specific gift amount in mind, and I think the prospect knew that. However, it was**

<sup>60</sup> Michael F Luck, “A New Twist on Old Fundraising Maxims”, *NSFRE Journal*, Summer 1990, p 33.

**important that I allowed him to be in charge and call the shots — let him share his ideas, his desire to help and, lastly, the amount of his gift commitment. All you and I are supposed to do is plant the seed and be a catalyst — we don't always have to be the leaders too.**

**Let's look at the responses of the philanthropists on the givers' panel:<sup>61</sup>**

*Linda Bronfman:* **I hate being told the dollar amount. I find that very presumptuous... I am interested in hearing what your needs are, how much it's going to cost you to do what you want to have done, and what you think is the likely success of your campaign, how many larger donors are out there, so that I can figure out, if I want to make a difference for this project, for this organization, how much would I have to fund it.**

**I was once solicited by someone who named a dollar amount. I had actually had in my mind something larger than that, but I was so annoyed by the dollar amount that I said “Fine, that's what I'll give you.” She was happy. She may have made whatever she needed, but...**

**Lyman Henderson: I like people to be specific. If a friend comes up to me and says “You know we're building a new clinic for osteopathy, or whatever, and we'd like you to give”, I like them to tell me how much they want. The reason is: then I know the price of friendship. I know how much I have to pay to keep them as a friend. Or at least I know the target they're expecting and I can deal with it accordingly. Some people find this pretty crass, so it has to depend on the individual.**

**The conclusion? Suggesting a specific amount or range will result in a larger donation more often than not. However, you must have done enough research to know what the right amount is, and not estimate too low.**

**How you ask is important, too. There are better and worse phrases to use at this sensitive moment. That will be covered in the chapter on the right approach.**

**For now, let's assume that it is a good idea to know roughly how much a person might give, whether or not you mention the numbers to the prospect. The rest of this chapter will concentrate on that.**

**How do you decide how much to ask for?**

**There are six factors involved in answering this question:**

- 1. How much do you need?**
- 2. Has the prospect supported your group before?**
- 3. Has the prospect contributed to other charities before?**
- 4. How much might the prospect be able to give?**
- 5. How can you make it easy for the prospect to be generous?**
- 6. How can you take all this information into account and make a decision?**

**Let's examine these one by one.**

<sup>61</sup> Canadian Centre for Philanthropy workshop, Toronto, June 1989.

## **1. How much do you need?**

How much you ask for depends in part on how much you need. That doesn't tell you how much the prospects might give; but first things first.

Many people assume you should tell all prospects the overall goal, and ask them all to give an equal portion. But some people have more to give. Two people with the same income may have different life-styles, and therefore be able to contribute differently. In short, experience shows that there will be wide variations in the amounts people give.

How much can you spend?

In large campaigns, a preliminary goal is established based on how much you could productively spend.

Don't be too quick to say you could spend an infinite amount. Too much money can be as much a problem as too little.

For a case in point, we turn to the Reverend Canon James Dugan, Director of Stewardship and Financial Development for the Anglican Church of Canada:

A small church in Atlantic Canada (which shall remain nameless) received \$600,000 as a bequest. It almost destroyed them. Some parishioners wanted the church to live off the interest, so they could stop giving. Some wanted to launch new projects they had never dreamed of before. Others wanted to give all the money away, because it was causing rifts. Others said that that wasn't the purpose for which the donor gave it.

It took a year before they could sort out the answer. They only barely survived. They worked through a stewardship statement, which called for them to take care of regular maintenance of historic buildings (their church being one) and to take on local outreach and international development.

Other charities have had the same kinds of problems. People who have won lottery jackpots have had similar problems coping with their new-found wealth.

If you think this doesn't apply to you, decide how many people you could hire quickly. Who would supervise and train them? How long would it take to move into new offices to accommodate them? How long would it take to get equipment? How long would it be before they could be productive?

With these concerns in mind, develop a realistic estimate of how much you could spend productively in the next five years.

You may wish to set several figures:

- A challenge budget — the most you could use productively.
- A measured growth budget.
- A status quo plus inflation budget.
- A minimal budget, the lowest you could survive on if the worst cutbacks happened. This assumes closing some programmes, laying off staff (if you had any to start with) and doing everything short of closing completely.

How can the goal be divided among the potential donors?

Once you have a clear sense of your overall target, it's time to divide it among the prospects. Fundraiser Kent Dove explains why this requires care:

One of the most common fallacies regarding gift ranges and distribution patterns is the notion that a campaign can succeed if everyone in the constituency gives the same amount. For the purpose of illustration, this theory suggests that a campaign with a prospect universe of 1000 can achieve a \$1million goal by having each prospect give \$1000. It never works. Why? This type of approach is not fair or equitable to donors. Wealth is not distributed democratically in this

society.<sup>62</sup>

Instead, you divide the total goal using a mathematical formula that has been developed and tested in years of fundraising. Let Kent Dove tell you how:

A traditional gifts table is constructed as follows: The lead major gift, the single largest gift need, is calculated to be 10% of the campaign goal: in a \$1 million campaign, the lead major gift needed to predict success is \$100,000.

Then, each successively smaller gift is half the amount of the previous one, and the number of donors needed is doubled...

A standards-of-giving table is a sobering thing, and rightly so. It says, in effect, that without gifts of the order indicated, the entire effort has little if any chance for success. In the mood of urgency created by this awareness, campaign leaders are better prepared to offer specific suggestions to prospective donors, and volunteers are better able to base each approach on the specific standards of giving needed to ensure the campaign's success.

### Gifts Needed in a \$1 Million Campaign

<b>% of Goal</b>	<b>Gift Range \$</b>	<b>Number of Gifts Needed</b>	<b>Number of Prospects Needed</b>	<b>Total \$</b>
<b>10</b>	<b>50,000</b>	<b>2</b>	<b>8</b>	<b>100,000</b>
<b>10</b>	<b>25,000</b>	<b>4</b>	<b>16</b>	<b>100,000</b>
<b>10</b>	<b>12,500</b>	<b>8</b>	<b>24</b>	<b>100,000</b>
<b>10</b>	<b>6,250</b>	<b>16</b>	<b>48</b>	<b>100,000</b>
<b>10</b>	<b>3,125</b>	<b>32</b>	<b>96</b>	<b>100,000</b>
<b>8</b>	<b>1,560</b>	<b>64</b>	<b>128</b>	<b>80,000</b>
<b>32</b>	<b>less</b>	<b>many</b>	<b>many</b>	<b>320,000</b>
<b>100</b>	<b>1</b>	<b>127+</b>	<b>324+</b>	<b>1,000,000</b>

<sup>62</sup> Kent E Dove, *Conducting a Successful Capital Campaign*, (San Francisco: Jossey-Bass Inc, Publishers, 350 Sansome Street, San Francisco CA 94104, telephone (415) 433)1767, 1988), pp 68-69, 75. Creating a gift table is a complex process with several variations. If you plan to do this, read the entire chapter on the subject.

## **2. Has the prospect supported your group before?**

**At the most basic, you must find out whether or not the person has previously given to your organization. If not, your job is twice as hard: you must convince him or her to support you, and you must suggest that the amount be large.**

**If he/she has supported you before, a few more questions are worth answering:**

- **How much was the last gift? This will have a major impact on how much the next gift will be. There are certainly cases where a donor has gone from \$25 to \$250,000 in a single jump. But more likely, a grass-roots group will be thankful if a donor doubles the previous gift.**
- **Has the donor given more than once? It will be much easier to get a large donation from someone who has been contributing for a long time.**
- **Have the donations been going up, going down, or staying the same? It will be much easier to get a large donation from someone who has been giving more and more, than from someone who has been giving less and less, or giving the same without regard for inflation.**
- **Are there any giving patterns? Does the person always give at the same time of the year? That's the time of year to ask again. Approach him or her around the anniversary date of the last donation, to ask for an annual repetition. If a major donor has given regularly for years but misses a donation one year, get in touch.**
- **Do certain appeals produce better results than others?**
  - N **A choir might discover that the donor always gives to appeals to support performances of Mozart, but never to Vaughan Williams or k.d. lang — or exactly the reverse.**
  - N **A food bank may have a donor who gives to help lobby for new social policies, while that same donor has ethical reasons for never giving food itself.**
  - N **An environmental group may discover someone cares more about fighting polluters than stopping the seal hunt.**

**In each person's file, add the history of the person's past donations to your group.**

**There is a form for you to adapt on the next page.**

# Prospect Information Form

## Part II - Donor History

<b>CONFIDENTIAL</b>			
Prospect's Name:			
What is the prospect's history of supporting us? (If there are more details than will fit here, attach them.)			
Previous donor to this group? <input type="radio"/> Yes <input type="radio"/> No			
First became a donor (date):			
Gifts (starting with most recent)	Date	\$	Response to:
First gift:			
Total gifts:	How many:		
What does the giving pattern show, if anything?			
What special interests are revealed by the results?			
Did the person ever refuse a request? <input type="radio"/> Yes <input type="radio"/> No If yes, why? When? Who asked? How was the appeal made?			

From *face to face: How to Get Bigger Donations from Very Generous People* Ken Wyman 1993  
 published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa K1A 1K5

### **3 Has the prospect contributed to other charities before?**

**Do the people you are preparing to ask for support contribute to other charities? If so, how much do they give?**

**You may be asking “Why is this important? How could you find out?” Let's look into these questions:**

**Why is this important?**

**Imagine you have a prospect in mind: let's call her Jean Labelle. You discover she has given a hospital \$25,000 and the symphony \$10,000, and contributed \$5000 to building a new community swimming pool.**

**Imagine another prospect: Marc Hudson. He has not made significant donations to any of these projects or any others you know about.**

**Does that affect your decision on how much to ask each of these? Of course it does, and it should.**

**You should take other considerations into account, too, of course. We'll come to them soon.**

**Similarly, you might find that one prospect apparently supports many other organizations similar to yours. Another might have chosen yours as the only one of its type.**

**How would you find the answers?**

**It is easier than you might think to gather this kind of information, without invading people's privacy or being rude. There are bounds of decency and legal limits, which you must not overstep. Let's explore some simple, easy and ethical ways:**

- **Board members and volunteers may know some of the basic information, at least about the potential donors closest to them.**
- **You may see their names listed among the top donors in concert programs and annual reports from other nonprofits.**
- **Their names may show up on plaques on the walls of hospitals, community centres, churches, concert halls or other public buildings. •The amount given may be revealed in part, if donors are conveniently acknowledged in categories, such as Benefactors — \$10,000 to \$24,999; Sustainers — \$25,000 to \$49,999; and so on.**
- **For some high-profile prospects, there may be newspaper or magazine articles at the library.**

**“If your prospect contributes to political candidates, his or her donations may be public information”, Joan Flanagan points out. “Especially look for donors who gave to politicians who ran on issues defined by your organization. If the politician won, remind your prospect that the politician won because your group cut the issue for the public. (It doesn't hurt to have a letter from the elected official saying this.) If the politician lost, remind the prospect that electoral politics gives at best a 50-50 chance of winning, whereas a terrific organization like yours is out there fighting for the citizens every day...”<sup>63</sup>**

**You will never find out about every donation a person makes. Some are made anonymously. Some are too small to be publicized. Some were made too long ago; others, too recently.**

**You may not know the exact amount of a gift, but you can usually determine the range. Similarly, you may not know the exact date, but you can usually determine the year.**

**Any information you find, however, is worth recording in the prospect's file. Here is a form you can adapt:**

<sup>63</sup> Joan Flanagan, *Successful Fundraising*, pp 138-139.

# Prospect Information Form

## Part III - Support of Others

CONFIDENTIAL		
Prospect's Name:		
What is the prospect's history of supporting others? (If there are more details than will fit here, attach them.)		
Organization	Gift Range	Date

Research done by (name):	Date
Updated by (name):	
Updated by (name):	

From *face to face: How to Get Bigger Donations from Very Generous People* Ken Wyman 1993  
 published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa KIA 1K5

#### **4 How much might the prospect be able to give?**

Not everyone can afford to give generously, no matter how much they love your work. A single mother of three young children in a low-paying job might be doing all she can to give \$100.

On the other hand, a single person with few responsibilities who earns more than about \$35,000 a year might be expected (and invited!) to be far more generous than her or his last gift of \$50 or \$100. The same could be said of a working couple who earn a combined salary of over \$60,000, depending on their expenses.

How much people are capable of giving depends on:

- their income,
- their assets or other sources of support, and
- their obligations.

Kim Klein uses examples such as these to illustrate the importance of research:

One of the biggest mistakes fundraisers make is assuming that how much a person can give will be directly related to how much they have. Obviously, how much money a person has influences how much they can give, since no one can give more than they have. However, many people have a lot more money than they will ever give, while many others with little money give a high proportion of what money they have.

...Even if you have names of people who are 'wealthy', there are many factors governing how much money a person may have access to. Take, for example, a donor whose family is known to be worth \$100 million. Will this person make a \$2500 gift? In this case, it is unlikely, given her circumstances. This donor is 22. Her inheritance is set up in a series of trusts, each worth more as she gets older. She received \$50,000 at age 18 and \$100,000 at 21. Because she lives on only the interest from her trusts, has no other work, and has recently put a down payment on a house, she does not have a large amount of disposable income at this time. How much she is actually worth, how well she understands her money, and how much she has access to are three very different things.

In another case, a prospect is known to own a lot of real estate. A popular saying in his community is "Jack owns half the town." Jack is probably worth several million dollars, but this money is not liquid. At any given time, Jack's cash flow may be very slim, particularly since Jack lives ... where real estate is not selling well.

Sometimes we hear people say, "She could give a big gift. She lives in a really lovely house, is president of her corporation, must make six figures, goes for weekends to Greece..." From the prospect's viewpoint her money situation looks like this: "I am so broke. I pay so much property tax in addition to my mortgage, and I have to go to Athens to check on my aging mother, but I can only stay a few days because of work, so I wind up spending a fortune on that travel. I work 70 hours a week, and my husband has just left me for someone else and is filing for divorce. We are really stretched at the office because we are opening some new stores, so all top management have deferred their

salaries for two months.”<sup>64</sup>

She goes on to outline how to estimate the giving potential of two hypothetical individuals:

...For example, Gene Reilly, 42, has been a paralegal in a large corporate law firm for at least the 12 years you've known him. He is active in various causes, and his name has appeared on the back of several newsletters in a list of donors to those groups. He cares about your group, and he is your neighbour and friend. He lives alone and seems somewhat frugal... You think he earns between \$40,000 and \$50,000... If he gave 5% of his income, he would be giving between \$2000 and \$2500. A safe guess is to assume that he gives away a total of \$800 to \$2000 to all the groups he cares about.

...Think, “How much does Gene care about the work we do?” Also, remember that if this is his first gift, it will be less than subsequent gifts. In Gene's case, put him in the \$250 range.

Let's take another example. Sue Smythe, 36, works as a creative director for a medium-sized advertising agency. Looking in the [newspaper] want ads, you know that jobs of this sort are advertised at \$100,000 and up. Sue has said to you that she's happy in her work, and has commented, “It's fun earning so much money.” She shares custody of her young son, age 6, with her ex-husband. He is also in advertising, but you don't know his job or salary. She is active in her church and, in fact, chairs the Building Committee. She is also involved in anti-apartheid work and volunteers at her son's Montessori school, which is also your daughters' school. You know her from there, and she always asks about how your organization is doing. She has come to special events you have invited her to and is clearly committed to the goals of your group.

Based on her income and her religious convictions, we will go with a guess that she gives up more than the average person and could be giving up to 10% of her income. As a range, she may give \$3000 to \$10,000 to the building fund, payable over five years. She perhaps gives another \$500 to \$1000 to the school and \$500 to her group, plus miscellaneous donations to various events and causes. That adds up to \$3000 to \$4000 a year. She is a giver. Flatter her and ask her to be one of the \$1000 donors.

This should give you an idea of how to proceed. People are not insulted to be asked for more than they have, unless it is an absurd amount or the request is delivered badly. When you ask gently but straightforwardly, “Could you set the pace with \$\_\_\_\_\_?” or “We need a few gifts at \$\_\_\_\_\_. Do you think you could help with that?”, it gives people a way out if they need one, yet makes them feel happy if they can give that much.

Knowing the person and knowing what they believe in are the key ingredients for prospects.<sup>65</sup>

Here is a short list of some of the easiest sources of information to help you get to know

<sup>64</sup> Kim Klein, “Identifying prospects, Part One: Gifts of \$100 to \$2500”, *Grassroots Fundraising Journal*, February 1991, pp 4-5.

<sup>65</sup> Kim Klein, *Grassroots Fundraising Journal*, February 1991, p 6.

**prospects:**

- **Conversations (as appropriate) with:**
  - N **your board members and friends**
  - N **other contacts**
  - N **the prospect's friends**
  - N **the prospect's business associates**
  - N **the prospect's family**
- *Who's Who*
- **Specialty editions of *Who's Who* (eg, *Women, Pharmaceuticals, etc*)**
- *Directory of Directors*
- ***InfoGlobe* (the *Globe and Mail* reference service) or other newspaper files**
- *Financial Post* cards
- **Annual reports of companies the prospect is active in**
- **Corporate public relations departments, which may provide biographies of top executives**
- **City hall public assessment records, which show the assessed value of homes and commercial property, who owns it, and how much they pay in municipal taxes**
- **Obituaries, as Joan Flanagan recommends: "Obits can tell you about family relations, religious preference and memorials."<sup>66</sup>**
- **Taxation statistics published by Revenue Canada, which show average income by occupations. The table that follows gives selected data, based on 1990 tax returns (as published in 1992).<sup>67</sup>**

<sup>66</sup> Joan Flanagan, *Successful Fundraising*, p 136.

<sup>67</sup> Revenue Canada, Taxation Branch, *1992 Taxation Statistics* (Ottawa: Revenue Canada, 1992), adapted from Summary Table 3, p 89.

<b>Occupation</b>	<b>Average Income</b>	<b>Number of Taxpayers</b>	<b>Percentage of Total</b>
<b>Doctors (SE)</b>	<b>\$123,159</b>	<b>40,390</b>	<b>0.22</b>
<b>Dentists (SE)</b>	<b>104,684</b>	<b>9,410</b>	<b>0.05</b>
<b>Lawyers and Notaries (SE)</b>	<b>97,075</b>	<b>24,050</b>	<b>0.13</b>
<b>Accountants (SE)</b>	<b>76,441</b>	<b>13,810</b>	<b>0.07</b>
<b>Engineers and Architects (SE)</b>	<b>52,574</b>	<b>5,900</b>	<b>0.03</b>
<b>Other Self-Employed Professionals</b>	<b>34,685</b>	<b>89,960</b>	<b>0.48</b>
<b>Investors</b>	<b>30,707</b>	<b>1,271,070</b>	<b>6.78</b>
<b>Employees</b>	<b>28,710</b>	<b>11,826,010</b>	<b>63.04</b>
<b>Salespeople (SE)</b>	<b>24,028</b>	<b>49,270</b>	<b>0.26</b>
<b>Property Owners</b>	<b>21,854</b>	<b>152,220</b>	<b>0.81</b>
<b>Fishing</b>	<b>20,784</b>	<b>34,020</b>	<b>0.18</b>
<b>Farming</b>	<b>18,012</b>	<b>239,230</b>	<b>1.28</b>
<b>Business Proprietors</b>	<b>16,958</b>	<b>633,450</b>	<b>3.38</b>
<b>Entertainers, Artists, etc. (SE)</b>	<b>16,090</b>	<b>20,690</b>	<b>0.11</b>
<b>Pensioners</b>	<b>15,672</b>	<b>2,358,040</b>	<b>12.57</b>
<b>Unclassified</b>	<b>6,313</b>	<b>1,991,230</b>	<b>10.61</b>
<b>Totals</b>	<b>24,259</b>	<b>18,758,730</b>	<b>100.00</b>

**SE: self-employed**

# Prospect Information Form

## Part IV - Ability to Give

<b>CONFIDENTIAL</b>	
Prospect's Name:	
What is the prospect's apparent ability to give? (If there are more details than will fit here, attach them.)	
<b>Income</b>	
Estimated annual salary, pension, income from investments:	\$ ___
Bonuses:	\$ ___
Estimated profit from business:	\$ ___
Other sources of income:	\$ ___
Total income:	\$ ___
Other evidence of wealth:	\$ ___
Estimated net worth:	\$ ___
<b>Known Obligations</b>	
The prospect apparently supports:	
<input type="checkbox"/> children at home <input type="checkbox"/> private school <input type="checkbox"/> university <input type="checkbox"/> other _____	
<input type="checkbox"/> spouse who is not working	
<input type="checkbox"/> parents	
<input type="checkbox"/> other dependents	
<input type="checkbox"/> a large mortgage	
<input type="checkbox"/> other large loan payments	
<input type="checkbox"/> other obligations	

Research done by (name):	Date
Updated by (name):	
Updated by (name):	

From *face to face: How to Get Bigger Donations from Very Generous People*  
 Ken Wyman 1993  
**published** by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa K1A 1K5

**Changes**

Information suggesting changes in spendable surplus income for better or worse;

Prospect's business or investments are:  up  down

Details and source:

Prospect made major purchases lately:

house  business  boat  car  vacation home  other

Details and source:

Prospect recently sold:

house  business  boat  car  vacation home  other

Details and source:

Prospect recently:  divorced  married  had a child

Details and source:

Prospect recently had  inheritance  lottery win

Details and source:

Other information:

**Additional Addresses and Phone Numbers**

(as indicators of potential giving and to use for selected contacts)

- Weekends:
- Summer cottage (dates):
- Winter home (dates):
- Car/mobile phone:
- Other:

**Prospect Information Form**

Part IV – Ability to Give

## **5 How can you make it easy for people to be generous?**

People often want to be generous, but feel limited by their financial situation. If you can help them find ways to give more generously, they may be grateful. Several techniques have been used for this:

- **Spread a donation over several years instead of a single lump sum, or monthly instead of an annual lump sum.**
- **Make monthly payments automatic through credit cards or pre-authorized chequing.**
- **Use life insurance, wills and bequests to increase the total donation, reduce taxes and make a larger donation.**
- **Arrange donations of goods or services.**
- **Arrange matching grants, usually from the donor's employer.**

Let's explore each of these.

*Spread a donation over several years instead of a single lump sum, or monthly instead of an annual lump sum.*

Many donors are prepared to commit themselves to making donations over several years. An advantage for your nonprofit group is that it enables you to plan ahead. It also means you don't have to go back to the same donor each year. Instead, you can visit more people.

Donors like this option too. It allows them to plan their payments according to their own cash flow. In addition, many donors can give more over an extended period of time than they could possibly give in a single donation.

Large donations are routinely pledged over three to five years. This allows the donor to take advantage of the maximum tax credits for charitable gifts. It also provides the nonprofit with security for future budgeting.

For smaller amounts, donors may prefer to spread payments out over a year, paying quarterly or monthly. Someone who would not dream of writing a single cheque for \$500 may be quite comfortable with monthly payments of \$40 or \$50. For example:

- **The donor may like the idea of sponsoring a particular piece of your work. Let's say you need the money for equipment, such as a \$25,000 van, a \$2500 computer, or a \$250 shelf of books. The prospective donor may want to buy that for you — but not have the money. If the donor pledged annual payments for five years of \$5000 (or \$500 or \$50), you could proceed. You get the equipment, and the donor gets the honour.**
- **The donor may want the honour of being a member of a giving club you create, such as the President's Circle, the Founders' Society, or the Friends of the Great Horned Owl. The entry level for the clubs might be a donation of \$25,000, \$2500 or \$250. Donors who can't give the whole amount at once might join the club through an annual pledge for five years of \$5000, \$500 or \$50, respectively.**

Since you don't get all the cash up front, you may have to lease the equipment. Alternatively, you could get a bank loan based on the donor's pledge. In order to cement this relationship, it is a good idea to create a pledge commitment form.

**Action: Develop pledge commitment forms.**

Pledge commitment forms are not used as legal documents. They are the donors' statements of what they intend to do if they can. It is highly unusual (and not recommended) for a nonprofit to use one to pressure a donor who chooses to withdraw support, or who is unable to keep making payments.

Prepare pledge forms for the donors to complete. Each form should show the donor's name and address, the total amount of the pledge, when payments will be made, and the amount of each pledge.

It is common to ask the donor to sign it, to demonstrate agreement.

Note that you should not normally leave the form with the donor in the hope that she or he will fill it in and mail it to you later. That mistake may lead to the donor pledging much less than you hoped for. You are likely to raise more money if the donor completes the form during a conversation, where you can answer questions, build excitement, and, yes, sometimes exercise a little persuasion.

**Action: Set up a pledge reminder system.**

Donors who pledge to pay a little at a time over an extended period may need reminders. This is not a dunning letter, but rather a gentle suggestion that another season has rolled around and it is time to make a payment.

The sad truth is that not all donors make full payment on their pledges. Fundraisers routinely discount the total amount pledged, assuming they may actually receive as little as half the amount promised. That is a lot of money to lose because of neglect, inactivity, or overwhelming pressure from other work. With proper pledge reminders you can collect 80 to 100%.

One nonprofit was thrilled when a well known benefactor pledged \$5000 a year for ten years.

Everything went well for three years without a reminder.

In the fourth year, however, the cheque did not arrive. Since the executive director had heard that the donor was having a poor year in business, the board decided not to bother him.

The year after, the donor was in the middle of a divorce; again, no cheque came, and no reminder was sent.

By the sixth year, it was difficult to find a way to contact the donor. He had originally been deeply committed, but no one knew how he now felt. The nonprofit desperately needed the money.

They never did get another cent.

Continuing friendly communication would have prevented this problem. The donor might still have had to skip a year or two — but the bond would have remained strong. Develop a pledge reminder package to send the donor before each payment date. For top donors this ought to be personal visits. For most, a personal letter will do. "Avoid form letters like the plague", as one millionaire put it.

For monthly donors, some organizations send a stack of envelopes once a year. This is not recommended. Frequent contact is more likely to produce payment in full.

The pledge reminder package should contain a letter, a reply envelope, and a reply form. It is not an invoice or a demand for payment, but just a reminder.

