

INSPIRING THE LARGEST GIFTS OF A LIFETIME

**CHARITABLE GIFT PLANNERS OF
HOUSTON**

FEBRUARY 2019



RAISING YOUR ORGANIZATION'S LARGEST GIFTS: A PRINCIPAL GIFTS HANDBOOK

- **80-20, 95-5, and the top ten**
- **Make the top ten as large as possible**
- **Inspire increased results at all levels**

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- 80-20, 95-5, and the top ten
- Results of survey at recent fundraising conference...

TOP TEN AS PERCENTAGE OF TOTAL

\$0.7M/\$2.7M (26%)

\$1.1M/\$2.6M (42%)

\$3.9M/\$8.2M (48%)

\$1.6M/\$10.9M (15%)

\$3.1M/\$11M (28%)

\$9.6M/\$12.1M (79%)

\$8.9M/\$15M (59%)

\$12M/\$19.8M (61%)

\$3.1M/\$20.1M (15%)

\$15.3M/\$23M (67%)

\$13.6M/\$27.5M (49%)

\$24.5M/\$38.5M (64%)

\$27M/\$56.2M (48%)

TOP TEN AS PERCENTAGE OF TOTAL

\$32M/\$62.2M (51%)

\$33.5M/\$62.5M (54%)

\$39.5M/\$71.8M (55%)

\$13.4M/\$122.7M (11%)

\$66.7M/\$136M (49%)

\$11M/\$66M (17%)

\$72M/\$140M (51%)

\$40.1M/\$156.1M (26%)

\$89.7M/\$224.8M (40%)

\$55M/\$255M (22%)

\$164.1M/\$289M (57%)

\$156M/\$565M (28%)

\$206M/\$1.13B (18%)

TOP TEN AS PERCENTAGE OF TOTAL

Average: 41.5%

Median: 48%

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A different approach is required in:

- **Culture of philanthropy**

CULTURE OF PHILANTHROPY

Two views of philanthropy:

- Moving money from those who have it to an organization that needs it

CULTURE OF PHILANTHROPY

Two views of philanthropy:

- Moving money from those who have it to an organization that needs it
- Enabling philanthropic people, families, corporations, and foundations to give with confidence...helping them do what they WANT to do, in ways they will find satisfying and successful

U.S. TRUST SURVEY - HNW PHILANTHROPY

Principal factor in choosing a cause or nonprofit organization to support:

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Personal Values (78%)

U.S. TRUST SURVEY - HNW PHILANTHROPY

Principal factor in choosing a cause or nonprofit organization to support:

Personal Values (78%)

Compelling Pitch (6%)

PHILANTHROPISTS WANT IMPACT

We are moving away from a generation of joiners to a generation that wants measurable impact.

Fundraising goal: a number, or impact?

This favors organizations that are *near, dear, and clear.*

PHILANTHROPIST TO PHILANTHROPIST

(FROM BELIEF AND CONFIDENCE)

- **Find your Passion**
- **Find your Partner**
- **Get Involved**

PHILANTHROPIST TO PHILANTHROPIST

“Find a **partner** who ascribes to your vision and values, who brings the most innovative ideas to the discussion, and who can carry it through,” says philanthropist Jeanette Lerman-Neubauer. “The right leader wants the right donor partner, and vice versa. Then measure, or you won’t know if you’ve arrived.”

OUR ROLE: FACILITATOR

To build relationships that allow organizations and donors to accomplish something neither could without the other, driven by shared values and shared objectives

OUR ROLE: FACILITATOR

“The best way, that has the happiest reverberations for philanthropists and organizations, is to encourage deep engagement through which philanthropists figure out what they want to do based on their **core beliefs** and **informed desires** to help.”