**The letter should thank the donor for past gifts. It may also provide news of your group's successes, to reinforce the donor's commitment. For larger donations, it should be personalized, by computer or by hand.**

**The package should also include a reply envelope, to make it convenient for the donor to respond. This should be a postage-paid envelope, so the donor does not have to find a stamp. For many people, the inconvenience of finding a stamp at home can lead to delayed or missed payments. For more information on business reply envelopes (BRE's), contact Canada Post, or refer to *Everything You Need To Know To Get Started in Direct Mail Fundraising*.**

**The reply form should include the donor's name, address and personal file number. This makes it easier for the nonprofit organization to keep track of donations. The form should also show the amount due at this time. It can also mention the total.**

**Add a few well chosen words and an illustration to reinforce the donor's desire to continue contributing. Each pledge form must perform the 'sales job' all over again.**

**It is difficult — but necessary — to politely request donors to make up missed payments. Prepare polite reminder letters. Send these quickly, especially if the donor has always been on time in the past. Inquire if there is a problem, or if this was simply an oversight. Offer to extend the payment period if the donor prefers.**

**Do not, under any circumstances, simply ignore the missed payment deadline and hope the donor will catch up later. The longer you delay communication, the harder it becomes.**

**A recession can hurt pledge collection. How should you handle fundraising in bad economic times? Offer to let donors spread contributions over pledge periods of up to five years. Allow them to delay the initial payment date if necessary. If a donor faces difficulty in meeting his or her pledge commitments, offer to renegotiate the payment schedule or the amount of the gift.<sup>68</sup>**

**Of course, if the donors cannot or do not want to continue making payments, you would not put pressure on them.**

**Make monthly payments automatic through credit cards or pre-authorized chequing.**

**Many organizations arrange to bill smaller payments to donors' credit cards, or deduct them from their chequing accounts through pre-authorized payments.**

**Such arrangements are frequently used in the business world for monthly payments on mortgages, cars, insurance and other large purchases. Not enough nonprofit groups use this system for their donors.**

**Some donors are even happy to continue making small payments on an ongoing basis. This is referred to as a negative option. That means the money goes to the nonprofit until the donor says to stop. This may go on for a long time. Some donors at OXFAM-Canada, for example, have donated monthly through pre-authorized payments for over 15 years. Some of these generous people have signed up for an 'Inflation Protection Plan', which automatically increases their donation by a specified percentage every year.**

<sup>68</sup> Ian McCuaig, "Fundraising in the Recession", *The Prospect*, April 1991, p 4. *The Prospect* is the newsletter of the National Society of Fundraising Executives, Greater Toronto Chapter, 15 Clarence Square, Toronto Ontario M5V 1H1, tel (416) 596)6742. Mr McCuaig was at the time an account executive with the Gordon L Goldie Co Ltd, Toronto. He now works with Marts and Lundy in San Francisco, California, and can be reached at (415) 922)9425.

### **Action: Set up credit card payment options.**

If your nonprofit does not currently accept donations by credit card, visit a bank, credit union or trust company to make arrangements. They have simple procedures and will guide you smoothly through the process.

There are minor costs involved:

- Credit card companies charge a commission for their services. This is based on a percentage of all the transactions using their card. For a new customer, they will usually request a 5% fee.
- The credit card company will likely require a small deposit for the card-impression machine.
- They may also request that the organization set up a special clearing account for deposits, keeping a minimum balance in the account at all times. In recent years, the security deposit has grown larger, as credit card companies protect themselves from fraud. If your organization is new or not well known, you may be asked to keep large sums on deposit.

These fees and security deposits are negotiable. In most cases the local manager has authorization to reduce the charge considerably. Most nonprofit groups and registered charities have arranged fees of 3% to 1.5% or less. Ask a volunteer to lead these negotiations. The ideal person is a respected business leader who has a large account at that financial institution.

Donors can authorize your organization to deduct from their accounts regularly. Set up a simple system for routine debits.

Use a 'Bring Forward' (BF) file with slots for each month. Put a reminder in the appropriate slots for each donation the person has approved.

Fill in one credit card slip for each donation. It is not necessary to have access to the donor's card to make an impression. The credit card number, expiry date, and the donor's name can all be written in by hand. In the spot for signature, fill in 'MO' for Mail Order, 'PO' for Phone Order, or 'SOF' for Signature On File. Deposit it as the credit card company instructs.

Send the donors regular letters to remind them that you appreciate their support. This becomes more important if the donor gives quarterly or less often, in case she or he has forgotten the pledge and wonders about the amount on the credit card bill.

### **Action: Set up a pre-authorized chequing option.**

Pre-authorized chequing (PAC) allows donations to be deducted from the donors' chequing accounts as if they had written cheques.

It is better than post-dated cheques. The donor won't slow down as writer's cramp sets in from making out so many cheques. The sheer act of preparing 12 or more cheques can daunt and depress a donor. In addition, PAC can continue indefinitely without you having to remind the donor or request more cheques.

It is better than credit cards, because all credit cards expire, and the donor must renew the pledge.

However, the occasional bounced cheque for insufficient funds is more common with PAC than with credit cards.

**Major banks have established procedures to set up PAC management on behalf of corporations and nonprofits. They will be pleased to outline their plan to you.**

**Minimum monthly charges and service fees do apply. Because of these, it may be cheaper for a small organization to concentrate on credit card plans at first. PAC can be introduced once volume becomes large enough to justify the administration costs.**

**Use *life insurance, wills and bequests* to increase the total donation, reduce taxes and make a larger donation.**

**Many donors can give far more to a nonprofit through planned giving than they can in cash or pledge. This involves wills, special life insurance policies, and annuity programmes.**

**Prospects often respond well to carefully prepared face-to-face discussions about these ways to help. Many of them are delighted to discover they can do more than they had ever dreamed.**

**Life insurance and annuities, for example, have several attractions. They may mean that the donor will actually have more cash available now, through tax credits and proper investments. At the same time the donor can give more than before to charity.**

**Some donors look forward to achieving a kind of immortality by arranging to be memorialized through gifts.**

**Such requests are best made to people who have long since been among your best donors. Those who have been supporting your group for years, or who have given unusually large donations, will be the most interested in these complex arrangements. It is less productive to contact a prospect for the first time and try to move directly to a discussion of planned giving.**

#### **Action: Research planned giving.**

**It is beyond the scope of this manual to explain how to set up these planned giving techniques. However, some familiarization will be helpful at this stage. Churches and universities have produced a variety of excellent material on planned giving. Contact one or two for samples of the brochures they send to interested people.**

**Insurance companies will also provide background on their own products for planned giving. Not all agents are experts in this unusual field; be sure you talk to someone who fully understands the area. Some insurance agents will suggest that you provide your donor list to them and they will do the rest, contacting prospects on your behalf. This is seldom a good idea. It is far better for you to initiate contact, and to have an insurance expert available to explain the technical details.<sup>69</sup>**

**Arrange *donations of goods or services*. Some donors may prefer to make contributions with goods or services instead of cash.**

- **A business owner, for example, may find it easier to give you building materials, a computer, or merchandise to use or resell.**

<sup>69</sup> For a discussion of this, refer to Ken Wyman, *Planning Successful Fundraising Programs*, (Toronto: The Canadian Centre for Philanthropy, 2nd Floor, 1329 Bay Street, Toronto, Ontario M5R 2C4, tel (416) 515-0764, fax (416) 515-0773), 1991. See also Aubrey Barfoot, *Establishing a Planned Giving Program: What You Need to Know to Get Started* (Toronto: The Canadian Centre for Philanthropy, 1990); Michael Mears, *Fundraising with Life Insurance* (Ottawa: Multiculturalism and Citizenship Canada), 1991.

- **An art-lover may wish to give you a work of art.**
- **A landowner may offer property.**
- **A skilled person may offer services, from accounting to photography to painting walls.**
- **A manager may have staff do your printing, repair your organization's roof, or create an advertising campaign.**
- **A prospect concerned about capital gains taxes may be able to make a larger donation by giving your group stocks, bonds or property directly instead of selling them and giving you the cash.<sup>70</sup>**

**All these are referred to as 'gifts in kind'. The goods may be brand-new, or well used but recyclable.**

**Gifts in kind are sometimes a great boon to a nonprofit. You may well receive quality goods and services that you could not otherwise afford to buy. Some rare items may not be on the market at all.**

**In addition, a donor may develop a stronger bond with your organization by providing goods and services than by donating mere money.**

**Action: Develop a shopping list of gifts in kind.**

**Review your organization's needs with an eye to in-kind donations. What goods and services are you paying for now that could be donated? What might you need in future? For each item, list what you would normally have to pay. Depending on the value, you may find it more economical to buy some items rather than spend time arranging donations.**

**Later on, this list can be matched to potential donors to see what opportunities you may have.**

**Action: Review the limits of in-kind gifts.**

**Gifts in kind can present problems as well as opportunities.**

**Are you being offered services you can't use? If you have no immediate use for goods donated in kind, will the donor be offended if you resell them? This problem can arise when a donor gives artwork or land, but what you need is cash flow.**

**If you are not going to resell them, can you store them adequately to prevent damage? Will you have to pay large fees for insurance, transportation, or legal work for an item you don't really want?**

**Specific rules also apply affecting which in-kind donations can be considered for a tax credit. The following summary provides general information only. The author is not a lawyer or an accountant, and is not a representative of the government. Please consult Revenue Canada for complete and up-to-date regulations.**

<sup>70</sup> In 1989, "the Chalmers family made a \$10 million gift to 16 Ontario arts groups and universities in the form of Maclean-Hunter shares. 'This man — this family — really is very important,' said Richard Monette, actor and artistic director designate of the Stratford Festival. 'They are in the tradition of the Medicis, the Mellons, the Pierpont Morgans, the Rockefellers. In this country, there are very, very few of them. They have set an example that is so important now when it is up to people like him to support the arts.'" Susan Walker, "Arts patron Floyd Chalmers, 94" (obituary), *The Toronto Star*, 27 April 1993.

### **You Have More Freedom if No Tax Credit Is Issued**

Donors can contribute in any way they wish, if no tax credit is issued.

Some individuals and businesses do not require a tax receipt. They may deduct their support as a promotional expense, instead of as a charitable donation. They may be donating goods that have already been written off for maximum tax deductions. They may have used up their maximum allowable charitable tax credit. Or they may be among those who believe that donations should be made to do good work, not to get tax incentives.

Many nonprofits are not registered charities, and therefore cannot issue official tax receipts at all. The following rules do not apply to them.

Whatever the reason, if no tax receipt is issued, Revenue Canada's charitable rules do not apply.

### **Charities Can Give a Tax Credit if Given Gifts of Goods**

A donation of goods is eligible for a charitable tax receipt, just as if it were cash. However, a few rules apply. These are the rules that are in effect as of the time of publication, but they may change. For the latest regulations, please consult Revenue Canada or a lawyer who specializes in charity tax law.

Gifts of goods of no real market value, such as used clothes, are not eligible for receipts.

Gifts of goods can be receipted at fair market value, regardless of the price originally paid. A donor who bought supplies at wholesale prices can receive a tax receipt for them at full retail value. If the goods are worth more than when purchased, the donor may claim the current value. However, capital gains taxes may apply. On the other hand, if the goods are now worth less than when purchased, the donor is only eligible for a tax receipt at the current market value.

Gifts of goods cannot be double-deducted. If a donor has already deducted the cost of the goods for business purposes, a second deduction cannot be claimed for donating them to charity. However, *it is not the responsibility of the charity to determine if the donor has already claimed the goods. The charity may issue a tax receipt in good faith. It is the responsibility of the donor to follow the tax laws.*

Gifts of art, antiques and other unusual goods may be hard to evaluate for fair market value. The services of one or more licensed appraisers should be employed to determine the real current value. Rare cultural artifacts may also have restrictions on resale outside Canada.

### **How to Handle Gifts of Services**

Services are never eligible for a tax receipt, according to Revenue Canada. However, it is legal to arrange a cheque exchange. In an exchange, the charity pays the donor for services rendered, and the donor then donates the money back to the charity for a tax receipt.

While this is legal, it is seldom worth the trouble. The donor, having been paid for a service, legally must declare the payment as taxable income. In most cases, the taxes paid on the income wipe out the benefits of the tax credit.

There is sometimes difficulty in determining what are services and what are goods. Computer programming, for example, is a service, according to Revenue Canada, and therefore not eligible for a tax credit. However, a gift of a computer programme that is sold in stores comes under the heading of goods and is eligible.

**Information on Revenue Canada regulations concerning gifts in kind:**

- *Canadian Taxation of Charities, Arthur Drache.*

**Carswell, Thomson Publishers, Ltd  
2075 Kennedy Road  
Scarborough, ON  
M1T 3V4**

**(416) 609-8000**

- **Revenue Canada**

**(800) 267-2384**

**Ask for the following free publications:**

**NGifts in Kind (P113)**

**NGifts in Kind to Charity (IT-297R2)**

**NDeductible Gifts and Official Donation Receipts (IT-110R2)**

### **How can you arrange matching grants?**

**Many companies will match their employees' donations to charities and nonprofit groups. Usually the company gives a dollar for each dollar the employee donates, up to a fixed limit.**

**This is most commonly done for universities and other schools, and sometimes for arts groups or other nonprofits. It may not apply to you.**

**For a list of companies that provide matching grants, ask any university fundraising or alumni department.**

**Even easier, ask your prospects to contact their employers directly to see if they will match the donations. This is usually handled by the personnel department or the payroll office. If in doubt, ask the chief executive officer of the company (or his or her secretary).**

## **6 With all this information, how do you decide?**

**You have now done everything possible to make it easy for a sympathetic prospect to be exceptionally generous. You have also acquired a great deal of useful information to help you make a decision about the prospect's likely gift.**

**But how much should the amount be? The rule of thumb is: If in doubt, ask big.**

**Decide on the appropriate range based on the prospect's level of interest, ability to give, and giving history.**

**A sophisticated and effective system to rate the potential gift has been spelled out by Kent Dove. He recommends a confidential meeting to discuss each prospect's potential to give. If that's not possible, he suggests having individuals rate the prospects. The ratings should be done by knowledgeable volunteers, such as “bankers, lawyers, investment counselors, insurance executives, the socially prominent, and those actively involved in organized philanthropy...”**

**The rating includes the prospects' potential to give (what they would give if the institution were their number one philanthropic cause and they wanted to make the biggest gift of their lives) and a probable gift size (a gift they could pledge over the next eighteen months, without much solicitation, that would be payable over the next three to five years).**

**For an individual, figure the potential gift as 3-5% of the person's total assets outside of personal real estate and life insurance.**

**To determine the probable gift, look at the prospect's giving history (including the largest previous gift), other obligations, financial health, type of investments, rate of return, family obligations (parents, children), attitude toward giving, the strength of ties to the institutions, and ‘conspicuous consumption’ — the visible signs of wealth: private schools, estates, vacation homes, and so forth.<sup>71</sup>**

**This may be too complex for a grassroots group.**

**Realistically, if the donor gave you double the largest donation he or she had previously given you, you would probably be satisfied — even if they were actually capable of giving you far more. Tripling it would be really impressive. (Unless this is a once-in-a-lifetime fundraising campaign, you can always ask the donor for more next year or the year after.)**

**If the prospects haven't given to you before, base the proposed gift on the amount your research shows they've given to a similar nonprofit.**

**On this basis, if their last gift was \$500 a year, the challenge might be \$1000 to \$1500.**

**Ask them to pledge over a 3- to 5-year period. Thus, if the person's last gift was \$500, you could ask for a gift in the range of \$3000 to \$5000 (\$1000 a year) or \$4500 to \$7500 (\$1500 a year). Start with the larger amount.**

**Emphasize that this can be paid monthly, so you're really only asking \$125 a month (or less than \$30 a week).**

**Don't be overly limited by the prospect's last gift. Adapt the range you suggest according to what you know of the person's situation.**

<sup>71</sup> Kent E Dove, *Conducting a Successful Capital Campaign*, pp 94-95 and 101.

**If you have reason to believe they really like your work, ask for 10% of their annual income (the biblical tithe). But put it in terms of a specific dollar range, based on your best estimate of their income.<sup>72</sup>**

**If the amount you name is too much, they'll let you know. If you ask for too little, however, they are unlikely to try to talk you into accepting more.**

**People are often flattered rather than offended at a request for a substantial gift. They may make light of the amount initially. Do not be discouraged or embarrassed. Don't immediately name a lower amount. You have effectively established the level of giving they will consider. Give them time to think it through.**

**Naturally, some people will fall back to a lesser amount. These people may make a larger gift in future, however.**

**How you present this to the prospect is important, of course. More on this will be present in the chapter on the right approach.**

### **Assess Capability, Not Probability**

**Consider what a prospect is capable of giving and ask appropriately. Don't ask for a low amount that you think they may end up giving. That is their decision to make.**

**Ask big. Your cause is important. The people you help are worth it.**

**Here is another form to help you record your decisions:**

<sup>72</sup> Some groups, such as churches, hope that donors will give in proportion to their income. They talk of tithing 10%. This may be a laudable goal. It is certainly achievable, as many donors have proven. The problem is that most people don't budget their money, and they don't think in terms of percentages. Mention giving in proportion to income, and people will ask if you mean pre-tax or after-tax income. They will need to get out pay-stubs and a calculator to figure it out. And of course it doesn't apply in the same way to people who don't have incomes because they are students, retirees or full-time homemakers. By all means, encourage proportional giving, but remember however, that it is more effective fundraising (at least in the short term) to specify the amount you hope they will give.

# Prospect Information Form

## Part V - Possible Gift

<b>CONFIDENTIAL</b>	
Prospect's Name:	
What is the hoped-for gift this time? (If there are more details than will fit here, attach them.)	
<input type="checkbox"/> Cash: range from \$        to \$ <input type="checkbox"/> Goods in kind, or services of:	
Terms of payment to suggest: <input type="checkbox"/> One immediate donation <input type="checkbox"/> Pledge of \$                      payable: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Yearly <input type="checkbox"/> Other	
Why was this target gift chosen?	
Is a matching grant possible from the company where the prospect works? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prospect will check <input type="checkbox"/> We should check	
Spouse's business/personal interests:	
Other related business/personal interests:	
Research done by (name):  Updated by (name):  Updated by (name):	Date

From *face to face: How to Get Bigger Donations from Very Generous People*  
 published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa KiA 1K5

- Ken Wyman 1993

# The Right Time

*The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.*

— The Six Secrets of Big Gifts

## **When is the right time to ask?**

**In fund raising, as in comedy and dance, timing is important.**

**People's generosity changes with the seasons. Alterations in their lives may make them more or less open to giving, or to your cause. Developments in your organization could influence their decisions, too.**

**Even if they want to give you a large donation, many people do not have the financial freedom to simply give you all the money at once. They may be on tight budgets. They may live in an expensive house and drive a fancy car, but have all their money committed to mortgage and finance payments. They may have money tied up in investments that can't be liquidated right away. Major expenses may be coming soon.**

**These and many other barriers may prevent them from being as generous as they truly want to be.**

**You must arrange to take all these limitations into account. This is an essential part of the pre-campaign preparation.**

**Choose the moment to ask. This may be the least important of the six secrets of big gifts, but it still counts.**

*Ask before Christmas and Easter.*

**Most people give most generously in the pre-Christmas season. While this is far from an iron-clad rule, it is surprisingly common.**

**It may be because Christians and Jews are in a holiday mood just then. However, all of Canada seems to focus on gift-giving, no matter what religion or lack thereof.**

**It may be because it is the last chance to arrange contributions to reduce taxes.**

**Whatever the psychology, September through November is the best time to ask. By December, people tend to be busier, and many have already spent their charitable dollars.**

**Spring is the second-best time. Perhaps it is the combination of Lent, Passover, Ramadan, spring flowers, new fiscal years, or tax-filing and tax rebates.**

**Summer is generally the hardest time to gather volunteers, to reach prospects and to talk seriously about donations.**

*Ask at the anniversary of the donor's last contributions.*

**As noted earlier, some donors give at the same time each year. You may never know why.**

**The timing may relate to a personal milestone being memorialized (such as birthdays, weddings, or the anniversary of the death of a loved one).**

**It may have to do with their financial planning and the timing of their annuity cheques or dividends.**

**If you detect a pattern, that's the time of year to ask again.**

**Ask at the moment your organization is at a high point.**

**Too many campaigns for major gifts are launched in a rush because the organization is desperate for funds to survive. Success is more likely if you pick your moment.**

*Ask when you have had good publicity.*

**If the prospect has heard good things about you recently, you are more likely to get a gift. Even**

**if you have a well oiled publicity machine, it may take time before stories run in the media.**

*Ask when you have had a success.*

**If you can tell the prospect about a major achievement, you will gain respect. Spread good news. Be upbeat. Special anniversaries are sometimes used, but they are not as effective. If all you can say is that your group is 10, 50, 100, or 150 years old, the absence of other achievements is a subtle condemnation.**

**The occasion could be:**

- **The successful conclusion of a programme**
- **A graduating class**
- **A good show**
- **A winning team**
- **A research breakthrough**
- **A milestone such as the 1000th client served**
- **A new person hired**
- **New volunteers enrolled**
- **Any other victory**

*Ask when your board is strong.*

**Right after a messy organizational split is not a good time. Neither can you give this proper attention when key people are distracted by a reorganization or the launching of a new endeavour. If the group's financial needs are pressing, you may not be able to wait for a better moment, but you should at least be aware that results might be greater at another time.**

*Ask at the time the prospect has or will have funds available.*

**People do not always have easy access to money — particularly larger sums.**

**For people paid weekly, your timing may make little difference. For people paid monthly, it is much easier to give when the cheque comes in than three or four weeks after.**

**People who depend on investments for the money they give to charity may require even longer planning. They may receive payments only four times a year, or once a year when dividends are declared. It may be less often than that if their investments are not doing well.**

**“More than 50% of gifts of stock are made in the last quarter of the year, and 35% are made in December. Although you want to cultivate your best prospects all year long, if you are asking for a gift of stock, be sure you have asked for the stock by October.”<sup>73</sup>**

**Farmers find it easier to give in the fall when the harvest is in, than in the spring when they're investing in seed, fertilizer and fuel.**

**During the forum on major gifts<sup>74</sup>, philanthropists Lyman Henderson and Nancy Jackman talked about what had motivated them to make the largest donation they ever gave. The audience expected to hear about good causes, persuasive appeals, and influential solicitors. Lyman Henderson began with an answer that caught people by surprise.**

**What prompted me to give the biggest gift I ever made? I have to say honestly it was a windfall profit. I happened to have the money.**

**Nancy Jackman agreed. Then she speculated on how a nonprofit could know when that moment occurred.**

<sup>73</sup> Joan Flanagan, *Successful Fundraising*, p 164.

<sup>74</sup> Canadian Centre for Philanthropy workshop, Toronto, June 1989.

**I would pick up on what Lyman said. In my case there was a transfer from one corporation to another. The money was liquid for a time before it got reinvested. It was at that point that I made the largest gift I ever made. That's information I suspect you'll probably not know.**

**Two guys came by my house this morning at 7:30 and said "Come on Nance, let's go out running." I talked to one of them on the phone last night and said "Ooh, not me." But I'm thinking about it. This morning I said yes to them.**

**One of the reasons I said yes to them is that I, like you, also have to go raise money, and they have information I need. They both work in the financial district. Now I may have to walk and run with them for several months before [I get the information]. It'll do me good anyhow.**

**So find someone in your network who has access to that stuff and get it... The movement of capital and when it's liquid is really important. A lot of us who are deemed as millionaires may be millionaires but it's all tied up. It's not liquid. You have to watch where the shifts are. Have someone track it. A retired broker or someone who loves reading the financial papers ... get them to do that research for you.**

**If you can get the information, and if you can wait, carefully time your approach to promising prospects. Ask at the time when:**

- **a couple with grown children are selling their house and moving into something smaller;**
- **a business-owner is selling the firm;**
- **someone has inherited money;**
- **they have just received a large severance package;**
- **they have won the lottery — or a lawsuit;**
- **they have "made a fortune by inventing a better mousetrap", Joan Flanagan adds.**

**But remember, the key factor is not that they have a lot of money. Don't try to ask everyone you can find who wins a lottery, or sells a house or business. The primary consideration is that they support you — and secondarily, that this happens to be a good time to ask.**

### **When NOT to Ask**

**"Never ask for money at a party. It is awkward for your prospect, embarrassing for your host, and guaranteed to make you look gauche and greedy. Time magazine reported that Joan Kroc, owner of the San Diego Padres baseball team, widow of the founder of McDonald's Corporation, and legendary philanthropist, was invited to a party at the home of Dr. Jonas Salk. What happened? So many other guests accosted her with solicitations for money that she excused herself and left."<sup>75</sup>**

**What should you do if you are lucky enough to meet such a person? Here's what Joan Flanagan suggests:**

**Make polite party conversation, trying to listen and learn as much as possible about the prospect. The next day, send your prospect a brief letter — one paragraph on how much you enjoyed meeting him or her and one paragraph on how you would like to have an opportunity to tell more about your project. Include one recent clipping and one brochure. Send a copy of your letter to the host or hostess with your thanks for making the introduction.**

<sup>75</sup> Joan Flanagan, *Successful Fundraising*, p 163. See Jordan Bonfante, "Lady Power in the Sunbelt", *Time*, 19 March 1990, pp 48-90.

### **Do you really need all the money now?**

An immediate contribution sounds wonderful. Whether it is in cash, or by cheque, money order, or credit card, it makes an organization feel secure to know the money is in the bank.

Sometimes, however, suggesting an immediate donation may be counter-productive. Depending on the prospect's financial situation, it may be easier to give a larger amount later. The prospect might prefer to spread a gift over multiple payments.

If you can be flexible, the prospect may be able to give you much more money in the long run.

It may not even be necessary for your organization to have the money immediately. If the programme will not begin for a few weeks, months, or even years, it may be just as convenient to have the donation arrive when it is needed.

If the programme will proceed in phases, it may be sufficient to have the money arrive as payments are required. If the money is to fund salary, monthly donations are good enough (as long as they are reliable). In the case of equipment or buildings, periodic payments are required, and the full amount is not essential at the start.

There are, of course, obvious advantages to having the money right away. The organization can invest it and earn interest. There is security in knowing that donors will not change their minds, fail to pay in full, or die without a will.

On the other hand, these advantages may all be more than offset by problems.

The first is that holding onto a substantial amount of money can create bookkeeping problems. Revenue Canada, for example, restricts the ability of registered charities to accumulate funds over several years, except under special circumstances. Prospects, too, may be put off to see the organization carrying a surplus forward.

In addition, many organizations have demonstrated their inability to leave capital untouched in the bank. In the event of an emergency or changing priorities, they may give in to the temptation to reassign the money, at least on a temporary basis. This can lead to a shortfall, and may also constitute moral and legal misappropriation of funds.

### **Which prospects should be asked first?**

Who you ask is the most important consideration.

The right person is predisposed to giving. The wrong person will require a great deal of preparation and persuasion — and still may not give at all.

This topic was covered in great detail in the chapter on how to identify potential donors. In this section, we'll just prioritize who to ask first.

With limited energy (and it's always limited), you can't ask everyone at once. Where do you start? There are three main factors to consider:

- How much will they give?
- Will their decision influence others?
- How easy will it be to obtain the gift?
- How much will they give?

The ideal is to start with those who can make the largest donations, then move down to people who would give smaller amounts.

The larger donors appreciate the honour of being asked first, as leaders. Often their gifts will influence others. If they are not asked first, there is a risk that they may be insulted, or that smaller gifts will become the 'pace-setters'.

Will their decision influence others?

Choose people who are well respected. Their decision to give (or not to!) will influence others.

**These are the people who are more public about their donations — although even an anonymous gift will have an impact if it is large enough. In some cases, a moderate gift from a much-loved person will have more effect than a larger amount from a wealthier person. Imagine the reactions of other prospects.**

**“Father Timothy gave \$1500!?! Why, he's poor as a church mouse. That must be a fortune to him”, they mutter. “And that old skinflint Beelzebub gave \$5000, did he? He bets twice that on the horses. What a cheapskate!”**

**Also, choose people who may be willing to ask others to give. If you are short of good volunteers (as many nonprofit groups are), the first prospects can be recruited to expand the team. This is much like pyramid selling.**

### **How easy will it be to get the gift?**

**Finally, comes the question of how easy it will be. It's a good idea to start off with some easy wins. Get a victory under your belt. Practice on people who are already really sympathetic. Save the hard cases until your volunteers have more experience.**

**To make it easy to decide who to ask first, Kent Dove suggests giving each prospect:**

**...not one but two rating codes: the prospect's giving capacity and the prospect's interest in the organization... By adding the two numerical ratings (capacity and interest), an institution can determine each prospect's priority rating. The higher the rating, the higher the priority the prospect is. The higher the priority the prospect is, the more ‘cultivation moves’ (structured contacts designed to bring a prospect closer to making a major gift) an institution will want to make on the prospect in a given period of time, usually a calendar year.**

**To help guide an institution in determining how much cultivation a prospect gets, it is recommended that it use a cultivation quotient — the sum of the two numerical ratings multiplied by two. This represents the minimum number of cultivation moves an institution should hope to make on a prospect each year.**

## **Codes for Giving Capacity**

<b>Code</b>	<b>Estimated Giving Capacity</b>
<b>1</b>	<b>\$2,500-4,999</b>
<b>2</b>	<b>5,000-9,999</b>
<b>3</b>	<b>10,000-24,999</b>
<b>4</b>	<b>25,000-49,999</b>
<b>5</b>	<b>50,000 and up</b>

## **Codes for Interest Level**

<b>Code</b>	<b>Description of Interest Level</b>
<b>1</b>	<b>Clearly turned off; no record of interest</b>
<b>2</b>	<b>Minimal interest; occasional donor, attends meetings infrequently</b>
<b>3</b>	<b>Moderately active or formerly very active</b>
<b>4</b>	<b>Very active; major donor, club member, committee person</b>
<b>5</b>	<b>Member of governing board, other boards or executive groups</b>

**For example, one prospect is rated 3/1 and another is rated 1/3, so both have cultivation quotients of eight (obtained by adding the two rating codes and multiplying by two). One is a rather unlikely prospect for a \$10,000 gift at the moment, while the other one is a pretty likely prospect for a \$2500 gift. Their cultivation quotients tell the organization to plan for eight cultivation moves on each of these prospects in a year.<sup>76</sup>**

**You'll find more about how to cultivate prospects in chapter 6 of this manual.**

**On the next page you'll see another method to rate the prospect's potential, based on the profile of top prospects mentioned earlier.**

**Total the scores of all your top prospects. The people with the highest score are the ones to approach first. Rank their priority based on their numerical scores.**

<sup>76</sup> Dove, *Conducting a Successful Capital Campaign*, pp 110-111.

**Major Gift Prospects:  
Who to Ask First  
© 1993 Ken Wyman**

**Prospect's name:**

<b>Criteria</b>	<b>Points</b>
<b>Prospect gave to us previously</b>	<b>100</b>
<b>Prospect is rated to give a very large gift</b>	<b>35</b>
<b>Prospect's decision will influence others by example</b>	<b>35</b>
<b>Prospect's gift will be easy to get</b>	<b>35</b>
<b>Prospect is or was on our board</b>	<b>25</b>
<b>Prospect is known to make big gifts to other non-profits</b>	<b>25</b>
<b>Prospect is or was a volunteer with us</b>	<b>20</b>
<b>Prospect is or was a participant and we have stayed in touch</b>	<b>20</b>
<b>Prospect was a participant and we have not stayed in touch</b>	<b>15</b>
<b>Prospect is on the board of one or more other nonprofit groups</b>	<b>15</b>
<b>We have a personal contact</b>	<b>15</b>
<b>Prospect knows about and is interested in us</b>	<b>15</b>
<b>Prospect is religious</b>	<b>10</b>
<b>Prospect apparently has money to give</b>	<b>10</b>
<b>Prospect is interested in our issue but apparently doesn't know about us</b>	<b>7</b>
<b>Prospect has been given awards for community service</b>	<b>5</b>
<b>Prospect is conservative (no matter how he/she votes)</b>	<b>5</b>
<b>Prospect has a high profile in the community</b>	<b>5</b>
<b>Prospect is over 55 years of age</b>	<b>5</b>
<b>Prospect is in a professional or managerial occupation</b>	<b>5</b>
<b>Prospect is an active volunteer with other groups</b>	<b>5</b>
<b>Prospect is university educated</b>	<b>3</b>
<b>Prospect is still married to first spouse</b>	<b>2</b>
<b>Prospect has children</b>	<b>1</b>

**Total Score (maximum 400 points)**

**On the next page is a form to use for your planning.**

# Prospect Information Form

## Part VI - Ranking and Timing

<b>CONFIDENTIAL</b>	
Prospect's Name:	
<b>Dove Scoring System</b>	
Giving Capacity Code:	Estimated Giving Capacity: \$
Interest Code:	Cultivation Quotient:
<b>Wyman Scoring System</b>	
Total Score:	Priority Rank (based on other prospects' scores):
<b>Timing Factors to Consider</b>	
Time most likely to have funds available:	
Prospect anniversary dates to consider:	
Dates when the prospect will be away:	
Dates when our organization will be at a high point:	
Proposed date to contact the prospect:	

Research done by (name):	Date
Updated by (name):	
Updated by (name):	

From *face to face: How to Get Bigger Donations from Very Generous People*  
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## 5

# The Right Project

*The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.*

### — The Six Secrets of Big Gifts

#### **What's the money for?**

**Making a large donation requires more than average commitment. How can you get prospects sufficiently interested to part with several hundred or thousand dollars? One of your first steps is to have clear answers to the question, “What's the money for?”**

**Look into this before you start talking to prospects. It is tempting to skip ahead in your eagerness to begin. Please don't make this mistake.**

**Don't ask the prospect to give you money for your general budget — it's not exciting or motivating. Avoid asking for support to cover core costs or deficits.**

**Major donors are more likely to give to achieve something specific than to support an organization's overall budget. They want to feel the satisfaction of knowing what their money accomplishes. They do not want to feel that their hard-earned cash merely helped to bail out one bucketful (however large) from a sinking ship.**

**The question you must constantly ask is this: What part of our work might inspire this particular donor to give more?**

**Fundraiser Gordon Cressy provides this example from the University of Toronto capital campaign:**

**They approached Helen Gardiner Phelan for a donation, after careful preparation. Mrs. Phelan is a U of T graduate who has led an active life. She has been chair of Toronto Arts Productions, now called the Canadian Stage Company. She was on the board of Women's College Hospital for over 20 years (four of them as chair of the board), and on the Lyndhurst Hospital board as well. She has also served on business boards, including Confederation Life and Scott's Hospitality, which operates the Kentucky Fried Chicken chain, where her brother was chairperson. Her husband, Paul J Phelan, is Honorary Chairman and Director of Cara Operations Limited, the food service company that provides many airline meals, and operates restaurants, including Swiss Chalet and Harvey's Restaurants, as well as Grand and Toy, the office supply retailer.**

**Mrs Phelan gave U of T \$200,000. That is a lot of money. But Johnny Wayne and Frank Shuster, the TV comedians, were on the fundraising committee at the time. They remembered her from the days when all three had gone to University College (a division of the University of Toronto) together. She had been in the *UC Follies* in 1938, '39 and '40. They decided to go back to her again, for help renovating the UC Playhouse.**

**They arranged a lunch with Mrs Phelan to ask her to help renovate the playhouse. As she later said in a telephone conversation, “There were a lot of top people there, which helps... They gave me lots of ‘outs’ and said they felt embarrassed to be coming back to me. But I wanted to do it. I believed in these people; I'm interested in acting; and the theatre was in terrible condition.” She and her husband together donated another \$1.2 million. “It felt extremely good. I had just recently made out my will leaving money to a very few charities I support, and I had been**

thinking it would be nicer to do it in my lifetime. Nothing as major as that ever occurred to me.” U of T had a dinner in her honour, of course. At the dinner they gave her a seven-foot-high photo of herself from the 1938 *Follies*.

Since then, the Helen and Paul Phelan Foundation has also contributed \$1 million for a Chair in Dermatology at Women's College Hospital.

Before you rush to put her on your list, you should know that Mrs Phelan stressed the importance of knowing the people involved, and having a long personal association with the group. She also said that “the money's exhausted now. People assume that if you give a large gift you can afford the world. You can't.”

The lesson? Knowing the right project transformed a \$200,000 gift into a \$1.2 million gift. While you may have to knock a few zeros off, the principle remains the same.

This is donor-centred philanthropy. It focuses on the donor's interests and needs far more than the organization's. Lyman Henderson would agree:

What gets to us? First of all, it has to be something we are or could be interested in. That means you've got to do a little research. If you're going to go after me for five hundred, a thousand, or more dollars, it's worthwhile spending a little time and not giving me the `Dear Friend' kind of approach, but knowing what I'm interested in. They're not going to get very far, for instance, in trying to interest us in supporting a jazz concert, but if it were a ballet performance, that's sort of our cup of tea, and you might just find something in that.

### **Funds for Buildings, Equipment, and Direct Services Are Relatively Easy to Find**

Campaigns for buildings are by no means all that major donors support, but they are familiar to most people, so let's begin there.

At the largest level, you may be familiar with campaigns where donors gave a school a science lab or athletic centre. They might give a hospital an intensive-care room for newborns, or even a whole new wing. It could be a theatre, or the lobby of a building.

In grassroots building campaigns, the same principle applies. For a community centre, for example, larger donors might like to contribute by giving something specific and durable, like a daycare centre, a kitchen, a shelf of books for the reading room, or the bench for the home team.

All these are tangible and visible. Their value to the people who will use them is unquestionable.

Equipment campaigns are also common. Donors provide CAT scanners, wheelchairs, or vans. They may buy a painting for a gallery, a piano for a musical group, or toys for a daycare centre. Programs for people are also very easy to fund. Donors may give the money to provide food for the hungry for one month, a week of summer camp for a needy child, or one performance of a concert for an artist on tour.

### **Some Needs are Harder to Fund — Overhead, Endowments and Other Tricky Problems**

Unfortunately, it is very difficult — almost impossible — to get money for core costs. Few prospects want to pay an organization's rent or telephone bill. Salary and overhead are equally hard to fund.

The first step is to clarify that overhead is only a hidden cost in providing a direct service. For example, insurance and maintenance are the hidden costs in buying a van. Without them, the van can't operate. If there is no van, there is no need to pay for auto insurance or maintenance. In reality, both the hidden cost and the capital cost are integrated. Don't separate them in the fundraising campaign.

Similarly, there are a variety of other hidden and indirect implementation costs involved in

running a van. Passengers have to be able to arrange rides. This may require someone to answer the phone — as well as a phone to be answered, a desk and chair, office rent and so on. Even then, there are still more costs. A publicity campaign may be needed to let potential passengers know a van is available. This may require a brochure. A brochure, in turn, costs more than the price of printing. People may have to be paid to write, edit, design and distribute it — and these people, too, carry overhead costs. All these so-called core costs are required to make use of the van.

In fact, the van itself may be only a small portion of the costs of offering a transportation service.

Similarly, unglamorous equipment behind the scenes, such as office computers, copiers, and furnaces are also difficult. Leaky roofs, improvements to insulation and all the rest are seldom popular. Yet they are necessary to providing programs and services.

Endowment funds are usually unpopular as well, with some exceptions. It is a fantasy to expect to go overnight from poverty to having large investments and living on the interest. Many donors will support an endowment fund. However, it is often done by leaving money to the group in their will. While they are living, they generally (but not always) prefer to see their money spent on short-term needs.

While campaigns for buildings are usually popular, this is not always the case. Office space, for example, is essential, but it seldom excites donors.

How do you solve the problem? You can't eliminate the need just because prospects don't find it appealing. Often the answer is in the phrasing. Here's how Frank Whitley, president of a major community fundraising firm in the US, describes the solution:

In one case, one of the needs was described as “Renovation of second floor of 3000 square feet, with activity rooms, offices and toilets, new lighting and furnishings for childcare facilities.” We revised the description, to reflect the public's needs: “to provide additional childcare space to double our present facilities, so that 75 welfare mothers secure taxpaying jobs.”<sup>77</sup>

### **Solution: Include Core Costs in Programs**

The solution is to include the costs of all the unpopular necessities within the more exciting programs.

Note that this does *not* mean always starting new projects to interest prospects, while you struggle for funds for your central mission. Instead, present all aspects of your work as related to programs. This is an honest and accurate way to motivate donors to care about core costs. You may also be able to redefine some administrative work as a public service. For example, if you spend time talking to the public or answering letters about your work, can you legitimately call this a “Public Awareness Program”? If so, include not only the salary of the person who talks to the public, but related overhead expenses.

The same thing applies to capital expenses. Even a cause as popular as a children's hospital, for example, might find it difficult to get a sponsor for the furnace room — even if they offer to hang a big plaque on the door. Instead, the cost of the furnace is included in the costs for other rooms.

A senior citizens' or a disabled persons' group might campaign for a ‘Mobility Program’, instead

<sup>77</sup> Frank V Whitley, “The 15 Worst Errors in Community Capital Campaigns”, *Fundraising Management*, September 1992, page 44. Reprinted with permission.

of just the van mentioned in the earlier example. The Mobility Program budget would include all the related costs as well. These include direct costs, on-going costs, and implementation costs.

Direct costs would include:

- the van
- special equipment for the van

Ongoing costs include:

- drivers' salaries and benefits
- supervisor's salary and benefits
- insurance
- gas and oil
- regular maintenance
- parking

Implementation costs include a fair portion of salary, benefits and overhead for:

- a receptionist to answer the phone and book rides
- a brochure writer
- a brochure designer
- a brochure distributor
- an executive director
- a bookkeeper
- etc...

It is legitimate to include all these real costs in calculating the value of a program. Nothing should be left over to be labelled 'core costs'. Although some government funders insist on the artificial separation of so-called 'direct costs' from overhead, most donors understand the reality.

Ultimately an organization's budget should have a column for each specific program. Each of these should show a fair share of all costs.

Long-term repair and replacement costs should also be included. All equipment, from a van to a roof, has a limited life-span. It is relatively easy to predict how long it will be before they will require major repairs or replacement. A portion of these costs should be included in each year's budget, in advance. The alternative is an emergency situation that could easily have been prevented.

**Action: Break the budget into bite-sized pieces.**

The result of including the full, real costs of the program may be that the total needed seems to be too large. It often helps to interpret this in terms of the number of people who will be helped over the lifetime of the program.

Sponsoring a concert at \$2500 is a lot — until it is clear that 500 people will see it performed. The cost per person is only \$5. A new display in the gallery or museum may cost \$100,000 and be seen by 25,000 children on school tours, at \$4 each.

A mobility program may cost \$50,000. But it might carry 1000 passengers on trips over the course of a year. Some may travel just once; others, more frequently. This brings the cost down to \$50 per passenger per trip.

Still too high? Since the \$50,000 includes a van that will last five years or more, the full five-year costs should be pro-rated against total passengers. This may display the true cost of \$10 per passenger per trip.

This, too, may be further reduced by noting that the average round trip totals 50km. The actual cost is 20cents per passenger kilometre.

This is referred to as the unit cost. Calculate a unit cost by taking the following steps:

PROGRAM NAME: \_\_\_\_\_

- a. Full cost of program, including all expenses (direct, hidden overhead, indirect and implementation): \_\_\_\_\_
- b. Number of participants: \_\_\_\_\_
- c. Cost per participant (a ÷ b): \_\_\_\_\_
- d. No. of times each participant uses the service: \_\_\_\_\_
- e. Cost per use (c ÷ d): \_\_\_\_\_
- f. Average duration of each use (time/km/etc.): \_\_\_\_\_
- g. Cost per unit (e ÷ f): \_\_\_\_\_

### Take 'Market Value' into Account

Because you have determined the true cost per unit, it does not necessarily mean that each prospect should be asked to contribute only to the limit of that amount.

In every programme, some parts are more popular than others. People contributing to the more popular elements might happily give more than the actual cost. This will be used to cover the costs of other, less glamorous aspects.

For example, a hospital may need funding to construct a new wing containing four areas. Each area is about the same size. If the cost of the building were simply divided by square meters, each area might be worth \$15,000.

However, one of these areas will be a furnace room in the basement. Although people's lives will depend on the smooth operation of the furnace throughout the winter, this is probably not a need that will excite any prospect. As a result, the \$15,000 cost must be divided among the three remaining areas. They will effectively cost \$20,000 each.

Two of the areas will be side-by-side. One will be used for a critical care unit for newborn babies, and requires expensive equipment. The other will be used for long-term care of the terminally ill. While some prospects might be interested in funding each area, it will probably be easier to find prospective donors who are interested in the babies. It is reasonable that the donor sponsoring this area be asked to give \$25,000 or more, even though the raw cost will be only \$15,000 and the adjusted cost (including the furnace room) will be \$20,000. The difference will help subsidize the long-term unit.

The core cost is not the determining factor. People will give more if something appeals to them. Making the area cheaper does not make it more fundable.

The third area will be a front lobby. No one will actually receive care in this area; however, everyone will pass through it. Some prospects will be attracted to it because of the added recognition their donation could bring them. It may be the prestige or the publicity that they like. Because of the added value in the prospect's mind, the area may be 'worth' more money. The prospect may be asked to give \$50,000 or \$100,000 for the right to be sponsor of the lobby, even though the adjusted cost is only \$20,000. The extra money will subsidize other aspects of the hospital's work.

**The same example could be applied to a theatre, an educational facility, or most other buildings. It also applies to non-capital programs.**

**Churches, for example, know that parishioners will pay for a new furnace, for instance, if the old one breaks down. Getting the funds for maintenance before it breaks down is harder, though. Overhead expenses also seem unappealing. If, instead, the focus is placed on their ministries, each including a portion of the overhead costs, fundraising then becomes much easier.**

**A 17-page booklet that will be useful to all groups struggling with this problem, whether they are religious in nature or not, is *A Declaration for Mission: Your Congregation's Budget*, by Lynne Geddes (produced by the Canadian Inter-Church Stewardship Committee, 1987). It is available from:**

**The Anglican Church of Canada  
Stewardship/Financial Development  
600 Jarvis Street  
Toronto, Ontario  
M4Y 2J6**

**(416) 924-9192**

**The Presbyterian Church in Canada  
Board of Congregational Life  
50 Wynford Drive  
Don Mills, Ontario  
M3C 1J7**

**(416) 441-1111**

**The United Church of Canada  
Department of Stewardship Services  
85 Saint Clair Avenue East  
Toronto, Ontario  
M4T 1M8**

**(416) 925-5931**

**Evangelical Lutheran Church in Canada  
1512 Saint James Street  
Winnipeg, Manitoba  
R3H 0L2**

**(204) 786-6707**

**Here's how to calculate your figures:**

**The amount you ask a prospect to give should include the full costs of the program or item. But don't stop at the immediate out-of-pocket costs. Overhead and hidden core costs are legitimate expenses, too.**

**Then, consider whether a particular program or item might be exciting or prestigious enough to be worth a donation of more (or less) than the actual costs. This is the 'market value'.**

**It is difficult to assess the market value of a portion of a program. Prospect research is the best way to determine the answer to this.**

**Some nonprofits are concerned that asking more than the actual cost is unethical. They are concerned that prospects will feel abused.**

**Honesty is important. A donor who gives \$50,000 to a hospital lobby should not be misled into believing the lobby costs more than it does. A donor who gives \$250 to have a brochure printed should be told the money is not only going to pay the printer's bill. If you explain fully and**

properly, the donor will likely appreciate the reality.

A large part of market value depends on the recognition you can offer. While not all donors want their names in lights, many do. Those people are willing to give more, if you give them more.

The right to name a program, for example, almost always goes to the single largest donor. However, that person may have given comparatively little. Roy Thompson Hall, the major concert venue in downtown Toronto, was named in honour of the single largest donor — a man who gave 10% of the total cost of the building. Similar decisions have been made in naming major buildings all across Canada. The same principle applies to small programs.

It is essential that organizations move beyond simple mathematics in calculating how much to ask for a given program. This leads to undervaluing a potential contribution.

### **Divide the Campaign to Reflect Different Interests**

The campaign should also be divided into many different aspects that might appeal to different prospects. Research will help determine the prospects' most likely interests.

For an arts group:

- One prospect's donation may depend on knowing how many schoolchildren come to concerts.
- Another might be primarily interested in the number of pieces you will perform by Italian (or German or French) composers.
- Still another, equally committed to the arts, will want to know if you are encouraging Canadian performers, or playing outside the major cities.

For a hockey rink:

- One contributor may want to know about the championship games and the potential that his donation might support the next Wayne Gretzky.
- Others might want to know how many girls will be playing.
- Some might wonder whether time will be available for figure skating, families, or oldtimers' games.
- Others, who love technology, might want to purchase the ice-surfacing machine or the scoreboard, and have their names right on it.

If you can find out who will care about which aspects, you will raise more. Be prepared to answer all of these questions, and to attach dollar figures to each of the program areas.

Some of these overlap. Schoolchildren outside a major city may hear a piece, composed by an Italian musician, performed by Canadian artists. Four different contributors may each feel they 'own' that event — and happily donate to it. Give each a piece of the action.

### **Add Human-Interest Stories**

One of the oldest and truest sayings in fundraising is “People Give to People”. No matter what their field of interest, the prospects will be more excited if they understand more about the people who will ultimately benefit from the program.

This is as true in the arts as it is in human services. It even applies, to some extent, in campaigns to save trees or animals.

Human interest stories, of the sort that frequently appear in the media, will help make it clear how the prospect's gift will help people. Statistics are also important, such as how many will be helped, and what it costs to help each one. However, even more important is *who* will be helped. Gather stories. If necessary, change names to protect people, or compile a composite — but if you do, be sure to say you have done so. Testimonials from people being helped have a very

**strong impact.**

**Outline the consequences of *not* funding the work. Who will be hurt? What difference will it make to their lives? How many people who needed you will be left out?**

**For example, an arts group might say:**

**Without the *Gallery in The Schools* program, the Gallery will have to turn down requests from 25 teachers a year. These 25 teachers represent 750 students. While it is hard to know for certain what impact this has on young lives, one Grade 4 student named Jennifer recently wrote to say, “I never saw anything as beautiful as the painting you brought to our class. I want to be an artist, and my mom is giving me lessons for my birthday.”<sup>78</sup>**

### **Action: Prepare a `Shopping List'**

**You will require a `shopping list' of programs that will excite prospects. Show what can be done with various amounts. Give options to reflect different prospect interests.**

**Choose amounts that mirror how much your prospects have to contribute. For example, a major capital campaign for a hospital or school might well display items ranging from \$10,000 to \$1,000,000. A mid-size program, such as a hockey rink for a community centre, might range from \$1000 to \$10,000. A grassroots program, such as a daycare centre or a small arts group, might range from \$100 to \$1000.**

**The Shopping List is an internal document. Never show it to prospects. It is tempting to take the Shopping List to prospects and allow them to select their own level of giving. However, this usually results in lower donations.**

**Prospect research will help you determine which item on the Shopping List you should present to the potential donor. If that is refused, it may be appropriate to then present others. More about this later.**

**Now, prepare your Shopping List.**

- **Cover several different aspects of your work.**
- **Include human interest stories that make the programs exciting.**
- **Calculate the full and complete costs of each program.**
- **Determine the “bite-sized” unit costs for various portions of each.**
- **Estimate the market value of each.**

### **Match the Project with the Prospect**

**For truly large gifts, it is not appropriate to talk about donations for general purposes. Different prospects will have different interests. Based on what you know about them, choose items from the Shopping List that might interest each particular prospect.**

### **Avoid the Tail Wagging the Dog**

**Care must be taken to avoid `the tail wagging the dog'. If the prospect's interests will require your organization to add major new projects that are not on your priority list, don't do it.**

**Much more could be said. To avoid repeating myself, however, I recommend you see my earlier book, *Everything You Need to Know to Get Started in Direct Mail Fundraising*, pages 33 to 40. It's available free from the same government department that provides this manual.**

<sup>78</sup> If you have time to explore the relatively complex process of matching projects to prospects based on personality types, see Judith E Nichols, *Changing Demographics: Fundraising in the 1990s*, (Chicago: Bonus Books Inc, division of Precept Press Inc, 1990), pp 167) 174.

### **Decide if Designated Gifts Will Be Allowed**

**Some prospects will want their contributions to be used only for their favourite projects. Or they may want them used for anything except programs they hate. Will you allow this donor-directed option? Will 'ear-marked' gifts be considered as an addition to the project's budget, or as a component part?**

**For example, let's assume the Shoes for the Sasquatch Society (SSS) gets a \$1000 donation from a donor who wants to provide sandals (size 25EEEEEEEEEEEE), but not running shoes or boots, which he considers anti-free-toe.**

*Scenario #1:* **SSS had already planned to spend \$5000 on sandals. Does this \$1000 go into that budget, so there is only \$4000 left to raise? Or is it additional, so the budget is now \$6000?**

*Scenario #2:* **SSS hadn't planned to buy sandals, because it gets cold up there in the mountains. Do they turn the donor down? Accept the money and buy \$1000 worth of sandals? What if sandals that big cost \$1500 a pair — is SSS now forced to find another \$500?**

*Scenario #3:* **The donor is persuaded to let the money be used for any kind of footwear the experts recommend. However, he wants the shoes to be for a Yeti he met in climbing the Himalayas in Nepal. SSS has never worked outside the Rockies. Should they set up a branch operation?**

*Scenario #4:* **The donor agrees the money can be used any way and anywhere the SSS wants — except he wants the shoes to be built in his factory. He'll give you a good price, but this is definitely tied aid.**

**These examples may be silly, but the dilemmas they illustrate are not. The time to think about them is before a donor offers this money, and a volunteer has to figure out what to do. I can't tell you the correct answers. You must decide what is right for your organization.**

## **II How do you find out what interests the prospect?**

**Some people new to this type of fundraising want to solve the problem by making a list of all their projects and programs and showing it to the prospect. This is a bad idea. A long list can overwhelm and confuse a prospect. In addition, the prospective donor may focus on an item in a price range far below what you hoped she or he would give.**

**It's much better to choose one project, based on your best guess of what would interest that prospect. Have one or two others ready as your back-up, in case your first choice does not click. But how can you know which to offer?**

**Some of this information may be revealed by the person's past gifts to you and other charities. Were they motivated by appeals that emphasized particular types of work?**

**People who know the prospect may also be able to comment on his or her interests.**

**Stories in the media also provide useful tidbits. In addition to popular media, fundraising magazines and newsletters are particularly good sources. For example:**

**Actor Paul Newman has a food company called Newman's Own which donates 100% of after-tax profits to charity. "Newman's Own donated more than \$7 million to 460 charitable groups in 1992", said company spokesperson Linda Rohr. Causes supported include medical, children, education, help for the needy, substance abuse, environment and emergency relief...**

**In 1988, Newman founded The Hole in the Wall Gang Camp for children with cancer and other serious blood-related illnesses.**

**"[Newman] is very involved", Rohr explained. "These recipes were his own recipes. He personally selects the charities and reviews all grants. He signs the checks."<sup>79</sup>**

**See if you provide services for the prospect. If so, that can be revealing. This may be confidential for social service and health groups, but not necessarily for all. For example:**

- **Schools, sports groups and religious institutions might note the interests the prospect shows (or showed) while attending — or the interests of the prospect's children who attend.**
- **Art groups, theatre companies or musical groups might note which productions the prospect attends.**
- **Information services might note what questions the prospect asks.**

**You can even gather information by asking the prospect directly. Surveys and interviews can provide a wealth of information. Frank Whitely, president of consulting firm Brakeley Community Venture, explains:**

**When the Venture does a study, we ask respondents: "What do you think is the most important about the case? Why do you think someone would consider a major gift?"**

**Invariably, the answer are entirely different from what the organization suspects. For example, one client saw the empowerment of women as the case for support. But major donors were more moved by the organization's role in the economic redevelopment of the downtown area. In the campaign process and with the funds raised, women would be empowered. But the original case would not have created a basis for major gifts, according to the study respondents.**

<sup>79</sup> Greg Gattuso, "Newman Swamped with Solicitations", *Fundraising Management*, March 1993, p 12. Reprinted with permission.

**Instead it would have divided the donor base.**

**It is also important that the case not be misrepresented by the organization. Often an organization is too close to its programs and services to perceive their principal value in the eyes of the potential supporters.<sup>80</sup>**

**Even when you have no direct information, you might make an educated guess based on the individual's personal history. It can be useful to know if the prospect (or someone in his or her family) was an athlete, politically active, religious, or in a particular business. It's dangerous to assume too much about their interests based on limited information, of course, but this can be a useful starting place.**

**In the next few pages is a form you can adapt that may help you determine the prospect's interests.**

**Not all the following information is essential. The more details you know, however, the easier it will be to prepare for a discussion relevant to the prospect's interests.**

**Knowing the names of the prospect's children, for example, is entirely appropriate where the kids are involved. This might include fundraising for a school, a camp, a religious group, sports, arts, cultural societies and so on. In those cases, it is reasonable to know not only the children's names, but also ages and special interests.**

**If the organization has no direct involvement with the children or the prospect's family life, that information might be irrelevant. However, it could still be useful in casual conversation.**

**In some situations, of course, it would be highly inappropriate to acquire that information. Use your best judgement.**

<sup>80</sup> Whitley, "The 15 Worst Errors in Community Capital Campaigns", *Fundraising Management*, September 1992, p 44. Reprinted with permission.

# Prospect Information Form

## Part VII - Personal Preferences

CONFIDENTIAL

Prospect's Name:

Personal Preferences

(If there are more details than will fit here, attach them.)

What aspect of our work might the prospect like *best*? Why?

What (if any) aspect of our work might the prospect *dislike*? Why?

Prospect's age:

Birthdate:

Spouse's name:

Birthdate:

Special interests:

Child(ren)'s name(s), age(s), connection(s) with us (if any), dates involved with us (if any), special interests; any other applicable information:

Research done by (name):

Date

Updated by (name):

Updated by (name):

**Personal Profile**

Interests, hobbies, travels, active sports, or known sporting interests:

Other groups or clubs the prospect is active in (list any known positions held):

Schools attended/degrees/dates:

Any awards received for service, etc:

Political leanings:

Religion (specify the *degree of observance* as well as the denomination, since someone who goes weekly may have different attitudes than someone who is 'lapsed'):

## **Should you offer incentives to give?**

**It would be nice if donors gave support for purely altruistic reasons. Clearly, they must believe in your work. But that alone is not enough to motivate some people to make exceptionally generous contributions.**

**A fundraiser for a theological seminary put it this way:**

**Think of the four R's: research, romance, request and recognition. Ernest W Wood, vice-president of the Russ Reid Company, suggests that "major gift solicitation is about 25% research, 60% romance, 5% request and 10% recognition."<sup>81</sup>**

**This section will focus on that important 10%, recognition. There are a variety of types of recognition you can offer as incentives. Before launching your major donor campaign, select the appropriate incentives for your organization.**

### *Offer Public Recognition*

**All across Canada — indeed, all over the world — there are hospitals, theatres, schools, art galleries, recreation centres, houses of worship and many other buildings named after major donors. Inside, lesser donors are honoured with plaques and memorial scrolls.**

**Governor General Lord Stanley is immortalized in the Stanley Cup. Tobacco and alcohol companies have their names prominently displayed as sponsors of sporting events and artistic performances. Universities name research chairs after donors.**

**Equipment, too, may bear the name of the donor. Virtually everyone has seen a van rolling down the street with the name of a sponsor on the side.**

**These opportunities are not limited to organizations raising funds for buildings and equipment, though it is admittedly easier for groups with such goals to take advantage of them.**

**Trophies and printed materials can carry the donor's name. Testimonial dinners can be held to thank major donors.**

**Few people will come right out and admit that they want such recognition. However, you ignore this rule at your peril, as Jerry Panas points out:**

**...The donor, hand held high in protest, may deny any inclination for special recognition. But when one of the country's major zoos somehow managed to forget to invite its largest benefactor to an opening of a new section in the zoo — an addition the benefactor made possible — the zoo sealed its future for further gifts.<sup>82</sup>**

**Our panel of donors had revealing comments on this, too.**

***Nancy Jackman:* What is my reaction to recognition opportunities? I didn't give a darn about them, until something happened in my life that changed [my opinion]. I found them absolutely irrelevant. In fact as an old Methodist, I found them offensive. Then I ran for political nomination and I needed recognition...**

**Some people like it; some people hate it. Find out what they like. I don't want six pieces of**

<sup>81</sup> David W. Heetland, "How To Build A Major Gifts Program", *Fundraising Management*, September 1992, p 35, citing Ernest W Wood, "The Four R's of Major Gift Solicitation", *Reid Report*, issue no 141, p 1. Reprinted with permission.

<sup>82</sup> Jerold Panas, *Mega Gifts*, p 56.

mail coming in every day, but I wouldn't mind a bouquet of flowers. Find out what people like. That's part of your research. I like balloons, too.

*Lyman Henderson:* Above all, recognition and thanks. Particularly thanks. It depends on the kind of donor. Some people like to get their name in lights. We have various rooms and halls named after people... Ann and I are hoping to get our immortality some other way, but nevertheless we do like to be thanked. The thanks should be a continuous effort, not just a “wham-bam-thank-you-ma'am” kind of thing.

*Linda Bronfman:* I don't always choose to do things anonymously. What I'm trying to do is not just say yes to a request; it's to make a change, to help an organization meet its goals — which are the goals that I share, or I wouldn't fund it. If I feel that [having] my name attached to it will assist you, I will do that. While initially I wasn't so keen on it, [now it appears that] to some people, if they know that Linda Bronfman is funding this, it must be a good cause. Fortunately my name still has some good associations to it — maybe not to all of you — and so I use it.<sup>83</sup>

Some of the largest donations in the country have come from people who did not want their names released. Some have even gone to elaborate lengths to use intermediaries, so that even the recipient organization does not know who gave the money.

Why do they want to be anonymous? Perhaps it's modesty. Perhaps they are fulfilling a deeply held dream or belief. For the most part, they don't want to encourage others to approach them. Then too, in some cases, they are atoning privately for some real or imagined guilt.

These people may well respond to the approaches suggested elsewhere. For the moment, however, let's concentrate on those who do enjoy the spotlight or will at least accept it for the good of the campaign.

There are four main tasks here:

- Create recognition opportunities.
- Decide which types of recognition are appropriate to your organization.
- Determine the worth of each recognition opportunity in the eyes of donors.
- Link them to the prospects who will respond best.

#### **Action: Create recognition opportunities.**

List all the options you have — even those you may not consider worthy.

Recognition opportunities can be relatively obvious. It is easy to put plaques on buildings and equipment.

But sometimes creativity is required. Virtually every piece of equipment can become a recognition opportunity. Here are some examples:

- If a donor gives books for a library, put plaques at the door, on the shelves, or inside the front covers of the books.
- Most printed material offers recognition potential on the front or back cover, or on a list inside.

<sup>83</sup> Canadian Centre for Philanthropy workshop, Toronto, June 1989.

- **If a donor gives a photocopier for the office, it is easy to put a plaque nearby. You may even have the donor's name appear on the copies made — but do so selectively.**
- **Thank the donors by putting their names on coffee cups in the cafeteria. A company that has its own mugs may donate them (think of doughnut shops and coffee brands). Or, a local potter could make individual cups with the donors' names in the clay or glaze.**
- **Programs can be named in their honour, or events held.**
- **At least one hospital has strategically placed plaques thanking the donors who contributed each cubicle in the public toilets.**

### **Create a Giving Club**

**Giving clubs are a common technique. Most symphony orchestras invite donors to become Benefactors, Sustainers, or Patrons by giving a predetermined amount of money. University alumni associations, art galleries and other large groups also have a variety of clubs for this purpose.**

**Most offer benefits to the 'club members'. These may include first choice for tickets, discounts, or even special private members' lounges.**

**Groups holding events may offer free passes, so the club member can bring one or more guests. This provides the member a way to show their pride in contributing to the work done — or the social status it conveys. It also benefits the organization by introducing new contacts. If you use this method, ask that all guests be signed in, so you can collect names and addresses for later follow-up.**

**Be creative in naming the giving levels. The names are part of the feeling of specialness.**

**The Conservation Foundation of Greater Toronto, which raises money for parkland, created the following clubs, each offering these benefits:**

#### **Friend of Greenspace (\$35-\$98)**

**benefits offered:**

**wallet card**

**sticker**

**four issues of *Focus on Greenspace* newsletter**

#### **Greenspace Supporter (\$99-\$249)**

**all the above, plus:**

**poster suitable for framing**

**recognition in the annual report**

#### **Greenspace Companion (\$250-\$499)**

**all the above, plus:**

**Conservation Area pass  
Greenspace Pioneer (\$500-\$999)**

**all the above, plus:**

**recognition in *Focus on Greenspace***

**complimentary pass to all facilities**

**certificate suitable for framing  
Club Greenspace (\$1000-\$2999)**

**all the above, plus:**

**distinctive certificate**

**invitation for two to annual reception**

**invitation to three special events:**

**Garden Party**

**Maple Syrup Festival**

**Arbor Day Foundation**

**lapel pin**  
**The Greenspace Guild (\$3000-\$4999)**

**all the above, plus:**

**recognition on “Tree of Life” plaques**

**tree planted in donor's honour**

**framed poster with recognition plate**  
**White Pine Society (\$5000-\$9999)**

**all the above, plus:**

**grove of white pines planted in the donor's honour**

**provision of group picnic facility**  
**Order of the Blue Heron (\$10,000-\$19,999)**

**all the above, plus:**

**framed photo of unique Greenspace site with plaque**

**Blue Heron tie or scarf**  
**Individual/Corporate Sponsor (\$20,000 and up)**  
**negotiated benefits:**

**major recognition in program**

**staff and/or executive passes**

**special official opening**

**extensive on-site recognition**

**identification with program in corporate marketing**

**strategy, if desired**

**This list may be too long for most groups, but it shows the potential.**

**At the simplest level, even the smallest organization can list donors' names in the group's annual report or newsletter. Some groups divide the lists into categories, based on the amount given, but this is not essential.**

**The most common benefit of joining a giving club is the easiest for small groups to offer: admission to a private reception. It may be in someone's home or in a public hall. It may be before a public performance, if you hold these.**

**One organization invites donors to become Benefactors for a gift of \$100. This entitles them to attend a `free' reception. At the reception, they are urged to become members of the President's Circle for \$250; they can attend two free receptions. At these receptions, in turn, they are invited to join the Chancellor's Society for \$500; that entitles them to attend three free receptions — and so on.**

**Donors can also be given souvenirs to take away. A certificate, a framed photo, or a piece of artwork, can each serve as a worthwhile memento of a donor's gift. These can, in fact, be better than recognition on the site of the nonprofit's operations, since the donor can see the memento daily. Ideally, it will be placed in a prominent spot as a conversation piece, giving the donor an excuse for a moment of modest glory. This serves your interests as well, since it may spark others to consider supporting your group too.**

**On any souvenir, be sure to include a small plaque in a conspicuous location, so the donor and others can easily see what group presented it. One donor, showing off her personal `Hall of Honours', had to take one framed photo off the wall to examine the inscription on the back before she could remember who had given it to her.**

**As soon as you have 10 or 15 members in your current top level, it is time to add another, even more rarefied giving club. Few people, if any, will give more than the amount required for admission to the most exalted club.**

**Start by considering all the traditional techniques used by other nonprofit groups. A quick tour of the nearest community centre, hospital, university, artistic space, or hockey rink will reveal tried and true techniques. Visit them with a notepad and keep an eye out for all that they have done.**

**Study the fundraising journals, as well. Review the ads in a few issues. Several companies specialize in producing bricks and tiles embedded with donors' names for use in walkways and walls. Others produce "Tree of Life" sculptures, where donors' names are inscribed on roots, trunk, branches or leaves, depending on the level of donation. Custom sculpture is available in all materials.**

**Now be creative. What can you do that is different and unique to your group? •**

**Theatre London, in London, Ontario, once made poster-size photos of donors and used**

- these as wallpaper in the main auditorium.
- Harbord Collegiate Institute, a Toronto high school, raised money for scholarships by giving donors plaques mounted with pieces of the old floor they had trodden for years. (The floor was being ripped up for renovations anyway.)
  - Churches for centuries have had donors' faces painted in among the saints and cherubs on the stained glass windows, or carved in granite gargoyles.

**Action: Decide which opportunities are appropriate to your organization.**

Every group must decide what it can and can't offer. Focus on what fits your own group's standards.

Ethical restrictions must be considered. Would it cause problems to publicly recognize certain donors? This is more often perceived as a problem with corporate donors, but must be considered for individuals as well.

Consider if any sources could raise an ethical dilemma for you. To start the wheels turning, here are some of the most common issues:

**Tobacco**  
**Alcohol**  
**Fast Food**  
**Gambling**  
**Drugs**

**Investment in oppressed countries**  
**Pollution**  
**Pornography**

Would it hurt the organization to be seen accepting a donation from someone whose income derives from one of these sources? How distant does a donor have to be before the money is acceptable? If a corporate donation is inappropriate, what about a personal one from the president of the company? From a major stockholder? From an elderly person who owns a few shares? From the janitor? From the government department that taxes the profits and then gives grants? Would it be acceptable to take the money quietly, but not if major public recognition was required?

Certain fundraising techniques raise similar problems. Is it appropriate for a food bank or a world hunger group to honour a major donor by throwing a lavish dinner? A nationalist group should obviously not give out mementos made in other countries.

Clearly, there are donations that are unacceptable on moral grounds. But some people can be heard to argue that they would take money from the devil himself if there were no strings attached.

Charges of elitism may also be heard in egalitarian organizations opposed to special privilege based on wealth. While this is a fair criticism of donor recognition, it can limit a group's ability to raise funds.

Remember that recognition is offered on the basis of generosity, not wealth. It may be true that it is easier for the rich to give more. However, it is often the ordinary person who actually does give more. You may show your appreciation to people for giving beyond their ability. Follow the example of some United Way agencies, which recognize corporate donors according to the size

of the workforce or the annual income level. For example, they may give awards to the top corporate donors in groups, such as those having fewer than 100 employees; 100) 250; 251) 500; 501) 1000; and more than 1000 employees.

It may also help to provide recognition to extraordinary volunteers who may not have much money to give, but are unusually generous in giving of themselves instead.

Groucho Marx is reported to have said, "I don't want to belong to any club that would accept me as a member." Some organizations have their own version: "We wouldn't accept money from anybody who has enough to give us any."<sup>84</sup>

**Henri Nouwen raises concerns about attitudes toward rich people:**

We sometimes have a prejudice against the rich, which is not a good thing; that they are less good, they have more money than they deserve...

My experience is that rich people are also very poor in many other ways. Many rich people are very lonely; suffering a lot from feelings of rejection; of being used; depression. They all need a lot of attention and a lot of care, just like the poor, because they are as poor as the poor.

I want you to hear that, because so often I have come in touch with people who are totally in the prison of thinking "the only thing people see in me is money. Everywhere I go, I'm 'the rich aunt' or 'the rich friend' or 'the rich woman'." "I have these properties, etc. I stay in my own little circle because as soon as I get out, people are there and say 'He's rich.'"<sup>85</sup>

Ultimately, your organization must judge whether it serves its participants — and its donors — better by taking the attitude that money is tainted. Ask clearly: "Who suffers, if we decide not to take this donation?"

### **Action: Determine the value of recognition.**

Now you should have winnowed your recognition opportunities down to the most exciting and most appropriate. How much must a prospect give to gain a specific level of recognition?

This can be resolved by examining the actual cost of providing the recognition, the relative value of other levels, and the market value in the eyes of the prospects.

Look at actual cost first. Obviously the cost of providing any type of recognition must be much less than the donor contributes. If nothing else, donors are sensitive to the fact that they gave you the money to achieve certain ends. In addition, Revenue Canada specifies that a registered charity must spend at least 80% of receipted donations on programs within one year. That limits spending on fundraising to a maximum of 20 cents for every dollar raised.

Revenue Canada also says that if the donor receives a benefit that has real market value (as opposed to a low-cost token of appreciation), the full amount of the donation is not eligible for a tax-credit receipt.

<sup>84</sup> "...In a telegram to the Friar's Club, Hollywood. There are various versions of this famous one-liner, all ostensibly authentic." Richard Kenin and Justin Wintle, *The Dictionary of Biographical Quotation*, (New York: Dorset Press, 1989), p 523.

<sup>85</sup> Speech given by Henri Nouwen, 15 September 1992, Toronto.

### *Keep Recognition Costs Low*

**Ideally**, the cost of recognition should approach zero. Here are some suggestions to get you thinking about low-cost to no-cost recognition opportunities.

- A group that helps children can offer a drawing by a child, perhaps done especially in the donor's honour.
- Performing arts groups offer free seats that would probably remain unsold anyway.
- An environmental group can plant trees that it was planning on planting anyway, but do so in the donor's name.
- The donor's name can be added to the annual report, a brochure or a newsletter, for only minor typesetting charges.
- Goods donated to the nonprofit, such as a framed poster, may be provided as recognition to another supporter (provided you have the consent of the person who donated the goods; otherwise, you risk offending her or him).
- Copies of a photo or poster can be signed by the director of a performance, staff members, participants, or an artist, making a one-of-a-kind souvenir.
- A celebrity can pose for a photo with the donor and autograph it.
- A behind-the-scenes tour may make the donor feel included in the inner circle, while giving the fundraiser a chance to point out the need for more support.
- A special donor lunch or reception can be donated by a restaurant, or by a corporation and held in the company's boardroom, or in the home of a friend.
- Local media may print or broadcast special tributes to donors as a public service.

### *Compare Relative Value and Market Value*

**Each recognition opportunity should stand in relation to others that your group offers. Does the recognition for a \$250 gift feel like it is worth more than twice the recognition offered for a \$100 donation? Would the added benefits induce a \$200 prospect to give an extra \$50 to reach the next level?**

**In addition, your recognition offers must stand in comparison to those offered by other organizations. This may seem excessively consumerist, but it accurately reflects the state of the nonprofit marketplace. Collect materials from other groups and compare them to yours.**

**Action: Link recognition opportunities to prospects who will respond best.**

**Not all prospects are equally interested in recognition, or in the same types of recognition. Some would prefer to remain anonymous. Some are delighted to receive private tribute, but prefer not to have it done in public. Others love being the centre of attention.**

**Recognition can be developed specially for a specific donor. If you are holding a recognition reception for a donor who prides herself on her knowledge of wine, then a wine-tasting may be appropriate. Someone else might prefer a beer-tasting party. A third person might be offended at the presence of any alcohol at all.**

**If you know a donor appreciates a particular artist, you might ask the artist to sign a print that you will present to the donor.**

**Prospect research will reveal valuable information about a prospect's interests.**

### *Gift-Club Recognition Opportunities*

**Use the following chart to create your own unique list of recognition opportunities.**

# Prospect Information Form

## Part VIII - Recognition Opportunities

**CONFIDENTIAL**

Prospect's Name:

What kind of incentives or recognition might this donor want that we can offer? Why?

What evidence is there that the prospect would be interested in this?

Research done by (name):

Updated by (name):

Updated by (name):

Date

*From face to face: How to Get Bigger Donations from Very Generous People*

- Ken Wyman 1993

published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa K1A 1K5

**For a group with few major donors, it may be best to start small — perhaps as low as the \$100 level. For groups with many larger donations, gift clubs can go up to the level of hundreds of thousands or even millions of dollars.**

**Whether to advertise the rewards a donor can receive from gifts at different levels is a controversial question. While these may be listed in a general brochure, showing the whole list is not necessarily an advantage when approaching an individual donor. A full `shopping list' is too confusing. Instead, mention only the rewards offered for a gift at the level you hope this person will contribute. If you think you may have underestimated the gift, mention the rewards at the next level, too. Discuss other levels only if the donor asks.**

## 6

# The Right Approach

*The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach.*

— *The Six Secrets of Big Gifts*

**At this stage, you have the volunteers recruited. You know which prospects you will ask. You know how much you will ask for. You know when you will ask. You know what projects they might want to support most. One final question remains: How will you approach them?**

**This chapter will answer that in eight steps:**

- 1. Do the final research necessary to get to know them as people.**
- 2. Cultivate your relationship with prospects.**
- 3. Prepare kits for the volunteer askers.**
- 4. Train the askers in how to ask.**
- 5. Identify any possible roadblocks and strategies that will overcome them.**
- 6. Make the appointment to see the prospect.**
- 7. Visit the prospect.**
- 8. Follow up afterwards:**
  - a) keep records for the future;**
  - b) thank everyone;**
  - c) remind donors of pledge commitments;**
  - d) evaluate your progress.**

**Let's examine each of these in order.**

### **1. Do the final research necessary to get to know your prospects as people**

**This is a process of systematically building relationships with people who share common interests with you and your organization.**

**The goal is to become friends with the top donors, not strip-mine their assets. The research is similar to the approach taken by members of a fan club. They want to know everything possible about their 'fave raves' — from opinions to birthdates; from family background to favourite foods. Consider your task to be establishing miniature fan clubs for your top donors.**

**This is true whether you are asking for a donation of one or two hundred dollars for a grassroots group, or building a new hockey franchise. Cyril Leeder used the same methods to convince the National Hockey League governors to let him start the Ottawa Senators.**

**“See these?” he asks, hauling a dozen black-bound exercise books out of his desk drawer. “I recorded everyone's [spouse's] names, favourite restaurants and wines, kids' careers and so on, so the next time we saw them, we could ask about how their son was doing on the Harvard hockey team. The more you know about people's backgrounds and families, the more**

**you build a relationship.”<sup>86</sup>**

**This is the time to collect any missing information about your prospects. The more you know, the better.**

**Are there any particular questions you should ask the prospect when you finally meet? Jot them down.**

**Are there positive issues you should be sure to raise — or avoid?**

**Are there people the prospect particularly likes and respects, who might influence the decision? If you have friends in common, that could make a huge difference. It might be another donor, a participant, someone who has given you advice, a religious leader you both know, a politician, or any other influential persons. Is there anything you can or should do to strengthen this connection?**

**If you will be talking to the prospect's secretary, what is her (or his) name? Are any particular facts worth recording about that person? Treat the secretary like a doormat or a barrier to be bypassed, and you will probably not get a donation. Treat the secretary like a person and an ally, and your chances improve considerably.**

**How old are the prospects? If possible, note their birthdays. If it's appropriate, send cards.**

**The smallest details can be helpful, according to Tim Hamilton, who was, at the time of this story, a fundraising consultant with Ketchum Canada. At a Brown Bag Lunch<sup>87</sup> meeting, he told the following story:**

**Research accidentally turned up the fact that one prospect, a senior bank executive, was fond of lobster sandwiches. We weren't looking for that; someone we talked to just happened to mention it.**

**When we invited him to the charity's office for a tour, we arranged lunch with several key people in the board room. We asked the caterer to provide lobster sandwiches in the assortment, and warned the others not to eat them. As the tray was passed, the person next to the prospect turned it so the lobster sandwich faced him.**

**The expression on his face said a lot. “Was this just a coincidence?” he seemed to wonder. “Did these nice people just share his good taste? Or if this was a result of research, they have certainly done their homework!”**

**Other facts may be more important. But you can never tell what might be useful. Record it all!**

**Doing your research well gives the prospect proof of your competence and your ability to work effectively in a variety of ways. Though the prospect will never see your research files, the depth of your knowledge will be subtly displayed.**

**Lawyers are trained never to ask a question of a witness on the stand unless they already know the answer. Journalists learn the same about interviews. (Now you know, too.)**

**The forms on the next pages may help you complete the research on the prospect.**

<sup>86</sup> Charlotte Gray, “Senators on Ice”, *Saturday Night*, May 1992, p 29.

<sup>87</sup> The Brown Bag Lunch Bunch no longer meets in Toronto. However, a complete set of *The Brown Bag Papers*, over 200 pages of information collected from grass-roots organizations, is sold by The Grass Roots Network, Suite 200, 64B Shuter Street, Toronto, Ontario M5B 1B1. Tim Hamilton's story, told in early 1990, was not recorded verbatim and is paraphrased here from memory.

## **2. Cultivate your relationship with prospects**

**Face-to-face solicitation may initiate a longstanding relationship if it is properly done.**

**Prepare your prospect with both facts and feelings. This preparation phase is called cultivation.**

**As gardeners know, cultivation involves preparing the soil carefully before planting the seeds. Fertilizer must be added. In the fundraising world, the `fertilizer' used is known by two initials: PR (not BS). Fertilizer is a tricky thing: too little results in a small harvest; too much all at once causes burns. Learn to cultivate properly.**

**One classic system<sup>88</sup> of cultivating prospects involves these steps:**

- 1. *Identify.* Choose the person who is likely to respond generously — usually someone already close to your organization.**
- 2. *Inform yourself about the prospect* before you inform the prospect about yourself. Learn about the this person, especially from friends.**
- 3. *Interest your prospect.* Find the most appealing program for this prospect and let him or her know about it. Discover where in your organization this person is likely to fit.**
- 4. *Involve your prospect in the organization;* give them a chance to find out how important it is for them to belong to or support the organization.**
- 5. *Invest.* Choose the best asker to approach the prospect and provide all the information necessary to maintain and raise the interest. Listen to people whose money you ask for, and take their advice. They are the experts. Ask the prospects not merely to give, but to invest themselves — to make an investment in the people you help.**
- 6. *Integrate donors into your organization.* Make sure that the donors understand how important their support is for your organization. People want recognition; the solicitor should know how to thank, and you should send tokens of appreciation. Find out how the donor could further support the organization and what you should do to increase your donor's satisfaction with the organization.**

<sup>88</sup> Adapted from material by GT Smith, "Presidential and Trustee Leadership in Fundraising" (paper presented to the Council for Advancement and Support of Education, San Francisco CA, 20-22 April 1988), cited in David Heetland, "How to Build A Major Gifts Program", *Fundraising Management*, September 1992, p 36. Reprinted with permission.

# Prospect Information Form

## Part IX - Additional Details

**CONFIDENTIAL**

Prospect's Name:

### **Conversational Guidelines**

'Active listening' questions to draw prospect out:

Positive issues to raise:

Sensitive issues to avoid:

### **Advisors**

Who does the prospect respect, listen to, or turn to for advice?

Are those people supporters of ours?  Yes  No

Do we have contacts with them?  Yes  No

What action is needed to increase their support?

### **Miscellaneous details**

Place of work (or if retired, former place of work):

Job title:

Secretary's name:

Notes about secretary:

**Other Personal likes**

**Other Personal Dislikes**

**Other Comments**

Research done by (name):

Updated by (name):

Updated by (name):

Date

There are many different ways to cultivate a prospect. How do they compare? A form letter from a staff person is not as effective as a personal meeting with a senior volunteer.

Earlier, we used Kent Dove's rating system<sup>89</sup> to calculate how many cultivation contact points were required. The number varied, depending on the prospect's interest level and the potential amount of the gift. The points required match up with the points 'earned' in each of the contacts listed below.

Dove suggests a system where "contacts are weighed according to significance, importance and impact." A typical weighted system looks like this:

<b>Cultivation Contact</b>	<b>Contact Points</b>
Letter from a staff member	1
Phone call from a staff member	2
Letter from a volunteer	2
Phone call from a volunteer	3
Phone call from chief executive officer	3
Invitation to a major event	3
Visit by a staff member	4
Letter from chief executive officer	4
Attendance at an institutional activity (off-site)	4
Attendance at an institutional activity (on-site)	5
Visit by a volunteer	5
Firsthand information on important events	6
Meeting with the chief executive officer	7
Personal recognition	7
Leadership retreat	7

"Cultivation begins", Kent Dove says, "when the prospective donor first hears about a particular institution. It reaches its highest point when the donor asks, 'How much will it cost?'"<sup>90</sup>

Two hospital fundraisers recommend the following process for cultivating prospects:

Give them the opportunity to set the pace — give them freedom of choice relative to the area they wish to support, the amount of money they wish to give and the type of giving vehicle they wish to use. By giving a donor 'breathing room', you really limit the reasons why they cannot or will not make a gift...

Listen [and pay attention] to what your prospect is saying — both verbally and non-verbally. Keen listening skills are essential in building relationships.

<sup>89</sup> Kent Dove, *Conducting a Successful Capital Campaign*, p 113.

<sup>90</sup> Kent Dove, *Conducting a Successful Capital Campaign*, p 114.

**It's always prudent to do your homework and learn the basic interests of your prospect, but there will be times when you won't know anything about the prospect beforehand. That's when carefully developed listening skills will help you discover what it is that will tug at the prospect's heart-strings and, hopefully, their purse-strings as well!...**

**Make an extra special effort to communicate with your prospects and contributors regularly by sending them various articles and informational materials that show the positive effect your organization is having on the community it serves — not mass mailings of generic information, but information that addresses their specific interests. Again, it should be personalized — you are subtly telling them that you are aware of their particular interests and concerns and that they are not just names in your ever growing database. This type of cultivation is an ongoing process — one that builds positive relationships over time and makes the difference between success and failure...**

**Make it part of your ongoing cultivation activity to contact your prospects every six months or so just to keep in touch. Based on past experience, quite a few of our major gifts would have been missed if not for this kind of persistence and quiet tenacity.**

**The forms on the next pages may help you plan your cultivation.**

### **3. Prepare kits for the volunteer askers**

**Every volunteer will require a kit to take with them when they visit prospects.**

**Prepare enough kits for everybody. Give them out at the session when you train the volunteer askers. In each folder, include:**

- **All the information you have about each prospect the volunteer will visit**
- **Guidelines on what projects the prospect is most likely to support**
- **Guidelines on how much to ask the prospect to contribute**
- **A pledge commitment card for the donor to sign**
- **Key facts about your group's work, and human interest stories**
- **The telephone numbers of people to call (night or day) during a visit, if the prospect has questions that the volunteer can't answer**
- **Letterhead, envelopes and suggested wording for letters to send the prospects:**
  - N **A letter confirming the appointment**
  - N **A thank-you note after the appointment**
- **A form to report the results of the visits, including:**
  - N **New or changed information for the prospect's file**
  - N **Action to be taken**
- **Brochures about your work, budgets, and audited statements — to be shown to the prospect only if the prospect asks.**

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Prospect Information Form**

# Prospect Information Form

## Part X - Preparation and Cultivation

<b>CONFIDENTIAL</b>		
Prospect's Name:		
<b>Preparation Required before Asking</b>		
Additional research needed on:	Who will do it	Deadline
Preparation of askers:	Who will do it	Deadline

Research done by (name): Updated by (name): Updated by (name):	Date
--	------

From *face to face: How to Get Bigger Donations from Very Generous People* - Ken Wyman 1993  
 published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa K1A 1K6

Number of cultivation contacts required:

Cultivation of Prospect:	Points	Who will do it	Deadline

Comments

Prospect Information Form  
Part X – Preparation and Cultivation

- **A short reminder of how to discuss this opportunity with the prospect, how to ask, how to handle questions, and what not to say or do**
- **A note thanking the volunteer for this effort**
- **An evaluation form to give suggestions on how the process can be improved for next time**

#### **Volunteer Fundraiser's Checklist**

- **Be optimistic and enthusiastic.**
- **Know the program thoroughly. Be able to describe it in your own words.**
- **Make your own donation — as much as you can afford — as soon as possible. You'll be surprised at the psychological lift you'll experience — and how much difference this makes in increasing your sense of immediacy and closeness to the fundraising effort.**
- **Learn all you can about the individual or business you are approaching. Determine their particular interests.**
- **Have all the appropriate materials with you when you go.**
- **Explain why you are volunteering and why the group is important to you.**
- **Be sure to actually ask for a specific gift amount.**
- **Be direct about the dollars you hope the prospect will give, but keep the emphasis on what the money will accomplish.**
- **Remember: you are not asking for money for yourself, but for an organization with a good cause.**

#### **4. Train the askers in how to ask**

**It's important to train every volunteer asker in the right approach.**

**In Appendix B, I've outlined a training system. Read through it now, but don't actually do the training until you have finished going through this manual. There is additional information you'll need in the training session contained in the pages after this.**

**Years of experience in training volunteers in this and other techniques has led me to conclude that the best training method is to get people involved before telling them the “right” way to ask.**

**By inviting people to play the Big Gift Game (Appendix B), you make people more receptive to the answers. This happens for several reasons. They learn the limits of their existing knowledge. They build on their strengths. They discover that asking is not as stilted and complex as they might fear. And they discover the process can even be fun.**

**For all these reasons, I urge you to invite people to play the Big Gift Game first.**

#### *What to Say during a Visit*

**As the Big Gift Game ends, you should have many valuable insights from the participants. Years of experience in running these games suggests that people will have spontaneously discovered most of the basic principles of what to say and do. It is largely common sense, after all.**

**The points that follow should make a useful supplement to the self-discovery process. After the game, discuss each of these points with all the people who are being trained as askers.**

## *Listen*

**Listening to the prospect is just about the most important ingredient to a successful request. What the prospect says and how you respond will carry the day.**

**Listen rather than talk about half of the time. Use active listening to draw out the prospect's latest and strongest interests in your area.**

**As you hear the prospect's concerns, shape your words to his or her interests. No matter how well you know the prospect, or how thorough the research, something may have happened at the last minute that changes everything.**

**Donna Hunter, who was at the time the executive director of the Women's Inter-Church Council, tells of a visit she made. At the time, they had identified several women of substance and faith who they hoped would help launch an endowment fund. One of the women was an old friend of hers, who will remain nameless here.**

**I hadn't seen her for a long time, but had put her name forward and agreed I would go and see her. We had agreed that we would go in twos, so I went with another friend, a board member, who didn't know her.**

**My friend met us at the door as graciously as ever. She had prepared coffee and muffins for our visit that morning. She listened patiently as the board member told her our story. Then when the time came, I told her we had come to ask her for \$25,000.**

**She quietly looked at me and said, "Donna, I'm sorry that you didn't know. My husband died two weeks ago. I'm simply not making any commitments at this time."**

**Her husband was a lawyer in a major downtown legal firm. But he had died with no insurance.**

**The next time I met her, she was looking for work. Her financial situation had changed completely, from one of wealth and privilege to one — certainly not of poverty — but of modest income.**

**How heartsick we both felt. We wrote her a note afterwards acknowledging how we felt intruding on her, and thanking her for hearing us out.**

**It didn't keep us from going on to visit others. But we were always much more careful to listen to people before we talked.**

**Others have had similar experiences. Sometimes they were positive: news of a newly born grandchild, of someone graduating, or reaching a milestone. Sometimes it has been unexpected tragedies. Sometimes it has been a change in the way the prospect views the world.**

**Hear what they have to say before you start talking. Ask questions about them and their interests. If necessary, abandon everything you had prepared, so you can respond appropriately. Always put friendship first.**

**At the worst, a few moments of such small talk and socializing will be polite before plunging into the matter at hand. At best, it may change everything for the better.**

**After you have listened, act on what you hear. Do not treat the prospect's comments lightly. Here's a million-dollar lesson:**

**One lesson I have learned over time is the importance of listening. While I was chief development officer at the University of the Pacific (UOP), the board chairman received a call from an attorney who had a client interested in making a major gift to a college or university by year's end. He was contacting a half-dozen institutions requesting three one-page proposals**

**presenting different projects at the \$200,000 to \$300,000 level. They were to be submitted within two days. I wrote them and forgot about it.**

**A month or two later, the chairman handed me a \$300,000 cashier's cheque. When I asked where it came from, he replied, "Mrs Anonymous. Remember the three one-page proposals? Well, she picked us.**

**As I was leaving, he added "By the way, the attorney told me that of the half-dozen or so colleges contacted, UOP was the only one that followed the instruction about one-page proposals. So she only read ours.**

**Wow! Was I glad we were listening to the prospect's request. By the close of the campaign, Mrs Anonymous had given UOP more than \$1 million.**

### **Don't Try to "Sell"**

**Use no pressure and no guilt. Don't beg. Don't push the prospect to do something he or she doesn't want to do. Instead, offer the prospect an opportunity to fulfill his or her own good intentions.**

**Emphasize the people whom the prospect's gift will help, not the organization's needs. Look for win/win results, where both parties involved feel they've gained. If the prospect isn't genuinely pleased to contribute, his or her support will be short-lived.**

**Also, reinforce the prospect's personal relationship with you, as an individual volunteer who asks — the gift may be given because you asked, not because of a deep commitment to the organization's work. Donors may give because they trust you, or care about you — or even because they want to do business with you.**

**Protect the group's long-term relationship with the prospect — and your own — over any short-term fundraising needs.**

### **Be Enthusiastic**

**The prospect may decide to give just because your own positive feelings are infectious. "We respond to enthusiasm", Lyman Henderson says. "I like to see someone who really believes they're hot."**

### **Give the Prospect Positive Choices to Make**

**Invite the prospect to tell you what aspects of your work she or he likes best. The following process is known as a decision-making tree:**

***Offer choices in pairs — never more. It's too complicated to make quick decisions based on three or more options.***

***Never ask a question that can be answered yes or no. In particular, avoid asking "Will you donate to this?"***

***Instead, ask questions with two equally good alternatives. Either answer should suit your purposes. This is called a double-positive decision. As an example, let's use a nonprofit that performs musical concerts in public and in schools. The fundraising volunteer, Ruth, meets the prospect, Richard. She hopes he'll give about \$2500.***

***Ruth:***

**Richard, now that you've heard about what we do, which would you prefer to help: children or adults?**

***Richard:***

**The adults could probably pay their own way. But you know, I have a soft spot for the kids.**

*Ruth:*

**That's great, Richard. I agree, the kids are important. Which do think is more important: sponsoring low-price tickets for children to come to performances, or taking the musicians on tour right into the schools?**

*Richard:*

**I remember when musicians came to my school when was a kid. That made such an impression on me.**

*Ruth:*

**Me too! We can send the musicians to the same school three times for an in-depth experience, or we could send them to three different schools. Either costs about the same, \$2500 to \$3500. What makes more sense to you?**

*Richard:*

**Send them back to the same school, if you want my opinion. I don't care much for the quick approach.**

*Ruth:*

**The teachers want them to go in September, November and March. We'd prefer to have secure funds at the beginning, of course, so we can make plans, but we could make arrangements if we knew that a pledge was coming in. If you were sponsoring them, would you prefer to make a single donation, or to spread it out between now and March?**

*Richard:*

**I know what you're doing here, Ruth. But you can count on me. I'll give you my cheque now.**

**If Richard had given the alternative answer to any of these questions, it would have been just as positive. Every decision was a good one, as far as the musicians and the audience were concerned.**

### **Be Sure to Ask for the Donation**

**Be prepared to ask for the donation directly. This is the hardest part for many people. Don't be vague, hinting that you hope the prospect will be generous. Don't present a huge shopping list, offering choices at every level.**

**"My gosh!" Lyman Henderson said. "If you don't ask, you don't get. We have had approaches of somebody going through a whole demonstration of the kind of thing they're doing or building or mounting, and they never ask."**

**Jerry Panas recounts an excellent example:**

**It is probably best that he remain nameless. I think he would prefer it that way. He is the popular minister of one of the nation's largest churches. Recently, at a small gathering of other ministers, he related this story... Our minister friend spoke with some emotion; he had just the day before learned one of the greatest lessons of fundraising. The memory was still vivid.**

**The wealthiest member of his congregation, a widow, was in the hospital. A long-term illness was, sadly, moving at its slow pace to end her life. The minister made regular calls over a period of nearly three months, at least two times a week and often more than that. "Let's be honest, gentlemen," said the minister to the group. "I considered it my pastoral duty to visit with that faithful servant, one of the most active women in my congregation. I**

wasn't unmindful, however, that she was also of immense wealth and that because of her long years with our church, we were certain to be the beneficiary of her large estate. There were no children, no relatives, only her great, abiding love for our church. She often spoke to me, even before her illness, of all she hoped to do for the church.

“I visited her faithfully, week in and week out. I brought her spiritual encouragement, often small gifts like stationery, and held her hand while I prayed with her. It was a ministry of love. She was easily one of the most popular women in the congregation and one of my long-time favourites.

“Finally, after all of that suffering, the end came and she slipped quietly into the night. There would be no more suffering. That was about a month ago. Yesterday, I found out from her attorney — also a member of our congregation — about the disposition of her estate.

“While in the hospital, she had arranged her affairs. She left her entire estate to a... university, her husband's *alma mater*. I was incredulous and I must say, God help me, more than disappointed. What happened? I asked the attorney. It turned out that the priest who was the president of the university came by the hospital one day for a visit. He asked her! That's all he did. He asked. It occurred to me that in all of the time I had known her and in all my visits, I never asked for a gift. I took that for granted.

### **Ask the Person to Give a Specific Amount**

Strategically, it is important to ask individuals to give a specific amount or to give within a range. This number is chosen on the basis of research on the person's previous gifts, ability, and interests. If in doubt, ask big.

Talk about the “think about” figure. The phrases that follow are not meant as scripts for you to memorize; they are guidelines only. Rephrase them in your own words. You might say:

I hope you might want to sponsor a new van to transport the seniors to the medical centre and other special trips. That would cost in the range of \$25,000 to \$30,000, depending on a few important options. You might be in a position to give more than that — and of course the seniors would be glad if you could. You might prefer to give less right now. What would you think about a gift of \$25,000 to \$30,000?

or

We don't know what you might be capable of contributing and we're sensitive to how many requests you face. I'm asking you to consider a donation in the \$250 range.

or

We are hoping that you will see your way clear to giving \$500 to \$750 to this campaign. This will demonstrate to others your leadership and commitment.

or

I had the same decision to make myself and I decided that this organization was that important to me.

or

Your financial donation of two or three hundred dollars, together with other gifts, will enable us to [describe what you hope to achieve].

or

If you could give \$50 a month for three years, that would mean that every month we could help someone [describe an activity you do].

### **After You Ask, Be Silent**

After you have asked for the donation, keep silent until the prospect speaks. No matter how long it takes, keep waiting quietly and patiently. Let the person think. A fundraiser had this fundamental rule reinforced the hard way:

One helpful tip the experts taught was hardest to learn: Don't talk first after asking for the gift. Alas, I have rushed in with a flurry of words after only a brief moment of silence. In my discomfort, I have even provided a reason why the prospect could not possibly make a gift in the amount suggested.

By breaking the silence I never knew if the request was in the ballpark or if the potential donor had questions or objections that needed to be answered.

### **Prepare to Ask for a Donation Several Times**

You may have to ask for a donation several times before the decision is made. The prospects may ignore the request, if they aren't ready yet. They may come back to you with more questions. They may change the subject. They may tell you they need time to think about it.

Some experts suggest asking as many as seven times. Don't worry about counting. Instead, focus on being sensitive to the situation. Some volunteers push too hard for a decision before the prospects are ready. Others, equally inappropriately, are so nervous that they are eager to leave at the first hint the prospect might say no. Find a comfortable balance in between.

### **What If the Prospect Says Yes, No, or Maybe?**

No matter what the prospect decides, it is vital that you respond correctly. Future gifts, possibly worth far more than you asked for this time, could be riding on your follow-up technique.

### **If the Prospect Says Yes**

The prospect immediately agrees to the gift. Wonderful!

Handling a positive response well can be surprisingly difficult, though.

### **The Case of The Running Mouth**

One nervous volunteer solicitor was so relieved to get a friendly hearing and a nice donation that he contracted a sudden case of verbal diarrhea. "What a relief!" he blurted. "We were afraid you were going to ask about the scandal when..." Too late, our inept solicitor retreated to an embarrassed silence, as the prospect reached to take back the cheque and asked for the details.

Here's what you should do:

First, acknowledge and appreciate her generosity. This may sound obvious, but people often forget to say thank you.

If this is a pledge, fill out a pledge commitment card and ask the prospect to sign it.

If she doesn't have her chequebook, return and pick up a cheque from her. Try to keep matters in your hands. Many a donation falls by the wayside if left with a busy person.

Some fundraisers believe that the only thing to say after the gift has been committed is

**“Thank you!”** Certainly, if you are not sure what else to say, you would be well advised to express gratitude and shut up.

**With good planning, much more can be done.**

**Before meeting with the prospect, consider what additional support the prospect could provide if he or she is enthusiastic. There are many possibilities. You must judge the new donor's mood carefully. If the gift seems to be given grudgingly, retreat with grace. However, if there is enthusiasm, consider suggesting additional involvement right away.**

**You might be pleasantly surprised at how much more a donor can and will do for you. The late Floyd and Jean Chalmers, who gave away well over \$10 million to the arts, are a good example.**

**[Floyd] Chalmers...used his considerable influence to twist arms in the business community to get them to contribute to the arts, and he felt that these contributions outweighed his own. “The major gift I've made over the years was myself, not my money,” he said. “I've given time and made a nuisance of myself by asking other people for money...”**

**“Floyd and Jean invested heavily in creativity and creative people with their time, advice and money. They were equally generous with all three”, said a book prepared as part of a tribute to Chalmers on his 90th birthday.**

**Examples include asking the prospect to:**

- **Increase the gift by pledging the same amount over several years**
- **Increase the gift through her or his will, insurance or other planned giving;**
- **Arrange a matching gift from his/her company**
- **Provide in-kind gifts of goods or services (Decide in advance: What type? How much?)**
- **Provide his/her own contact names for other prospects**
- **Write a letter of introduction to his/her own contacts**
- **Phone his/her own contacts to set up meetings**
- **Participate in solicitation meetings with his/her own contacts**
- **Serve on a fundraising task force**

**Discuss public recognition of the donor's gifts, especially if he or she is a well-known or influential person, or the gift is unusually large. Some people prefer to give anonymously. This may be modesty, or it may be a desire to protect themselves from receiving many more requests for contributions to other nonprofits.**

**If the donor seems reluctant but open, explain that it will help your nonprofit group if the donor allows you to thank them publicly. Other donors may be more willing to give if they know someone has already considered the issues, checked the organization, and decided to contribute.**

**If the donor agrees, ask about the following different types of recognition, and fill out the form at the end of this chapter. Will the donor permit:**

- **her or his name to be mentioned in your newsletter**
- **public recognition at an event**
- **sending a news release to the media**
- **mentioning her or his donation to other prospects, if they ask**
- **other forms of recognition**

**Change this list to reflect recognition options your group can and will do. Don't mention anything you're not planning. It can cause long-term problems to suggest an event, for example, and then fail to hold one.**

### **If the Prospect Gives Much Less than You Expected**

It is tempting to accept any amount offered, no matter how small. After all, money is money, and many volunteers don't want to press too hard.

However, this can be a mistake. A token donation can have long-term negative impact on a nonprofit group. It may trap the group in a 'low-gift ghetto' from which it is hard to emerge. This can be doubly negative. It affects that particular prospect's future giving level, but it can also influence the gifts of other potential supporters, if a community leader is seen to give only a small amount. Prospects often know about and carefully consider the giving level of their peers in making their own decision.

On the other hand, you can't know all that is going on in a prospect's life. It may well be that wrong assumptions have been made about how much the prospect can afford to give, or how committed s/he is to the cause. If you ask for more, you could wind up with still less, or even nothing at all. Pushing too hard can also damage your group's ability to raise future funds.

So what are you to do?

The fundraising world is full of stories like this one:

#### **The Case of the Shredded Cheque**

A wealthy donor we'll call Dan handed a cheque for \$25,000 to an old friend named Irv, who had volunteered to raise funds for a cause they both supported. Irv contemplated the \$25,000 cheque. Then, looking his friend Dan in the eye, Irv tore the cheque into little pieces.

"Dan," he said, "we both know you can afford \$250,000."

Not many people can get away with doing that! However, if you know the prospect well enough, you might want to take that risk.

**CAUTION:** This tactic is not recommended for the novice. It depends on your ability to judge people, and your confidence in the original expectations. Some people are skillful negotiators and can effectively increase a low donation. Others, of course, are shy, and perhaps best advised not to proceed.

By the way, Dan wrote Irv the cheque — for a quarter of a million dollars. Remember, you are not there just to pick up a cheque. Any courier could do that. You are there as a fund-raiser — and the emphasis is on the word 'raise'.

Your actual strategy will depend on the circumstances. Let's examine different scenarios.

### **If the Prospect Gives a Predetermined Amount**

#### **The Case of the Little Big Shot**

One asker we'll call Peter reported that the donor, Mr Bigshaught, had the cheque all made out when he arrived for the meeting. As they sat down, Mr Bigshaught passed the folded cheque across the table before Peter could say a word.

Peter put the donation in his pocket without looking at it, made small talk for a few minutes, and left. Once outside, Peter examined the donation, and was disappointed to find it was much less than hoped for.

Peter could have handled the situation differently. Here's one example. Peter could have handed the cheque back to Mr Bigshaught without looking at the amount. "Mr B," he should say, "hold on to your donation for the moment. There are some pretty exciting aspects to this campaign that you may not know about. These could affect the level of your gift. I'd like to take

five or ten minutes to discuss these with you before you make a decision, if that's okay with you. Do you mind taking the time? I don't want to put any pressure on you — I just think you'll be interested.”

If Mr Bigshaught gives permission, Peter could then make the appeal as originally planned. It might result in a larger cheque. Of course, Mr B could just pass back the same cheque, or even give less! If that happens, you will at least know you tried.

If Mr B says he's too busy to talk right now, try to set another time when he is free, so you can come back for the full discussion.

Of course, if Mr B says he's already made up his mind, there's no point in pushing harder. Accept the donation in good grace. Then plot a cultivation strategy to allow someone influential to go back and appeal for another, larger gift. This repeat visit could happen in as little as six months — even sooner, with the right asker. It might take years to arrange.

## **If the Prospect Gives a Small Gift**

### **The Case of Bad Feelings**

Sally had a different problem. Her prospect, Dr Feelgood, listened to the whole pitch, then promised \$100.

Sally was expecting \$750! The doctor had given other nonprofits in town much more, and Sally couldn't understand what had gone wrong. Dr Feelgood had seemed so interested in the presentation, and had looked interested to the end.

The brave approach would be for Sally to say, “Dr Feelgood, I had honestly hoped that you would give substantially more. Could you take a moment and explain to me — is there something that I said wrong, that discouraged you from giving? Or is there something else that I'm not aware of?”

Dr Feelgood, at that point, might provide some useful information that could allow Sally to either reopen the discussion immediately or approach him again at a later date.

If she learned that Dr Feelgood would indeed like to support the project more generously, but simply didn't have the funds right then, she could suggest monthly payment plans or post-dated cheques. The doctor might genuinely welcome the opportunity to be generous without being under a financial burden.

In another approach, Sally could have encouraged the doctor to support her group in other ways that would not require cash. They could use volunteer time, for example, arranging introductions to medical colleagues. They could even use an in-kind donation of the doctor's old computer.

## **If the Prospect Says Maybe**

### **The Case of the Consultative Prospect**

Kim had an apparently positive meeting with the judge. Clearly, there was a great deal of interest. But at the end, instead of saying yes or no, Mrs Judge said, “I need to talk about this with my husband. We always make our decisions together. I'll let you know.”

If you ever find yourself in Kim's shoes, say something like this: “Mrs Judge, I'm glad you're giving this such serious consideration. A big gift is a big decision, and of course, your husband (or, if the case is reversed, “your wife”) should be consulted. Your husband may have a lot of

questions. Let's set a date when I can come back and talk to you both together, or if you prefer, to him alone.”

**Please note: If you had done your research well, you might have seen this coming and arranged an appointment with the pair of them in the first place.**

**If the prospect refuses to allow you to meet with his or her spouse (or business partner or colleague), your next step is make sure that they have all of the information they'll need to present the case on your behalf. If there are presentation materials, try to leave them behind. Ask the prospect if he or she can think of any particular questions that his or her partner might raise that you should anticipate.**

**Finally, don't leave it up to the prospect to get back in touch with you. It's very important to set a date by which the decision will be made.**

**You might say, “Could we talk about it on [name a date within the next two weeks]? I'll be back in the neighbourhood on that day. Will it be convenient for me to drop in then?”**

**You could say, “Our team is having a report meeting soon, and I'd love to let them know your decision. The meeting is on [such-and-such a date]. Could I check in with you the day before?”**

**If these strategies fail, simply ask the prospect to name a date that would be most convenient for him or her.**

## **If the Prospect Wants More Information**

### **The Case of the Answer that Was Too Good**

**Jean had a problem — Mr Levesque asked a question that she couldn't answer.**

**Jean hadn't been very keen on making this fundraising call in the first place. So at the very first hint of a question, Jean promised to research the answer, packed her briefcase and left.**

**Mr Levesque, who was just asking an idle question, was startled. Jean, however, took the question very seriously and went off to do two weeks of in-depth research, preparing a detailed report for Mr Levesque. The research was so much more fun than fundraising — at least, in Jean's mind.**

**When they finally got back together after a great many calls and juggling of busy calendars, Mr Levesque was half pleased to receive such a detailed answer to his question but a little concerned that the organization would squander its resources in this manner.**

**The result? The donation Mr Levesque made was much smaller than expected. Jean was angry that all her research work was valued so little. The nonprofit was disappointed.**

**Before showing what Jean should have done, let's look at a similar situation.**

### **The Case of the Professor who Knew Too Much**

**Another fundraiser we'll call Ricardo tried a completely different approach when he approached a potential donor. The prospect, Professor Parker, asked a few questions. Ricardo wasn't quite sure of the correct answers. He did vaguely remember that somebody had mentioned something about this to him once before, so he gave his best approximation of the answer. In other words, he made up the facts.**

**Unfortunately for Ricardo and the nonprofit group, Professor Suzanne Parker was a world-renowned expert on this subject. She knew the real answer — she'd just been testing.**

**No donation at all that day! Or for years to come.**

**So what should Jean and Ricardo have done?**

**Never lie, make up answers or obfuscate. If you don't know, say so. Most prospects will appreciate your honesty.**

**Write the question down and repeat it back to the prospect. They'll appreciate that you're taking it seriously. Say something like, "If I understand correctly, what you want to know is..."**

**Then ask, "Do you need to have this information immediately, or should we continue our discussion?"**

**Chances are good that the prospect will respond, "Let's continue."**

**If that's the response, continue on and try to get the donation on the spot. You can certainly get back with the answer later, but it's entirely possible that the prospect does not need that information in order to make a decision right away.**

**The prospect may say, "I really do need to know that. It's a critical point." You have two options:**

- **The most impressive is to ask if you can borrow a telephone and call one of your contacts (at home if necessary), ask the question and report the answer back instantly.**
- **If that isn't possible, note the question. Check again whether you should cut the discussion short at that point, or whether you can continue the conversation, "so I can discover if you might have any other questions I should research at the same time." If the conversation continues, the prospect may very well decide to donate without an answer. If not, arrange a date to come back with the information.**

### **If the Prospect Says No**

**When a prospect says no outright, it's very tempting to give up. Don't do it.**

**Before exploring them in detail, let's list your options:**

- a) **Be polite**
- b) **Ask why**
- c) **Be pleasantly persistent**
- d) **Offer a donor-directed gift option**
- e) **Suggest a later gift**
- f) **Offer alternative ways to help**
- g) **Ask for advice**

*a) Be polite.*

**If the prospect is hostile, in a hurry, or otherwise indicating that you really must leave right now, then that, of course, is the time to take your leave. Be extremely polite. Thank the person graciously for having taken the time to contact you, and leave the door open for another visit. Remember that the long-term relationship with the prospect is far more important than any single request.**

**Never, under any circumstances, be rude. Don't tell the prospect off. Don't let them know that you think that they failed to understand the situation fully. Don't suggest that they are politically incorrect.**

**This point may seem obvious, but many prospects have had unhappy solicitors literally swear at them.**

*b) Ask why.*

**The ideal is to continue the discussion with the prospect. Ask for more information. Is there something about the project that the prospect doesn't like? If so, additional information might**

win them over.

Of course, if they actually disagree with what you're doing, additional information will seldom make a difference.

Invite them to discuss it further if they wish. Be careful not to push too hard. People have a legitimate right to say no. In fact, everyone must say no far more often than they say yes.

Sometimes the reasons are private. Sometimes the prospect doesn't even know what the reasons are.

Nancy Jackman is quite clear about the difficulty she has with people who want to ask why, particularly when it is done in a belligerent way:

**If I don't give... don't ask me why. I feel guilty. I feel harassed, and I don't want to have tears in my eyes because I have to say no to you. I say no to thousands of charities every year.**

**I know that there are going to be many groups that are going to go under, I reckon in the next ten years. The smaller donations I have been making, at around a thousand dollars, I have decided to cut... I'm getting out of the business of small annual gifts.**

c) *Be pleasantly persistent.*

Some donors never say yes the first time they're asked. They like to test the commitment of the volunteer.

Here is a true story from the life of Joe Tanenbaum, one of Canada's most generous donors. JT, as he is known to his many friends, made a fortune with his bridge-building company, Runnymede Steel, and later in property development.

**JT has an array of... carefully calculated strategies for helping the deserving. One of the most common, but least understood, Tanenbaum tactics for *tzedakah* (Yiddish for an act of giving to charity; literally, 'doing justice') is the hard bargain he drives with institutions seeking his support. Solicitors for the finest causes are often shocked at their initial meeting with JT: "Is this the famous philanthropist renowned for enthusiastically parting with millions?"**

**One fund solicitor naively presumed himself to be a perfect partner for a *shidduch* (marriage) with JT. "After all," he thought, "Tanenbaum wants to give and the deserving institution that I represent wants to receive. What could be more logical? In fact, I'm doing the elderly gentleman a favour!"**

**The hard bargaining and barrage of tough questions he was subjected to were not exactly the *meshulach's* (fundraiser; literally, an emissary) idea of gratitude.**

**As the crestfallen young man emerged from JT's inner sanctum in the Runnymede building, the first thing he saw was the smiling face of Joe's secretary, the unflappable Terry Ryan. Blinking back the tears, he let out a sigh as long as the boom on Joe's favourite crane.**

**Terry tried to commiserate. "You look a little pale. Would you care for a cup of coffee?"**

**Unable to concentrate on the question, the fellow blurted out, "If he doesn't want to give any of his money away, what does he have a foundation for?"**

**"Did he tell you he wasn't going to give you any money?" she asked, aston-**

ished.

**“No, he didn't come out and say he wouldn't give me any money. He didn't have to say it. I couldn't answer half of his questions, and he made me feel like an absolute fool.”**

**“No, you poor boy. You just don't understand. JT — I mean, Mr Tanenbaum — treats all the *meshulachim* that way; the first time, that is. Did you think raising money would be easy? You'll never meet an old softy like JT again, and Mr Tanenbaum knows that. That's why he puts all the people who come to ask for money through their paces. He wants to see if you know your stuff, if you're committed, if you really care about what you represent, if you've got enough *chutzpah* (bravery, nerve, guts, gall, spunk).”**

**“So what do I do now?” he moaned.**

**“You'll have to come back again.”**

**“Oh no! I could never do that!”**

**“Sure you can. And you have to, because if you can't get a contribution from JT, you can't get a contribution from anyone. Let's see, I have an opening in Mr Tanenbaum's schedule next Tuesday at eight o'clock in the morning. You'll be his first appointment of the day. It always makes a good impression on him when someone is willing to get up as early as he does. Go home now, and do your homework. Try to remember all the questions he asked you, and be prepared to answer every one and more. You'll see — he's really a teddy bear with a big, soft heart. If you prove to him you're really committed, you'll get a big contribution. I know you will.”**

**And he did.**

*d) Offer a donor-directed gift option.*

**Sometimes prospects will refuse to give because they don't like one particular aspect of your work. They may consider it too controversial. They may think the money is wasted.**

**Offer them the option of directing their donation to a different part of your group's work.**

**First, validate the prospect's right to feel that way. Ask: “Would you like me to tell the board about your view? It's important that they know how supporters like you feel.”**

**Don't promise they will change the policy — just that you will convey the prospect's ideas. Pause for an answer. Discuss this course of action seriously.**

**Next, ask for the prospect's validation about part of your group's work. Ask: “Would you agree that other parts of our work are worthwhile? For example, we also... [briefly give examples of exciting projects].”**

**Even in a small organization, there is usually some other aspect of your work you can emphasize. It may be work with children or seniors, men or women, information instead of action. Again, pause for an answer. If the prospect thinks your entire project is inappropriate, you won't get a donation. However, if the prospect considers some part of your work acceptable, you can move on.**

**Ask for more information. Let the prospects talk themselves into positive feelings. Ask: “Which aspects of the work do you support most? Why is that?”**

**Now you can begin to ask for a directed donation. “Would you be willing to give exclusively to the part you like? I'll make it clear that not one cent of your donation is to be spent on other areas.”**

**This donor-directed option must be cleared in advance with the organization. Will the board**

accept 'ear-marked' gifts? Will this be used as part of the regular funding for that project, or will it be additional funding? The prospect may ask — and the solicitor must be clear on the policy.

e) *Suggest a later gift.*

Do the prospects want to help, but feel limited by their current financial situation? That's good news. That's not "no" — that's "later". You should immediately discuss options such as smaller monthly payments, postdated cheques, or a return visit at a future date determined by the prospect.

f) *Offer alternative ways to help.*

The prospect may say, "I'd genuinely like to help. There are just so many good causes and I can't help them all."

Here's what you should do. First, agree with the prospect there are great many good causes. Note that you, too, feel frustrated by that dilemma. Suggest to the prospect that she or she may have ways of helping that won't put any strain on their pocketbook. Examples include in-kind donations, asking for a donation from the company where she works, or taking advantage of a matching grant program.

g) *Ask for advice.*

If all else fails, ask the prospect for advice. Say, "I like to see something positive in every situation, even when somebody's said no to me. That can be a learning situation for me, so would you just take a moment and tell me how I might have improved my presentation to you?" The prospect may well respond positively and give you useful insight. In several cases, prospects have even talked themselves into a donation.

## **5. Identify possible roadblocks and strategies to overcome them**

Before you approach the prospects, anticipate tough questions that they might ask. Make a list of ten or more. Brainstorm on these with a group of your colleagues.

This stage should be completed before you train the volunteer askers. You'll need to be able to share these roadblocks, and the 'block-busters' with them.

Some objections are standard. These might apply to any organization. Others only fit particular groups. Examples of roadblocks include:

- Tell me more about... [a topic not familiar to you].
- Why did (or didn't) your group take action on...?
- What's the money for?
- What recognition can I get?
- How much did you give?
- How much did So-and-so give?
- Why didn't I get a tax receipt/proper recognition/etc for my gift back in 19\_\_?
- How did you get to know so much about me?
- How did you decide how much to ask me to give?
- Why does your organization have a deficit/surplus?
- Didn't your organization have a board split/fire someone/have a key person arrested recently?
- I'll give, but only if I can get the following recognition...

- I'll give, but only if you spend the money on... [and the prospect names something that you are not raising money for, or that would raise problems].
- I'll give, but only if you provide me with... [personal benefits, such as granting me a degree at your university, hiring a relative for a job, getting me a backstage pass, getting me free tickets for an event].
- I already support the United Way. Why should I give to you?
- I already support other similar groups.
- How can you ask me to give when the economy is in the state it is now?
- Doesn't the government provide all of your funding? or, The government should provide all of your funding, and if I give you money it only lets the government off the hook.

You may well be able to add others to this frightening list.

You may be asked to state your stance on abortion, animal rights, gambling, alcohol, bilingualism, tithing, or any of a number of other controversial issues. Even if your organization doesn't officially have a policy, the prospect may want to know the unofficial position, or your personal position.

There's a standard four-part process to handle almost any tough roadblock. Here's the magic formula:

*a) Validate*

Agree with or at least acknowledge the person's point. Say something like, "I think I can understand how you'd feel that way."

*b) Ask Questions and Listen Actively*

Ask for more information before you begin to answer. If you jump too soon, you may create new problems.

When one prospect said, "I think your organization is too political", the fundraiser responded, "Well, you must be referring to our position on South Africa", but the prospect interrupted. "No," the prospect said, "I meant your position on something else entirely. Now do tell me about this South Africa position." The fundraiser had accidentally created a whole new set of problems.

Give the prospect lots of 'air time'. Ask more questions for the prospect to answer. That way you can find out exactly what they think and how much detail they need. You may even discover that you actually agree on the issue.

*c) Respond Briefly*

Answer very briefly. Before you take a second breath, ask the prospect if she or he wants more information. It's easy for an answer to turn into a long-winded explanation, that bores the prospect and raises new controversies.

Never argue with or criticize the prospect. Protect your organization's long-term relationship with the prospect over any short-term fundraising needs or desire to 'educate' the prospect. Return to the appeal as quickly as possible.

*d) Ask for the Donation*

Bring the discussion back to the needs of the people you serve (never emphasize the needs of the organization). Ask the prospect again to support them.

Let's tackle some of the roadblocks to show how this model works.

**Q:** “I already support the United Way. Why should I give to you?”

**A:** *Validate the prospect first:* “I’m glad to hear you support the United Way. I do, too. They do a lot of good work.”

*Inquire further and listen.*

**OPTION A. If your organization is a member of the United Way:**

“Did you know that our organization is a member of the United Way?” *(Pause for an answer.)*

“Do you know what portion of our work is covered by the United Way?” *(Pause for an answer; and if the prospect wants further information, by all means share it.)*

“Did you know that United Way allocations to all the member agencies only went up (or actually went down) by \_\_\_ per cent, while the need increased by \_\_\_ per cent. Do you think that we should only increase (or should decrease) our services by the amount of the United Way allocation?” *(Pause for an answer.)*

**OPTION B. If your agency is not a United Way member and is eligible for membership:**

“Did you know that the United Way only takes on [number] of new agencies every year?” *(Pause for an answer.)* Unfortunately, their fundraising simply can't meet all the needs.”

**OPTION C. If your agency is not a United Way member and is not entitled to be:**

“Did you know that the United Way is restricted to providing funds for social services? Agencies like ours are not eligible.”

*Ask for the donation:*

“As you can see, there are many people who need help, and the United Way can't cover all their needs. Would you consider a gift in the range of [amount] to help those people?”

**Q.** “Doesn't the government provide all of your funding?”

“The government should provide your funding, and if I give you money it just lets the government off the hook.”

**A.** *Validate:*

“I wish we did receive 100% of our funding from the government. That would solve so many problems.”

*Respond briefly:*

“In the current economy, even if the government agreed to provide 100% funding, it's too risky for an organization to have all its eggs in one basket. The government's policies and priorities can change very quickly.” *(Pause for a response.)*

*Ask for the donation:*

“We'll continue to try to persuade them that they should provide more funding, but in the meantime, people still need services. How would you feel about donating \$X for Y services?” *(Pause for answer.)*

**Q.** “How much did So-and-so give?”

**A.** “I think that's a reasonable question. A lot of people like to compare their donations to others'.”

**OPTION A. If `So-and-so' has given you permission to reveal the amount, answer:**

“So-and-so and I anticipated that you might want to know that, so he gave me permission to tell you in confidence that he gave \$\_\_\_\_. With that in mind, how much do you think would be appropriate for you to give?” *(Pause for an answer.)*

**“By the way, other people I talk to might ask what you've given. Can we have your permission to reveal the amount of your gift? We'd ask them not to tell others. And if there's anyone you don't want us to tell, that's fine, of course.”**

**OPTION B.** *If you don't have permission from So-and-so:*

**“I don't have permission from So-and-so to reveal his/her donation. It's important to respect confidentiality.”** *(Pause for a response.)*

**“Would you like me to contact So-and-so and ask for permission? (Pause for an answer.) Can I tell him it was you who asked? (Pause for an answer. If the donor seems keen, add the following:) Would you like to challenge So-and-so to give extra to match your donation?”**

**OPTION C.** *If So-and-so hasn't given yet:*

**“So-and-so hasn't made a contribution yet. Do you think your donation might influence his/her gift?”**

**Q.** *“How much have you given?”*

*(This is why you were warned at the beginning of this book that it is important for all solicitors to also be donors.)*

*Tell them, but not in dollars — put it as so many days of pay or a percentage of your income. Then the prospect, who may well be wealthier than you, will get the idea that he or she should give proportionately.*

**Q.** *“How can you ask me to give when the economy is in the state it is now?”*

**A.** **“I understand. It is hard to be as generous as one would like to be in the current economy, isn't it? Has the economy affected you personally?”** *(Pause for an answer; sympathize, and discuss the situation.)*

**“What effect do you think the economy has had on the people that we're trying to help?”** *(Ask the prospect if he/she would like more details. Keep your answer brief and talk about your organization's participants.)*

*If the prospect responds that he/she really would like to help, but simply can't afford to right now, go back to the `later' strategy. “Would you find it easier to give small monthly donations or a post-dated cheque?” (Pause for an answer.) “Would you prefer talking about this at a future date? (Remember to set the date for the next visit now.)*

## **What Advice Did The Biggest Donor Ever Offer on Asking for Big Gifts?**

*You may admire the legacy of the Rockefeller Foundation. You may not care for the politics or commercial practices of the man who started it all. You may find the language in this document, which is over a century old, a little dated (or worse). Nonetheless, you may find the advice is still valid today.*

### **Ten Principles of Soliciting by John D Rockefeller, Sr**

**First published in 1891**

- 1. When making a solicitation, dress well with costly clothes, immaculate linen, and well brushed shoes. See also that your hands are clean.**
- 2. Hunt in pairs. A call by two persons makes more impact than one, but only one should talk. This has greater dignity.**
- 3. Both people should have an elegant personal card to present at the door.**
- 4. At the outset, ask only for a few minutes of the person's time, and by plunging into the subject, create the impression that the call will be short.**
- 5. Enter the room in genial and radiant good nature. Allow no provocation to disturb this good humour. Keep your victim also good natured, and this throughout!**
- 6. If you find him big with gift, do not rush too eagerly to the birth.**
- 7. Let him feel he is giving it, not that it is being taken from him with violence.**
- 8. Appeal only to the nobler motives. His own mind will suggest to him the lower and selfish ones. He would not wish you to think that he has thought of them.**
- 9. Let the victim talk freely, especially in the early part of the interview, while you take the opportunity to study his peculiarities.**
- 10. Never argue or contradict him. Let him talk, talk, talk. Give the fish the reel and listen with deep interest.**

## **What Advice Does the Church have on Asking for Big Gifts?**

*You may not be a religious Christian. You may not be conducting an Every Member Visit. You may find nevertheless that this advice can be adapted for your group.*

### **Ten Commandments of Visitation** by Walter Murray

- 1. Thou shalt not let fear, nor horror stories stay thy steps. Face the fears and talk about them; unsurfaced fears may sabotage any visitation program.**
- 2. Thou shalt not visit without vision. Each visitor must feel ownership of carefully worked out goals and objectives regarding the mission of the church in the community and world.**
- 3. Thou shalt not visit with thy head in the clouds. It is nice to be spiritual, but go to all training meetings so you will know what you are talking about when you make your visits.**
- 4. Thou shalt not put off making thy calls to a more convenient season. Make your calls on the day or days assigned, and be assured that a more convenient time will never come.**
- 5. Thou shalt not lose count on each visit that God gavest thee one mouth and two ears — to be used in like proportions. Listen to the verbal and nonverbal messages of pain, joy, fear [and] hope, because ...feelings... must be expressed before one can hear.**
- 6. Thou shalt not visit with thy tail between thy legs. Without apology, tell the Church's story of love for the world and let the people in the home know it is a privilege for you and them to give time, talent and money to the work of Jesus.**
- 7. Thou shalt not clear the children away when entering a home to talk about the love and work of Jesus. Make it clear that each family member is important and that no one is too young or too old to learn from Jesus, who continues to place a child in our midst.**
- 8. Thou shalt not do unto others what thou has not done unto thyself. Make your own commitment of time, talent and money before you ask others to do so.**
- 9. Thou shalt not forget to follow up. Turn in all information, suggestions and commitments given to you; and make sure all offers of help don't end up in the dead-end file.**
- 10. Thou shalt pray without ceasing. When we pray, God opens doors, hearts, hands and sometimes banks of resources that we didn't even know were there.**

## **6. Make the appointment to see the prospect**

**You're now nearly ready to ask. You've recruited the right volunteers, put them in pairs, trained them, and assigned them to the right prospective donors. You've decided on the right amount, time, project and approach. Now it's time to make an appointment to see the prospect.**

*Prepare before you telephone.*

**The phone call should be made by one of the two people who will meet the prospect, not by a secretary.**

**Gather all the information about the prospect.**

**Have your appointment calendar handy. Select several dates to propose that are suitable for both volunteers on your team.**

**Think ahead about issues like the following:**

*Have a reason to ask.*

**Before you call, identify at least one reason why that person (or couple or family) may be interested in giving a significant contribution. This forms your rationale for the approach to them. Reasons may be:**

- **She has proved a supporter of your group over the years and you are hoping that she will extend support to a new and specific program.**
- **He may be a prominent person in the community and his involvement and leadership will be valued by your group as an example to others.**
- **They may be personally concerned about your issues because of their own interests, or those of family or friends.**
- **He may have business or professional interest in the issues your group is concerned about.**
- **She may see that public identification with your group is good for business, thanks to positive publicity or services to employees.**

*Decide where you want to meet the prospect.*

### **• Your Site**

**If possible, meet the person where your nonprofit group works, especially if the prospect can see interesting activities, meet people, or view new developments.**

**Lyman Henderson likes “being asked to a demonstration of some kind”, he says. “I think those are particularly good. Like a backstage tour, or attendance at a rehearsal in the arts forum. Or going through a medical centre.”**

### **• The Prospect's Premises**

**The prospect's home, office or workplace can also be excellent. Some experts advise against this, because it puts you at the disadvantage. They are in their ‘home court’, as it were. I disagree. They are comfortable in their home or office, and that's important. You may also be able to pick up clues from the photos, souvenirs, hobbies or trophies on display. Linda Bronfman had this to add, from her viewpoint as a donor:**

**If you're willing to come to my office, it's more likely that I'll have time to meet with you... I've been asked to trek [a long way] out to places for causes when I don't know [yet] if I'm going to be interested.**

- **Neutral Territory**

Although some consultants recommend them, I suggest you avoid meeting in public places such as restaurants. Marga Callender agrees:

**I tried that — and hated it. Not only did I have to focus on listening and making a presentation, but I also had to look at the menu, talk to a waiter who interrupted at strategic moments, and eat. Often the call was finished long before the meal was. After a few afternoons with indigestion, I ignored the experts' advice.**

**In addition, you may find it awkward to handle the moment when the bill is presented. Should the donor pay, on top of agreeing to a generous contribution? Should the organization pay, demonstrating that the donor's gift would be squandered on high-priced meals? Should the volunteer pay, elegantly sidestepping the problem, but adding to the volunteer's burden? Some people resolve this by going to a club where the bill is never brought to the table. Others arrange payment in advance. Both these solutions obscure the problem, but still leave the donor wondering.**

**In addition, there is the danger of many social errors. Spills, food stuck in teeth, bad meals, annoying people at the next table, deciding whether it's acceptable to order alcohol or to smoke — all these things make it more complicated than necessary.**

**Avoid restaurants unless the prospect suggests it and there is no other choice.**

*Phone for an appointment.*

**Phone the prospect and ask for a time when you can all get together.**

**Avoid giving much information on the appeal over the telephone. Otherwise the person may make a decision at that time. This is very important.**

**When making an appointment:**

- **Ask if you can meet and talk to them about what you are doing for your community. Tell them you believe they may be interested. Say you'd like to explain more to them in person. The discussion will last about half an hour.**
- **Don't be drawn in by questions at this point. Communicate a sense of urgency by being brief and to the point. Keep the call short and not social.**
- **The prospect may say, "This isn't about my making a donation, is it?" Respond honestly. Don't hide the fact that you are calling about a donation. Don't deny it or try to surprise the prospect; in most cases he or she will resent this approach. Say, "Yes, you can choose to contribute, but this is an unusual program and we need your advice as well as your support. I'd like to tell you more about the program. Can we set up a time when I can fill you in?"**
- **If the prospect can't meet with you to talk about a donation, suggest alternative dates.**
- **If the prospect completely refuses to meet you to discuss a donation, this is a warning sign. Either you have not done enough cultivation yet, or this person is not really a prospect.**

**In either case, meeting the prospect at this stage would be a waste of time — for both the nonprofit and the prospect. Find out if this person should be politely dropped from your major prospect list. Perhaps the money isn't available right now, or is committed elsewhere. Perhaps there is no real interest. Whatever the reason, if this is a dead end, send a friendly letter; make a note in the file for the future; and put your energy elsewhere.**

**If the prospect might still become a donor, try to use the phone call to explore further. Are there any special interests you might use in your ongoing approach? Ask the reluctant prospects if they have any particular concerns that need to be addressed. Then continue the cultivation process.**

*Send a letter to confirm the appointment.*

**Once you have agreed on a date, time and place, send the prospect a brief note to confirm the details.**

**Add enough interesting materials to complete the cultivation process, and have the prospect excited about seeing you. Your letter might have a few phrases about the organization's work, or you might attach a news clipping or a brochure.**

**Avoid turning this into a direct mail appeal. You do not want the prospect to make a decision based on the letter. It is merely an appetizer to put him or her into the right frame of mind when you arrive.**

**Fundraising expert Charles Mai has excellent suggestions on how to make this letter readable:**

**When I ask a prospect, "Did you receive my letter?" and get the reply, "Maybe, I'm not sure", the letter was a failure. Even worse, prospects have claimed they never received my letters.**

**The beginning of your letter, proposal or brochure is enormously important. Lois Duncan, in her famous book on writing personal experience, *How to Write and Sell Your Personal Experience*, calls it "a hook that snags the reader and won't let him go until he has read through the entire article."**

**She favours an anecdote as an opening, "with characterization, colour and action", such as "The student faced his assailant quietly." In a few sentences we are fascinated how a young blind man defends himself with karate against a vicious attack.**

**She also likes a 'startle statement' such as "The day I died, it was raining."**

**One of William Zinsser's favourite leads is, "I've often wondered what goes into a hot dog. Now I know and I wish I didn't."**

**Marjorie Holmes, in *Writing the Creative Article*, gives an example of a 'straight opening' which you might adapt: "There is a wonderful afterglow of pleasure that accompanies every act of tactful giving."**

**For a powerful message, you decide on an angle and bring it into focus. Marjorie Holmes urges us to use every incident, description or anecdote to "lighten, shade, enhance or clarify" the one subject.**

**If I were trying to get a big gift for cancer research, what would you think of this: "My daughter is alive and enjoying life to the full because of laboratory work which began ten years ago in a distant city. This lifesaving work originated from a single grant by one person."**

**That would be followed by a portrait of the attractive and vibrant daughter who will do much good in the world, but who almost died of cancer. Dialogue and description would make this a living person to the reader.**

**Then follows an equally graphic portrait of the donor, how his gifts inspired others and a simple, understandable description of the research which saved many lives.**

**If following these suggestions seems too complex, settle for a simple note confirming time and place. Have it signed by the volunteer who will visit.**

**Before the visit, make sure each volunteer knows clearly what she or he is responsible for doing. A central coordinator may be essential with large groups. It can be frustrating to have one team member saying to the other, “But I thought you were sending the letter!”**

**These forms may help you track your contacts with the prospect, and make sure each step was actually done:**

# Prospect Information Form

## Part XI - Schedule

<b>CONFIDENTIAL</b>	
<b>Prospect's Name:</b>	
<b>First Phone Call to Arrange Appointment</b>	
Date and time call should be made:	Date actually done:
By whom:	<input type="checkbox"/> same day, or:
Results: <input type="checkbox"/> Appointment set for (date and time):  <input type="checkbox"/> Call back on:  <input type="checkbox"/> other:	Location:
<b>Letter to Confirm Arrangements</b>	
Particular points to mention in letter:	
Other notes for use in conversation or for file:	
Date letter should be sent:	Date actually done:
By whom:	<input type="checkbox"/> same, or:
<input type="checkbox"/> Copy of letter attached	

Research done by (name):	Date
Updated by (name):	
Updated by (name):	

From *face to face: How to Get Bigger Donations from Very Generous People* Ken Wyman 1993  
 published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa K 1 A 1 K5

## **7. Visit the prospect**

**You're as ready as you'll ever be. You know what to say — and if you forget, you've got a team member to help you remember.**

**Go visit the prospective donors.**

**Remember to be a friend to the prospects. Don't manipulate or trick them into doing anything they'll regret later. Don't do anything that you'll regret later.**

**The donors must genuinely want to support your good work. They must be able to afford their donation. If they do, they'll end up feeling positive about you, the group, and themselves.**

## **8. Follow up afterwards**

**The work is not quite finished once you say good-bye to the donor. Whether or not you got a contribution, there are still a few details left. They are not too onerous, but if they are not done they can cause problems in future.**

*Keep records for the future.*

**The first things the volunteer should do after leaving the donor are:**

**a) Get out of sight. Go around the corner. Head for the office. Go to a doughnut shop. You've got a few minutes of work to do, and you don't want the donor to see you sitting in your car parked out front, making notes.**

**b) Breathe a sigh of relief. Yell out a big yahoo! Say a prayer, if you wish.**

**c) Make notes on the visit. Don't talk to anyone else until you have done this — you might forget important details. (What should you record? See below.)**

**d) Write a thank-you note to the donor and mail it the same day as the visit.**

**Record anything and everything. You will almost certainly need this again in the future. It may be that you won't need to do any more fundraising for decades — but chances are you will be asking for money again much sooner than that.**

**Don't trust to anyone's memory. The most unforgettable facts aren't. People can forget their own anniversaries. They call loved ones by the wrong names. As fundraiser Warren Steen says, "The shortest pencil is better than the longest memory."**

- **What were the results of your request?**
- **Do you have to make a second visit? When? Where?**
- **Do you have to get answers to the donor's questions?**
- **Did you learn anything about the donor that is not in the files?**
  - N **personal interests, opinions or hobbies**
  - N **concerns, objections, questions asked**
  - N **the names of the children or other family members**
  - N **what the donor or family members do for a living**
- **what do you know now that you didn't know before the visit?**
- **if you were making this visit again right now, what would you want to know?**

**Forms that may help you follow:**

# Prospect Information Form

## Part XII - Visit and Results

**CONFIDENTIAL**

Prospect's Name:

Visit (Complete additional forms if more than one visit is made.)

Date:                      Time:

Place:

Visitors' Names:

Other people present in addition to prospect:

**Result:            0 Yes**

Donation of \$

Pledge of \$                      per  Month  Quarter  Year  
Starting date:

Year  
Ending date:

In-kind donation of:

Public Recognition:

The donor will permit:

his/her name to be mentioned in our newsletter

public recognition in the media

public recognition at an event

mentioning his/her donation to other prospects if they ask

other:

Active involvement:

The donor will:

provide his or her name to be mentioned in our newsletter

public recognition in the media

public recognition at an event

mentioning his/her donation to other prospects if they ask

serve on a fundraising task force

other:

Research done by (name): Updated by (name): Updated by (name):	Date
--	------

Front face to face: *How to Get Bigger Donations from Very Generous People* ~ Ken Wyman 1993  
 published by Voluntary Action Directorate, Multiculturalism & Citizenship Canada, Ottawa K1A 1K8

<b>Result:</b> <input type="radio"/> <b>Additional Support</b> or <input type="radio"/> <b>Alternative Support</b>
<b>The donor wants information about:</b> <input type="radio"/> giving through his or her will, insurance or other planned giving <input type="radio"/> arranging a matching gift from his/her company <input type="radio"/> other:
The donor does not want information, but will arrange <input type="radio"/> a gift through his or her will, insurance or other planned giving <input type="radio"/> a matching gift from his/her company <input type="radio"/> other:
<b>Result:</b> <input type="radio"/> <b>Maybe</b>
<input type="radio"/> Wants information on:
<input type="radio"/> Additional visits required: Date and time: Date and time: Date and time:
<b>Result:</b> <input type="radio"/> <b>No</b>
<input type="radio"/> Refused because:

Prospect Information Form  
 Part XII – Visits and Results

**Follow-Up**

o Thank-You sent (date):

Other action required:

Suggestions for future visits to this prospect:

Prospect Information Form  
Part XII – Visits and Results

*Thank everyone.*

**Thanking people is important. Many donors have complained that their only way they knew their donation was received was the cancelled cheque.**

**It does no harm to thank too many people, or to thank people too often. According to David Heetland:**

**The key is to thank people immediately for their commitment and regularly for their gifts. One fundraiser suggests that when persons make a gift, they should be thanked until they make the next one. Certainly the possibility for future gifts is greater when one is appropriately thanked. Chuck Allen tells the true story of visiting a retired woman and thanking her for her two-dollar gift. She was so impressed that she later gave \$39,000.**

**Thank everyone.**

- **Thank the people who gave.**
- **Thank the people who didn't give, but who met with you.**
- **Thank the people who didn't have time to meet with you.**
- **Thank the people who you talked to on the telephone who weren't home when you went to visit them.**
- **Thank the people you wrote to saying you would phone or visit and never connected.**
- **Thank the people who volunteered.**

**Jerry Panas learned a lot about thanking thoroughly from Mary G Roebing, who**

**...was on the board of our college in Princeton, New Jersey, and was heading a special campaign. We were talking about strategy and the mechanics of the campaign and she said: "Now, Jerry, one thing you must remember. People like to be thanked; they want to know that what they have done is appreciated, really appreciated. When we get a gift that we think is special, let's find a way to thank the person at least seven times before we ever ask them again for another gift."**

**...We followed this "seven times" admonishment. There was a letter from the president. A letter from the chairman of the board. A handwritten note from the vice president. And a letter from the treasurer with the official receipt. Several months later, a note from a student who had received some scholarship assistance. A letter from the head of the department whose discipline had been particularly affected by the special campaign. A very brief personal note attached to the announcement of the groundbreaking ceremony, reminding the donor of how important their gift had been in making this day possible. Count them, seven times, and it was easy.**

**When the next campaign was announced, these people averaged gifts three times the amount of their original donation... If I could guarantee you a continuing gift, not of the same amount, not double the amount, but three times the amount — wouldn't you work, work creatively, to plan for seven opportunities to show appreciation? Do it! ...This "Rule of Sevens" really works.**

**Have thanks come from several people.**

- **Ask the volunteers who visited the prospect to write a short note to the person, thanking the donor (no longer a "prospect" after the approach) for their time, consideration, and donation! Send this note immediately — within 24 hours of the visit.**
- **Have the campaign chair, and your top volunteers, and your top staff people write**

**separate letters to everyone who made a major gift, to announce the results at the conclusion of the campaign.**

- **Have one of your participants (remember, that means clients, or audience members, or students, etc) send a note. Make it hand-written. Send art they created. Send signed photos or posters.**
- **Send plaques, framed certificates, or any other goodies you dreamed up for recognition.**
- **Invite donors to events, especially the opening of a new facility.**
- **Send tax receipts on time.**

**If the donor will allow public recognition, use this as an opportunity to set an example for others to follow. (If you're not sure, ask first.)**

- **Mention the donors in your newsletter.**
- **Arrange coverage in other newsletters, such as company newsletters where people work, bulletins where they pray, clubs where they play, and so on.**
- **If the donation is big enough, ask a politician such as the mayor or a member of the provincial legislature to send a note.**
- **Send news releases and photos to your local newspaper or radio station. In case they don't use them, send copies to the donors.**
- **Present a plaque or other memento at an event.**

*Remind donors of pledge commitments.*

**If the donor has made a commitment to pay the donation over time, arrange to send reminders. Make the arrangements now, before anyone forgets who pledged, how much, and when. It may seem like it will be easy to go through the files later, but it won't be. If you don't arrange to send pledge reminders, you'll lose money.**

**“The way we have more money to give to outsiders,” Lyman Henderson says, “is because people don't come back and ask for the pledge we have given. It's so easy to mount your campaign ...and then the campaign department folds, and nobody goes back and asks for the pledges. That's just lost money that's out there.”**

**Send the pledge reminders before the due date. Don't wait until after to see if the donor remembers.**

**Include lots of good news with the pledge reminder. Lots of other nonprofit groups have approached the donor in the meantime. Each pledge reminder has to do a large part of the sales job over again.**

**If the donor has not sent in the payment within a month, send a second reminder. If that doesn't work, telephone. Your job at this stage is not to nag the donor, or demand payment, but to find out if there is a problem. Open up communication. Renegotiate the payment schedule if necessary. Just don't let the relationship with the donor die of neglect.**

*Evaluate your progress.*

**All through the campaign, at regular intervals, check to see how well everyone is doing. At the end, get everyone to suggest how it could be done better in future.**

**Hold campaign report meetings frequently — perhaps every two weeks or so. Make these report meetings a joy. Use them to uplift people's spirits. Even if things are going badly, find some good news. Give lots of small rewards. Answer questions. Solve problems.**

**At the end, gather as many of the volunteers as possible. You may even wish to invite some**

**of the donors.**

- **Celebrate! Declaring an end is important. Even if there isn't much good news, rejoice that it is over.**
- **Analyze the results.**
  - N **What could be done better?**
  - N **Which volunteers would you like to involve again? Which would it be better to quietly retire?**
  - N **Which techniques need polishing? Which were good the way they were? Were any too slick?**
  - N **What additional research would reveal useful facts?**
  - N **“One question may be especially helpful,” Warren Steen writes: “` Which five prospects who gave little or nothing may be able to make a lead gift in our next campaign?”**

**CONGRATULATIONS!**

**You're now part of the hottest trend in fundraising — the major individual donor campaign.**

**I hope the advice in this book will make your work easier and more productive. Please let me know what works for you, and what doesn't. Your success stories, questions and concerns are very much wanted.**

**Good luck!**

**Ken Wyman**

**19 May 1993**

## **Appendix A: The Webbing Exercise**

**The following process, *The Webbing Exercise*, was developed by Ken Wyman and Associates, Inc. Its purpose is to reveal the hidden network of contacts and connections in an organization: “the people you know that you didn't know you knew.”**

**Board members, volunteers, staff and administration, each have their own lives away from your organization and they all know lots of people — more people, in fact, than they ever thought they knew.**

**By holding a Webbing Exercise, you can discover who they know. This session gives everyone a chance to delve into themselves for the names of people they've come in contact with over the years.**

**They may start off thinking they know no-one, but names will occur to them during the course of the exercise that will seem `obvious' in hindsight. People they knew long ago or in circumstances completely unrelated to your organization may now be in a position to help, whether as donors or as future volunteers or board members.**

### **Preparing for The Webbing Exercise**

*Who should be invited to a Webbing Exercise?*

**Select a group of people who care about your organization. You might include present and past board members, volunteers, staff, participants and people from other nonprofits who are sympathetic.**

**Ten to fifteen people is ideal. Fewer, and you may lose the `critical mass' to generate excitement; more, and it can become too big to handle.**

*How should they be asked?*

**When deciding whom to invite to a Webbing Exercise, think about who in your organization should ask that person to participate. People always respond best to being asked to help when they are asked by the `right' person.**

**Contact prospective participants in person or by phone.**

**Invite them to get together (formally or informally) for two to three hours on an evening or a weekend. Tell them you want them to take part in a fun exercise to help them recall people who might be able to play a role with your organization. Offer a `reward' of light refreshments (or a sit-down dinner, if appropriate).**

*How should they prepare?*

**Ask participants to look for possible prospects in advance. This is more than just thinking about names. Encourage them to go through their personal address books, their database or the rotating card file from their office. They might check old school yearbooks, membership lists in the congregation where they worship, club membership rosters, and so on.**

**It would be helpful if they could bring these items with them to the Webbing Exercise. As new ideas are generated, they may want to refer to these sources. Their notes listing names will do, however.**

*Where should a Webbing Exercise be held?*

**The venue should be familiar and appropriate to your organization and the people you're inviting to take part. In most cases, it could be done on-site in your group's meeting room (if you have one). You may want to go to another location:**

- **if you don't have a big enough space; or**
- **for the convenience (and status) of your invited guests.**

**You may be able to get some space free or at low cost from a community centre, house of worship, service club, corporation with a boardroom, union hall, restaurant or hotel.**

*What is the right set-up for the room?*

**Sitting at tables is better than a relaxed living room arrangement or rows of chairs. It makes it easier to take notes and interact, while setting a business-like style. If convenient, start with a U-shaped grouping of tables and chairs.**

**Ideally, you want to be able to break your group into 'working pairs' during the course of the Webbing Exercise. Once you change to working in pairs, people can simply turn their chairs so that they are facing each other.**

**Predetermine who would pair up well, and arrange seating for them. Match people for their ability to spark ideas in each other, or their similar social or business worlds.**

*Who should lead a Webbing Exercise?*

**It's better to have two people as leaders than one. This leaves each free to concentrate on a distinctive role.**

**The facilitator actively leads the session, explaining how the exercise is done, and keeping the participants involved. This person may need to suggest examples, solve problems, and add energy. You may need to hire a consultant experienced with networking to perform this important task.**

**The recorder tracks all the information that is generated. In a large or energetic group, two or more recorders may be needed to keep up.**

**The recorders write down the name of every potential donor suggested, and the person who made the suggestion. Note any other information, too, such as a corporate connection, or a useful piece of personal information mentioned in passing. (Examples include, "His mother had a successful kidney transplant", "Her daughter went to our day care", "He always considered himself an actor when he was in school.")**

**Later, the recorder will type this neatly, check spellings, and distribute copies to all participants.**

**Use flipcharts to capture the information during the Webbing Exercise, so everyone in the room can see the names and refer to the notes. Chalkboards or whiteboards are not as good because they can get too full, and then key information may be erased. It's also harder to use them when typing notes.**

*What supplies are needed?*

**Provide participants with:**

- **A pen or pencil (perhaps donated, with the supplier's logo on it)**
- **Work sheets for recording suggested names and linkages**
- **A personal Webbing form to be filled out before leaving (see samples at the end of this section)**

- **A surface to write on (table, desk, clipboard, notepad)**
- **Refreshments (during a break in the proceedings)**
- **Memory joggers:**
  - N **donor or membership lists from your group**
  - N **phone books (white and Yellow Pages, perhaps including some from other communities)**
  - N ***Who's Who, The Directory of Directors* and other listings of prominent people**
  - N **concert programs, annual reports and other documents from nonprofits which list their donors (it is preferable to get them from organizations like yours, but this is not essential)**
  - N **a random list of well known people from all circles.**

**Provide the facilitator with flipcharts and marking pens. You should also make up small signs or flyers identifying areas where names of people can be found, such as Friends, Neighbours, Place of Worship, Service Clubs, Professions, Associates, Businesses, etc. (see the list at the end of this section).**

**Provide the recorder with the materials to record suggested names and the names of the persons who suggested them in an orderly manner. This is usually done on flipcharts, in group sessions.**

#### *How to Spin the Web*

**The facilitator should introduce her/himself and the recorder, as well as any other participants who should be known to the group. If the facilitator is from outside the organization, he or she should be introduced by someone appropriate.**

**With a small number of people, have everybody introduce themselves to the whole group. With a larger group, have them introduce themselves to the person on both their right and their left. Have them identify their connection to your organization and their 'other' life, ie, job, clubs. If everybody already knows each other, have them reveal a new fact about their personal connections, such as where they grew up, went to school, or previously worked. Keep introductions short, but remember that they are important to the interaction.**

**The facilitator then explains the purpose of the evening and the format.**

#### *Using Preliminary Exercises to Build the Group's Openness*

**If the group is not ready for comfortable communication, the facilitator can lead an opening warm-up exercise. This is optional.**

**Be careful that warm-up exercises don't take too long or distract people from the main activity.**

**Ice-breaking exercises include:**

***Celebration:* Ask people to complete this phrase: "One of the wonderful things about our group which might make someone want to donate is..."**

**Ask the participants to speak their thoughts out loud. This will stimulate others and loosen up everyone for the next stage of the process.**

**Be sure to record the best comments and most interesting thoughts for possible use in a future document, such as a Case for Support.**

***Connections:* Ask people to identify themselves based on common connections. For example, you might group them based on length of involvement in the organization (perhaps arrayed as less than a year, 1 to 3 years, 3 to 5 years, 5 to 10 years, longer than 10 years), or on people's**

**outside interests (particular sports, types of art or music, hobbies). Keep it relevant to your organization. Don't risk sensitive subjects, at least not at first.**

**Ask people to physically move into groups, in different parts of the room. When people are in their groups, they should introduce themselves to others and share relevant information.**

### *Stimulating Ideas by Suggesting Possible Connections*

**Once everyone is ready to proceed, the facilitator should ask the group to come up with the names of people they know who might be able to contribute to the organization, as either a donor or a volunteer (preferably both).**

**Use a list of categories (such as the ones at the end of this section) to spark ideas. You may wish to add new categories or remove some to make this fit your unique situation.**

**Remind everyone to name people with whom they have direct connections, not just names that participants have heard in the news. It may also be necessary to remind people to focus on individuals who could give — not corporations, foundations or other institutions.**

**Ask people to note their connections out loud, to spark ideas in others.**

**Remind everyone to write down any names that occur. Don't trust anyone's memory.**

**Call out the first category, and ask if that suggests any possible donors. Move on to the next. If most people have thought of one or two names after the first category, move directly to the working pairs. If people need more help, the facilitator should take the group through more categories.**

**The list of categories at the end of this section is designed to spark connections in the minds of the people doing the Webbing Exercise.**

**You may find it helpful to print each category separately on its own sheet of paper or cardboard. This will help keep people's attention focused on that category. Print in letters large enough to be read easily across the room.**

### *Working in Pairs*

**Ask people to arrange their seating into working pairs. Give the duos approximately half an hour to work together drawing out each other's connections/ contacts.**

**Each person records the other person's suggested names on the working forms provided. Encourage them to stimulate their memories with the categories listed at the end of this section.**

**Ask them to share the 30 minutes equally if possible. Call for roles to switch at 15 minutes.**

**The facilitator should move around the room helping those duos who are not doing as well as the others.**

**At the conclusion of the half-hour, have a break before resuming the group session.**

### *Group Webbing*

**After the break, ask participants to share the names the working pairs have identified. The recorder(s) track both the suggested names and the name of the suggester (for future follow-up) on the flipcharts so it's easy to preserve the notes.**

**In addition, track the nature and extent of the actual link. Is the prospect one of the volunteer's closest friends, or have they barely met? If more than one person suggests the same name, note both suggesters. Ask which one knows the prospect better. Should they go together?**

**Encourage people to interrupt by calling out any additional names they may recall as the process continues. Tell them not to wait politely, or it might be forgotten. Make sure, however,**

that a few people don't dominate, shutting out valuable contributions from quieter people.

If not enough quality names are coming forward, offer additional memory aids, such as phone books or a random list of prominent individuals. These may spark ideas. For example, scanning the listings for accountants, doctors or dentists (and so on) may reveal potential donors. Lateral thinking may draw connections from seemingly unrelated ideas.

### *The Hook-and-Ladder Squad*

If the group has few direct connections with prospective major donors, they may be able to build them indirectly.

This is called the Hook-and-Ladder Squad because it looks first for a hook — why might someone be interested? — and then builds a ladder up to them. The connections may be remote at first, but often one person knows another who knows a third.

Ask who has the best reputation for generosity in your community? Who is known to give to other causes? Do you know anyone who knows them?

Ask if anyone knows a self-employed accountant who might be supportive of your work. Research shows self-employed accountants to be the most generous single professional group. They “give a higher percentage (of their income) than any of medical doctors, dentists or lawyers although the average income of accountants is lower than that in any of the three other professions mentioned.”

Ask if anyone knows a farmer. “Farmers, with an average income just under the national average of all taxpayers, averaged 1.83% (of their income given to charities) compared with a national average of 0.66%,” according to the same report. By comparison, “employees of business, who had an average income of \$25,167, very close to the national average, gave an average of only 0.44% compared with the national average donation percentage of 0.66%.”

Ask if anyone knows someone in the insurance business. Every person in the room should raise a hand. If not, ask how many have insurance. Ask if any feel their insurance agents could give, volunteer, or lead to other prospects.

Ask if anyone knows a banker. Again, every one should put up a hand. If not ask “How many of you have bank accounts, mortgages or loans? Now, how many know a banker?” Could their bankers be helpful?

Ask if anyone knows someone in the auto industry or the gasoline and oil industry. How many own cars and buy gas? Do they know the name of the person who owns the service station they use most often? Could they strike up a conversation next time they fill up? Who sold them their cars? Do they know anyone who is a bit more influential in this industry because they own a fleet (even a small one) of cars, taxis, or trucks? HINT: In small communities, consider the city works department as a lead.

Do they know anyone in the restaurant and hospitality industry? If not, could they get to know the person who owns or manages some of the nearby fast-food franchises, taverns or hotels?

Could their doctor, dentist, pharmacist, lawyer or accountant help them meet others?

Where do they work now? Where did they work previously? Could they help make a connection to people in the company, its customers, suppliers, owners, employees, union members and so on?

Who are the richest people in town? They may not be millionaires — just richer than others. Do you know anyone who knows them? Caution: just because someone is rich does not mean they give to charity. Still, if you have contacts with wealthy people, you should note them.

Be careful that this Hook-and-Ladder Squad exercise doesn't sidetrack the discussion.

**Remember to stay focused on major individual prospects. It's easy to start slipping into talk of businesses, foundations and other institutional donors. While that information may be valuable, the grant applications and other techniques required to succeed with them are different, and are a subject for another book.**

#### *Identifying Each Person's Five Best Prospects*

**Before the time runs out, ask if they can each identify at least five people they personally feel best about approaching. Then ask the group as a whole to identify the five overall top-priority people for follow-up.**

**Remind them not to make contacts yet. Further research is required, as well as a training session on how to ask.**

#### *Wrapping Up*

**Collect everyone's Webbing Exercise forms.**

**Promise to circulate a copy of the notes from the session to everyone for corrections and amendments.**

**Ask for an evaluation of the session. Then thank everyone, and remind them how valuable this list will be.**

#### *Follow-Up*

**As soon as possible, type up the notes for the evening. Capture as much information as possible, including the connections between the suggesters and the people suggested.**

**This list will be used in the prospect research phase, which comes up soon. Record all names, both suggested names and suggester names. Record them with the surnames first, so that a computer can sort them alphabetically. Track the links to your contacts as well as the names stimulated by your Webbing.**

**Send everyone a note of thanks for participating and encourage them to continue to feed in names that come to mind after the actual session.**

**Consider the results of the Webbing Exercise to be an important resource, and make sure it is used.**

**The next step is to compile the list of the prospects' names. If you have enough for now, you can skip the next step.**

#### *Forms for The Webbing Exercise*

**The following pages provide several forms that you may find useful in running your own Webbing Exercise.**

**Ask people to fill them out in the group. Don't mail them out and ask people to fill them in and send them back. Without the group stimulus, people at home may have trouble coming up with the connections. They also may not get around to it.**

**For the same reasons, don't have people take them home and mail them back to you later. They may never do it, despite good intentions.**

**The Webbing Exercise**  
**Categories of Potential Donors (to Spark Ideas)**

Participants may have met prospective donors through...

**Accountants (Self-Employed)**

Association Members

Automotive Industry

Banks

Beverage Industry

**Big Companies**

Clients or Customers of:

- This nonprofit
- Companies I know
- Others in this field of interest  
(e.g. Women, Arts, Health)

Clubs

Colleagues

Community Leaders

Doctors

Dentists

Donors to This Group

Donors to Other Groups

Employers (Past/Present)

Entertainment Industry

Family

Farmers

Food Distributors/Producers

Foundations

Friends

Hospitality Industry

Insurance

Land Developers

Law

Local Businesses

Media

Medicine

Neighbours

Oil and Gas

Older People

People You Met:

- Recently
- Long Ago

Politicians

Pharmaceuticals

Places of Worship

Printing

Professions

Publishing

Real Estate

**Religious People**

Retailers

Seniors

Service Clubs

School Friends

Social Circles

Sports

Suppliers to:

- Companies I know
- This nonprofit
- This field of interest

Textiles

Transport

Trust Companies

Unions

**University-Educated**

**Volunteers**

**Boldface indicates categories of people whom research shows to be particularly generous.**

### **Key Questions Reveal Connections**

To jog your memory, here are some categories of people you know who might be potential donors. This isn't a complete list — just a memory aid.

Fill in names in as many of these categories as possible. Look for one or more names in each group. Write the names down — don't trust your memory! Say them out loud — you might spark an idea for someone else!

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The Webbing Exercise Possible Prospects

### **C O N F I D E N T I A L**

Your Name:

**I/my spouse/kids/parents/siblings/in-laws/friends know someone who might donate generously who...**

- | Type of Contact   | Name(s) |
|---|---------|
| G is a millionaire*   |         |
| G earns \$50,000 a year or more                             |         |
| G is very generous to charity                               |         |
| G bought nonprofit tickets from me/us                       |         |
| G was supported by me/us in a fundraising "thon"            |         |
| G asked me/us to donate to a nonprofit (and I/we did)       |         |
| G is very religious   |         |
| G belongs to associations or social, sport or service clubs |         |
| G is an active volunteer                                    |         |
| G went to university with me/us/family/ friends             |         |
| G went to school (any level) with me/us /family/friends     |         |
| G lives (or used to live) near me/us                        |         |
| G works with or near me/us                                  |         |
| G is a business customer                                    |         |
| G is a supplier   |         |
| G exchanges baby-sitting                                    |         |
| G car pool  |         |
| G had a meal with me/us                                     |         |
| G play sports with me/us                                    |         |
| G go on vacation with or near to me/us                      |         |
| G is a friend   |         |
| G did a favour for someone                                  |         |
| G received a favour from me/us                              |         |
| G I/we met (on a plane, at a party, in a meeting, shopping) |         |
| G is an accountant  |         |
| G is a doctor   |         |
| G is a dentist  |         |
| G is a farmer   |         |
| G is a lawyer   |         |

more...

**Type of Contact**  
G is a real estate agent  
G is a pharmacist  
G is a restaurateur  
G owns a business  
G is a corporate executive  
G is a retired owner, executive or manager  
G is new in our community  
G Others:

**Name(s)**

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**The Webbing Exercise Information Form**  
**C O N F I D E N T I A L**

Use this form to jog your mind about potential contacts. This helps us find out where there are connections.

Please share information about yourself, also. As opportunities emerge, this will make it possible to match you with prospects based on interests, work, clubs, school, and even religion and politics.

Because some of this information is personal, we pledge to abide by the following rules of confidentiality and privacy.

1. No one you name will be contacted without your knowledge and permission.
2. No names or information will be shared outside this group, either with other nonprofit groups or with businesses.
3. No lists of prospects will be distributed inside this group, beyond those who need to know. This will only include selected members of the Fundraising Task Force, the relevant staff person, and the consultant (if appropriate).
4. No information about you will be shared with anyone who does not need to know. This will include only selected members of the Fundraising Task Force and the relevant staff person.

If you still do not wish to include certain information, please skip that question, but complete the rest of the form. If you wish to share information, but only under additional conditions, please let us know.

Thank you for your cooperation!

Your name:

Experience

Have you ever helped any nonprofit group get a gift of over \$500? GYes GNo If yes, please describe:Contacts

Please list five or more people, companies or organizations you think can afford to make a large gift to your organization. These could be new ideas, or names from the master prospect list.

People I/someone could ask:	Comments about who they are or what would interest them:	How much to ask for:
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

more...

**Community Groups and Clubs**

**To what community groups, service clubs or social clubs do you belong?**

- G This is confidential information which I am not prepared to reveal now.
- G I don't belong to any.
- G I belong to:

Club/Group	Years	Active Connection?
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**School**

**What schools/universities did you attend? What years? Are you active in their alumni associations?**

School	Years	Active Connection?
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**Work**

**Where do you work now? Where have you worked in the past, and in what years?**

Workplace	Years	Job Title
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**Business Connections**

**Are you, your spouse, family or friends connected to any corporations or other organizations, particularly those that support nonprofit groups? Which ones? How are you connected?**

- G No connections.
- G This is confidential information which I am not prepared to reveal now.
- G I have the following connections:

**Religion**

**Are you religious? Do you belong to a particular congregation? Which one? (This may be useful if we need to match prospects with people of the same religion, denomination or place of worship.)**

- G **This is confidential information which I am not prepared to reveal now.**
- G **Not religious.**
- G **My religion is:**
- G **I worship at:**
- G **Other religious connections (spouse, family, etc.):**

**Politics**

**Are you active in politics? (This may be useful if we need to match prospects with people of the same politics.)**

G **This is confidential information which I am not prepared to reveal now.**

G **Not politically active.**

G **My political involvement(s):**

**Which levels?**

- G **National**
- G **Provincial**
- G **Municipal**

**Additional Comments:**

**Thank you for this information. It will be kept confidential.  
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## **Appendix B: The Big Gift Game**

**A role-playing educational exercise for two or more people**

### **Why play a game?**

**Each and every person who asks a prospect for a gift should play this game before they begin.**

**The idea is to have one person practice asking for a donation with another who is pretending to be a prospect. The asker has an opportunity to experiment with approaches and get direct feedback on words, body language and procedures.**

**For people who have never asked for a big gift before, this is an opportunity to shape their words and test phrases. They can check a real person's reactions without endangering the relationship with an actual prospect. It is an inoculation to prevent “hoof-in-mouth disease”. NOTE: This game involves role-playing which is always done in small groups, not in front of everyone. It is a private process, not a theatrical performance.**

**Having people watch is too embarrassing and intimidating for many people. Nor does watching a performance provide as much education as participating. At best, people can see what someone else is doing wrong. At worst they will try to memorize the good parts of what they see as if it were a script. Even if that were possible, there is no one right way to approach a prospective donor.**

**Each asker must develop his or her own unique style — and that requires practice. A new orchestra can't perform without rehearsing, no matter how experienced the musicians. Athletes, even Olympic medal winners and professionals, require a practice session before playing as a team. Volunteers who will ask for money deserve the same consideration — especially since the reputation of your organization depends on the words they use.**

**People who are experienced should take part in the training, too. They will have an opportunity to further refine what they will say. If they've solicited donations for another nonprofit, they can learn about the unique aspects of yours and polish their approach. They can also share their wisdom with those who are new: ask them to play the role of the prospect and give responses based on real-life experience.**

**You may encounter busy people who are unwilling to make time to come to the training session because they feel they already know what they're doing. Often they will attend if you point out how valuable they can be as co-trainers. This is not just idle flattery — it's true. In the process, they may also learn (or relearn) important skills for their own approaches.**

**It is even more important to role-play in preparation for your most important prospects — the ones who you hope will make truly significant donations. This practice session can make the difference between a mediocre response and one that is spectacular. Have someone who knows the prospect play him or her. Have the team that will actually make the appeal practice their prepared approach. You may even wish to have one or more observers add their critique.**

### *How to Play the Big Gift Game*

**1. Divide the group into Askers and Prospects. If there are some people who hate role-playing and refuse to take one of these roles, ask them to be Observers. Play the game in small groups. Each group usually includes only the Asker (or a pair of Askers), the Prospect (or two Prospects, if a couple is portrayed), and an optional Observer.**

- 2. Choose characters for the Prospects to portray, based on your real-life donors. If that is not possible, there are models offered here.**
- 3. Give each Asker, Prospect and Observer an instruction sheet (see following).**
  - a) Then allow them 5 minutes to prepare. Although this is much less than usually required, it is sufficient for training.**
  - b) Make sure the Askers write down the amount they will ask for. Have the Prospects write down how much they think they would give before being asked. You'll need this for scoring — and it is good practice.**
- 4. You may wish to begin with a mock phone call to set up the appointment, if your group requires practice on this. Otherwise start at the beginning of the meeting to ask the prospect for a gift.**
- 5. Allow about 20 minutes to role-play the appeal meeting. If your training time is limited, shorten this to 10 minutes. However, make sure everyone knows that a real approach might take 20 to 30 minutes.**
- 6. After the role-playing, have the Prospects complete their score-cards (see following also). Then give the Askers, Prospects and any Observers two or three minutes to share their reactions privately.**
- 7. Then reconvene the plenary session. Ask people to share their scores and their comments with the whole group.**
  - a) Begin by having the Askers share what felt good to say or do.**
  - b) Then allow the Prospects and Observers to note whether they think these overtures were actually good, and to add any other positive feedback. Discuss these as a group.**
- c) Then encourage Askers to share problems they encountered, phrases they learned not to use, or approaches that didn't work.**
- d) Ask the Prospects and Observers to comment on what didn't work and how to resolve it.**
- e) Finally, bring up any issues that did not emerge during the discussion.**

## THE BIG GIFT GAME

### Instructions to ASKERS

*Before you start:*

**Take five minutes to plan your approach. (You'll need more time in real life, of course.)**

- **Write down how much you will ask for. (This is important in any appeal. In today's game you'll also need it for scoring.)**
- **Think of several reasons why this person might want to write a large cheque to help the people you help. This might include personal experience, benefits you can offer, recognition, your influence as a contact, etc.**
- **Consider any questions, concerns or objections the Prospect might have and how you could respond.**
- **Jot down any particular points you want to make, phrases to use, or controversial issues to avoid.**
- **Plan the pacing of your conversation: what you will say first, how you can draw out the Prospect's opinions, how you will close.**
- **Reflect on any other factors that could help influence the Prospect to give generously and happily, such as body language, other people involved in the approach, documentation to share, presentation materials, and so on.**

*While you are asking:*

**Note the Prospect's responses — the words he or she uses, what body language reveals. To get the most educational value out of the role-playing, you may want to stop the action for a moment from time to time to make notes. Be prepared to share your observations afterwards about what seemed good to say or do, and what seemed negative.**

*After the role-play:*

**Share your observations. Start with a private chat with your partner. Find out whether your partner agrees with you about what worked and didn't. Encourage your partner to give you an honest and complete critique. Discuss these points:**

- **How much did the Prospect plan to give before being asked?**
- **Was this more or less than the actual donation?**
- **What did you think was good enough to be repeated in a real-life situation?**
- **What would you avoid saying in future?**
- **Does the Prospect agree with your observations — or did she or he react in a manner opposite to what you thought?**
- **What tips would your role-playing partner give you? (This includes private advice that might not be appropriate to share with the whole group.)**

**Then move to sharing comments with the whole group. This may bring up important points that others did not consider — or uncover disagreements that deserve debate.**

## **THE BIG GIFT GAME**

### **Instructions to PROSPECTS**

*Before you start:*

**Take five minutes to prepare.**

- **Write down how much you think your Prospect character might be willing to donate before the face-to-face request. (This is important — you'll need it for scoring.)**
- **Think of questions, concerns and objections your character might have, or reasons why “you” might decide not to give.**
- **Consider typical responses for your character — attitude, style, phrases, body language.**

*While you are being asked:*

**Note the Asker's approach and your responses. How do you react to the words used, the body language, the pacing, and other factors? Prepare to share these reactions at the end.**

**To get maximum educational value out of the role-playing, you may wish to stop the action for a moment from time to time to make notes.**

*At the end of the role-play:*

**Decide how much your character will give the organization based on this appeal. It may be zero — or less than zero, if you decide the approach was so offensive you would cancel previous commitments. It could be hundreds or even thousands of dollars, based on what you know about the character and the excitement of the approach. (You may even be inspired to make an actual donation with your own money!) Write down the amount you decide on.**

*After the role-play:*

**Share your observations. Start with a private chat with your partner.**

- **How much did you plan to give before being asked?**
- **How much did you actually give?**
- **What did you react well to?**
- **What turned you off?**
- **How did your reactions compare to what the Asker thought went well or badly?**
- **Are there confidential suggestions you need to make, regarding problems with grooming, hygiene or behaviour? If so, make them now. Remember, this person is about to become an ambassador representing your organization to some very important people.**

**Then move to sharing comments with the whole group. This may bring up important points that others did not consider — or uncover disagreements that deserve debate.**

## **THE BIG GIFT GAME**

### **Instructions to OBSERVERS**

*Before the appeal:*

**Take five minutes to plan your approach to this observation exercise. Consider what you will watch for, such as nuances of language, reactions, body language, things that are not said, and so on.**

*During the appeal:*

**Make notes on the Asker's approach and the Prospect's responses: what words they use, what their body language reveals. Be prepared to share your observations afterwards about what seemed good to say or do, and what seemed negative.**

*After the appeal:*

**Share your observations with the Prospect and Asker while they share their thoughts with each other.**

**You may wish to have a private interview with the Prospect (without the Asker present) to uncover any additional reactions.**

**You may also wish to have a private word with the Asker without the Prospect hearing. If there are confidential suggestions you need to make to the Asker, do it now — such as problems with grooming, hygiene or behaviour. Remember, this person is about to become an ambassador representing your organization to some very important people.**

**Then move to sharing comments with the whole group; this may bring up important points that others did not consider — or uncover disagreements that deserve debate.**

**THE BIG GIFT GAME**

**Score Card**

**To be completed by the Prospect.**

**Step #1. Points for getting a donation**

**Give the Asker 1 point for every dollar given.**

\_\_\_\_\_

**Step #2. Compare the amount the Asker got to what he or she asked for:**

**G Less than the amount asked for Deduct 1 point for every dollar under target.**

\_\_\_\_\_

**G Exactly the amount asked for Add 1 point for every dollar.**

\_\_\_\_\_

**G More than the amount asked for Add 1 point for every dollar over the target.**

\_\_\_\_\_

**Step #3. Compare the amount the Asker obtained to what the Prospect was planning to give before being asked (call this the Hidden Gift Potential or HGP):**

**G Less than I planned to give before being asked Deduct 1 point for every dollar under the HGP.**

\_\_\_\_\_

**G Exactly what I planned to give before being asked Add 1 point for every dollar.**

\_\_\_\_\_

**G More than I planned to give before being asked Add 1 point for every dollar over the HGP.**

\_\_\_\_\_

**Step #4. Give the Asker up to 100 additional points for presentation style, based on good approach, clever ideas, good answers to questions, etc.**

\_\_\_\_\_

**Total Points:**

\_\_\_\_\_

**Discuss the score with the Asker.**

## **Characters to Use in Your Role Play**

**Before you start: Decide together on just one character to try. Take no more than two minutes to choose!**

**If possible, role-play a real prospect whom you plan to ask. Use the prospect profile sheets in this book to give the details. If that is not possible, you may not be ready for role-playing yet. However, if you are really pushed for time, you can make up descriptions like the ones that follow on slips of paper and give these to participants.**

**If that isn't possible, use one of the following fictional characters. Choose the ones most like your real prospects.**

**If you are using these fictional characters, facilitators may want to speed up the process of choosing who to role-play. Instead of showing people the whole cast of characters that follows, assign roles to specific people. Alternatively, you can photocopy this list, cut the character cards apart, and let people draw a role out of a hat.**

**Here are fictional characters for major prospects:**

**Mary Widow** In her sixties; her husband died recently, leaving her well-off. Her kids are professionals. She's volunteered for various nonprofits over the years. She's re-examining her life and may go back to university.

**Joe College** In his late twenties, Joe comes from a well-to-do-but-not-rich family. Mom and Dad are both doctors. He has displayed real interest in your cause.

**Mr. Seymour Bigshaught** Owner of the successful company he founded; proud of the way he overcame his poverty-stricken youth. Mr. B. is married, and has grown kids. He hasn't given to your organization before, but you often read in the newspaper about his support for high-profile causes. The local hotel and beer hall, The Queen's Arms, is his place. Lately he's fixed up the rooms and gets a fair crowd during the tourist season. Also owns the truck-stop diner by the highway. He's probably a millionaire. He's president of the local Chamber of Commerce. Lots of folks can't stand him — or the cigars he smokes.

**Loyolla Donner** A supporter of your group for years. Usually gives \$125 once or twice a year. Last year, she didn't give at all, and this year gave only \$50. No one knows why.

**Mr. and Mrs. Mumanpop** Parents of a participant. They care deeply about what you do for their only child. Mr. M. has a middle-management job at IBM. Mrs. M. used to be a nurse, and now works part-time in a day care centre.

**Dr. Jean Lariviere** Child psychiatrist. Sings in the choir, never slows down — always on a committee, giving a paper, going to the theatre, travelling, or entertaining twenty for dinner.

**Yuri Crank, PhD.** A member of your board. He has never given financially but “gives his time.” He's a tenured university professor. You think he's capable of a gift of \$500 or more.

**Laura Upancomer** Fast-rising executive in the marketing department of a major consumer-product manufacturer. She volunteered to help you publicize your last 10 K Run, but hasn't given money. She's a member of an elite women's club.

**Molly Chung and Chu Wei Chung** Moved to town recently and bought the Kentucky Fried Chicken franchise. Their kids go to the local school, where they work hard and get good marks. Although you buy chicken from them every couple of weeks, you've never really talked to them. Nobody you know knows much about them.

**R. Max LePage** Star real-estate broker in town. Sells more houses than anyone else — sold yours. Drives a flashy car with a car phone. Works long hours. Type A personality.

**Joe Hill and Roseanne Bread** He's a union leader, and gives token donations to almost everything. She also gives small amounts of money and is an active volunteer, well-respected

for her shrewd insights. He may have political ambitions; nobody knows for sure. His union is a major supporter. We want them to set a personal example in this new area of individual giving.

**Chip Silicon** He's a businessman, and apparently sympathetic to your group, because he's given before. Little is known about him. His company is large, and not unionized. Most of his money is tied up in the business and his mortgage.

**Kim Headstrong** All you know is that Kim gives you \$300 or more pretty regularly.

**The Rev. Barbara Philpott** Inherited big money from supercapitalist Dad, but turned to socialism early. Strong views on many subjects. A little too outspoken for the church to give her a regular posting. Suspicious of people who befriend her just to get at the bucks. Gives irregularly.

**Ralph and Alice Kramden** Ralph is a bus driver (and staunch union member). Alice is a housewife and the smarter of the two. No kids. Although their income is not high, they are not poor. They have been active supporters of your cause for 10 years.

**Ms. Sue E-mail** A well-known progressive lawyer. She and her partners could give generously, but seldom actually contribute more than \$150. She has been a leader in many causes. One of her partners is a city council member. Last year Sue made up your will for you, in which you personally left 10% of your worldly wealth (such as it is) to your nonprofit group. (There'll be an explosion if she catches the chair of your board telling another one of his "cute" stories to "the ladies".)

**Ken Adian** Owner-manager of the local Canadian Tire. Gave \$200 to your group. Also supports minor hockey, Heart and Stroke, Salvation Army, his own religious group, and numerous other causes — everybody is after him. He also volunteers at the Lion's Bingo and puts on a clown suit and make-up for Canada Day picnics. Has a daughter with a learning disability who lives away, and two older children in high school. His wife Karen is a teacher, and you and she grew up next door to each other. Any time you ask about a donation, she says "I leave all that to Ken."

**Hugh G. Ego** An intellectual who has held important posts in major institutions. Cares deeply about your cause. His past gifts have been about one-third of what you'd like to see him give; but if he joins the President's Circle, it will be influential for others who look up to him.

**Meg A. Bucks** One of the elite super-rich. She made a fortune with her franchised chain of stores, where campaigns for various causes are often given a high profile. She's in her late 30s, very fit and unmarried. To your amazement, the husband of one of your board members can get you in to see her. She may even be sympathetic. Could give a mega-gift!

**Mrs. Daddy Warbucks** Aging widow of a wealthy industrialist. Has views of her own — including support for your group. Bought a ticket and attended a special event you ran, but has had no other contact.

**Old M'Donald** She has a farm. Chickens here and there, cows everywhere. In her 60s, and can't keep up with the workload much longer. Has two kids who moved to the city and don't want to take over the farm. Very religious. Active in conservative politics.

**Pete Marwalk-Deltush, CA** A self-employed accountant. Treasurer of your board. A real bean-counter — always wants to know the numbers.

**Polly Scribe** Author and media celebrity: magazines, TV, radio. Cultivates air of genial eccentricity. Passionate about whatever cause she wrote her latest best-seller on. Shows up on your mailing list with donations of \$25 and \$50.

**"Doc" Johansen** Pharmacist in your town for 35 years. Knows everybody — and all their secret pains. Her store is part of the Shoppers Drug Mart chain, but she owns it independently. She

**sponsors a Little League team. She's over 60.**

**Joe Jaworsky Owns Joe's Esso. Smokes like a chimney. You buy gas from him frequently — and you know that Frank T. Rucker fuels up his whole truck fleet at Joe's. Joe raises money for the Easter Seals with Esso's Thankful Tankful campaign each year.**

**Mary Williams Has a gift shop full of trinkets and collectibles. Does most of her business at Christmas. Her shop is festooned with plaques and letters of appreciation from every charity in town! The list says she contributes \$25 to the mail campaign every year. Her daughter goes to school with your children.**

**Jimmy “The Greek” Fundopolis Owns Jimmy's Restaurant, a friendly family spot where everybody goes for coffee and lunches. Jimmy also runs the volunteer fire department. He has quietly bought up a number of small buildings around town. Not rich; lives simply, but is saving up to retire to a Greek island someday.**

**Kay Anne Gallagher Proprietor of Kay Anne's Coiffures, the local beauty shop. Does your (or your spouse's) hair. Friendly, outgoing, a bit of a gossip. Husband is long gone, but she gets by. Has a window full of stuffed animals.**

**Edith and Roger Tileman Their factory makes tiles; they've built it up themselves over 20 years. It now employs 120 people — one of the larger employers in town. All the dust in the air worries the employees and some get too sick to work, from time to time, but Tileman says they can't afford to install better ventilation. Roger's not a bad guy; belongs to Kiwanis, plays golf. He used to be friends with your father. Edith does the books for the company; plays bridge; is past president of a large religious women's group.**

**Winsome James Moved here from the Caribbean 10years ago. Runs her own accounting company, which is prospering. Despite her name — or perhaps because of it — she is one tough businessperson. Knows a lot about other people's finances. Recently renovated her house. Very religious, and belongs to a tithing church.**

**Penny Fountain Penny is always spending on things non-essential. “Why save it for a rainy day,” she says. “I might not live that long. She reacts spontaneously -- if she likes their looks, she'll give money to people on the street or to door-to-door canvassers (which is how she contributed to your group). However, she doesn't always answer her mail, and she can't get organized. She works for the government lottery corporation giving out prizes. She thinks your group has a “really neat” poster. Her boyfriend's sister works for your organization.**

**Phyllis Stein Great patron of the arts, in her own mind. Her husband made a fortune in property development. She was a lawyer, but now devotes herself full-time to her projects. She has a membership in your [theatre? gallery? concert series?] and never misses an opening night. Her largest gifts include \$100,000 to a performing arts group, \$25,000 to her university, and \$10,000 to the hospital.**

## Glossary of Terms

**active listening** The process of making a conscious effort to hear clearly what a person is saying. It requires the listener to silence the 'little voices' in his or her head that prepare answers to the speaker's comments, or distract attention with stray thoughts. It may require asking open-ended questions (that is, questions that can't be answered yes or no) to draw out a person's opinions. Show that you do hear by paraphrasing the speaker's words and asking if you understood correctly.

**BRE business reply envelope**, an envelope which the donor can mail without putting on a postage stamp. Postage is paid by the recipient organization, which has the envelope printed with a special permit number. Permits are available from Canada Post. The recipient pays first-class postage plus a small service charge for every envelope returned (except if the donor puts a stamp on it). There is no payment to Canada Post for envelopes not used; of course, you do pay the cost of printing the envelopes. These envelopes make it very easy for people to send donations.

**costs, direct** Obvious project-related expenditures, usually accounted for by cheques, cash payments, credit card slips, or invoices.

**costs, hidden overhead** Expenditures usually thought of as core costs and too often separated from project costs in a category called 'administration' or 'overhead'. Examples include rent or mortgage payments, utilities, office equipment, office supplies, telephone, maintenance and repairs, board travel costs, and so on.

**costs, implementation** Expenditures that are essential but often forgotten in planning a budget. For a transportation program, this might include additional insurance for a vehicle, gas and oil, or maintenance; for a brochure, costs other than printing, such as editing, layout, proofs, typesetting, envelopes for mailing it, postage, reply mail costs, and so on.

**costs, indirect** Expenditures often overlooked in budgeting a project, such as a portion of staff time (particularly for staff not focused primarily on the project, such as a receptionist, support staff, managers of volunteers, finance, and supervisors).

**costs, unit** The cost of providing a service to one participant on a particular occasion. It is small enough to enable a prospective donor to understand how the amount of money they can give will have an impact, rather than being a drop in the ocean. You can calculate unit costs by adding hidden overhead, implementation and indirect costs, then dividing by the number of participants. Divide again by the number of times each participant uses the service. Divide again by the duration of each use (measured in time or kilometres, for example).

**cultivation** The process of nurturing the relationship between an organization and a supporter, by providing information about what the group does, and by showing interest in the supporter's life.

**donor-directed gift** A donation made to a specific portion of a non-profit organization's work, and not to be used for other purposes.

**earmarked gift** See donor-directed gift.

**electronic funds transfer (EFT)**: See pre-authorized chequing.

**every-member canvass or every-member visit** A stewardship approach used by many churches, in which every member of the congregation is visited at home for a personal discussion, ideally with two other members.

**giving clubs** Designations (with names such as Benefactor, Sustainer, President's Club, Chancellor's Circle, and so on) used to encourage donors to upgrade gifts to a specific size.

**They may or may not convey any benefits or incentives to give.**

**in kind** Property, goods, services or valuables exchanged or given instead of money. A cattle rancher who pays his accountant in sirloin steaks is giving payment in kind. This manual discusses in-kind gifts.

**non-profits** Non-profit or not-for-profit groups are organizations established to provide a social service or benefit to clients or the public. They differ from businesses in two respects: they are not owned by anyone; and individuals associated with them are not permitted to divide up any share of the money they raise — it must all be ploughed back into furthering the organization's objectives. (This latter category can cover a reasonable salary or honorarium for actual work performed.)

Non-profits may also be registered charities, entitled to issue tax credit receipts, but subject to special Revenue Canada regulations.

**participants** People who use your group's services. You may call them alumni, audience, clients, customers, drop-ins, fans, learners, members, parents, performers, players, recipients, spectators, street-people, students, subscribers, telephone callers, viewers, and so on. For brevity's sake, I refer to them all as `participants'.

**planned giving** Donations through wills, bequests, life insurance, annuities, and unusual gifts of property. They have tax advantages for donors, and may make it possible for people to give far more than they can when limited by cash on hand.

**pre-authorized chequing (PAC), pre-authorized payment (PAP), or electronic funds transfer (EFT)** A system in which money is automatically withdrawn from a donor's account and deposited in yours without the donor having to write out each cheque. This makes monthly payments much easier.

**prospect** A potential donor who has not yet given, or has given smaller amounts but hasn't yet given a big gift.

**recognition** An expression of the gratitude of the organization for a big gift, such as a plaque, a photo, a dinner in the donor's honour, naming a building after the donor, listing the donor's name in the annual report, and so on.

**solicitor** The person who asks for a donation. (Not to be confused in this context with `lawyer'.)

**suspect** Someone who may become a prospect once research reveals their potential interest in your work or their ability to give a big gift.

**tied aid** A donation `with strings attached'. For example, a donor may contribute the funds to purchase goods on the condition that they be obtained from his or her company.

**upgrading** The process of asking a donor to give more.

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## **Evaluation and Suggestions**

**Your comments on this book will help make future projects better. Please copy this form or write a note with your thoughts to:**

**Ken Wyman  
64B Shuter Street, Suite 200  
Toronto, ON M5B 1B1  
(416) 362-2926**

**What I liked best about this book:**

**What I liked least about this book:**

**What I learned from this book:**

**Ideas in this book led to the following success story:**

**I/We had trouble implementing the following ideas, because:**

**If there is a new edition of this book, I'd like Ken to include:**

**This book would have been better if:**

**In future educational material, I'd like to see information about (any topics of your choice):**

**I'd like to have:**

**G Audiotapes on (topics):**

**G Videotapes on (topics):**

**Other comments, suggestions, ideas:**

**Optional Information (Be sure to send Ken Wyman and Associates your name and address, if you want to hear of new funding information as it becomes available.)**

**Name:**

**Title:**

**Group:**

**Address:**

**City:**

**Prov.:**

**Postal Code:**

**Phone:**



## About the Author

**Ken Wyman has been called one of Canada's foremost consultants and trainers in fundraising, volunteerism and communication. Dedicated to helping non-profit groups gain access to the secrets of growth, Wyman has spent more than 20 years adapting proven techniques and inventing new ones.**

**Ken Wyman has tested the techniques in this book as a consultant for grass-roots groups with no staff or office, and for multi-million dollar agencies. The methods work for non-profits that are controversial or conventional, well connected or seemingly powerless. They work, with minor adaptations, in the areas of health, social service, culture, sports, environment, religion, politics, women's issues, and more.**

**Based in Toronto, Ken has worked from Newfoundland to British Columbia, from the Northwest Territories to Texas, and overseas: in Switzerland, where he worked with international non-government organizations preparing for the United Nations Conference on Environment and Development, and in Austria, where he led a seminar at the World Congress on Business and the Arts.**

**This is Ken Wyman's fifth book on fundraising. Three others are available free, in English or French, from the federal government. The Voluntary Action Program of Multiculturalism and Citizenship Canada publishes the *Guide to Special Events Fundraising* and *Everything You Need to Know to Get Started in Direct Mail Fundraising*. The Disabled Peoples' Participation Program of the Department of the Secretary of State offers a *Guidebook to Fundraising for Disabled Persons' Groups* — a book that has proven extremely useful for many other types of organizations as well. *Planning Successful Fund Raising Programs*, Wyman's manual on long-term strategy, is sold by the Canadian Centre for Philanthropy.**

**Wyman has also served on the Board of the Canadian Society of Fund Raising Executives. He earned their professional designation, Certified Fund Raising Executive (CFRE), based on life service and written examination.**