Dennis Keller, from *Belief and Confidence*

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A different approach is required in:

- **Culture of philanthropy**
- **Identification of principal gift prospective donors**

IDENTIFICATION

Ratings:

- Wealth capacity
- Inclination
- PHILANTHROPIC PRIORITY

Those with all three are your future top-ten donors

IDENTIFICATION

Focus and discipline

- Approximately 40
- List informed by many perspectives, including those familiar with wide range of giving vehicles
- “Top of mind” for senior leaders

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A different approach is required in:

- **Culture of philanthropy**
- **Identification of principal gift prospective donors**
- **Establishing shared objectives**

SHARED OBJECTIVES

- **USTRust: half of HNW donors have a specific strategy in place for their giving**
- **Foundations establish and usually publish objectives**
- **Seat at the table - long before idea is finalized**

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A different approach is required in:

- **Generation of big ideas**

BIG IDEAS

- **Easier to raise donor sights than organizational leaders**

BELIEF AND CONFIDENCE

DONORS vs. ORGANIZATIONAL LEADERS

“Donors are usually the easiest when it comes to sight-raising,” says Curt Simic. “Getting an organization’s leadership to raise their sights must be accomplished first. Otherwise, donors will sit on the sidelines or gravitate to other organizations with bold vision and leadership.”

BIG IDEAS

- Easier to raise donor sights than organizational leaders
- Big gifts follow big ideas, rarely the other way around
- Donors respond to a “context of ambition and achievement”

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A different approach is required in:

- **Generation of big ideas**
- **Number and roles of relationship builders**

RELATIONSHIP BUILDERS

- **CEO, Board leadership, Advancement staff, and more**
- **Relationship-building team for each top prospective donor**
- **Support and coordinate; control is folly and antithetical to partnership**

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A different approach is required in:

- **Generation of big ideas**
- **Number and roles of relationship builders**
- **Engagement**

ENGAGEMENT

- Customized engagement - not simply “major gifts x 10”
- Opportunities for time-limited engagement
- Top-of-mind status
- Board-quality opportunities beyond board service

ENGAGEMENT

“The best way, that has the happiest reverberations for philanthropists and organizations, is to encourage deep engagement through which philanthropists figure out what they want to do based on their core beliefs and informed desires to help.”

PAY ATTENTION TO OLDER DONORS

**Majority of largest gifts made after age 70;
43% in 2017 from individuals 80+**

**First Baby Boomers reached age of 70 in
2016**

**They have many years of productive life
ahead**

Age of Top 50 Donors of 2017

| | | | |
|-------|----|-----|------|
| 100+ | 2 | 4% | 4% |
| 90+ | 6 | 12% | 16% |
| 80-89 | 14 | 27% | 43% |
| 70-79 | 8 | 16% | 59% |
| 60-69 | 10 | 20% | 78% |
| 50-58 | 4 | 8% | 86% |
| 40-49 | 4 | 8% | 94% |
| <40 | 3 | 6% | 100% |

Source: Chronicle of Philanthropy

ULTIMATE GIFTS

- Ultimate gifts - the largest gifts people will make during lifetime or through estate - are rarely cash
- Bequests represent 15% of largest gifts, historically
- Long-term stewardship required

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Overall: a different focus and discipline is required.

Is it worth it?

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If you double the total of your top ten gifts,

**YOU WILL DOUBLE YOUR TOTAL
FUNDRAISING RESULTS**

FACILITATING PHILANTHROPY

What can I do?

FACILITATING PHILANTHROPY

What can I do?

- **Start with donors**
 - Ask them what they want to accomplish
 - Ask them how to ask them
 - Ask them how to thank and recognize them

WHAT'S THE FIRST QUESTION?

“Have you met our new president?”

“Have you heard about our new and exciting strategic plans?”

“Have you heard about our new fundraising campaign?”

WHAT'S THE FIRST QUESTION?

Or maybe...

“What are you trying to accomplish with your philanthropy, and how might we help?”

...or, for volunteers and donors...

“I've found this organization to be an excellent partner in helping me make gifts that are meaningful, fun, and effective. Might we be a good partner in your philanthropy?”

ASK DONORS ABOUT THEIR PRIORITIES

“Most fundraisers don’t think to ask prospective donors about their ideas, or about what they are trying to accomplish with their philanthropy,” says Ann Ziff.

“They miss an opportunity to gain potentially valuable input and information. Taking the time to learn about donor objectives allows for true dialogue and a more robust conversation. When organization and donor vision can be brought into alignment, some truly exciting things happen.”

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FACILITATING PHILANTHROPY

What can I do?

- Partner internally to partner externally
 - Division of responsibility: silos, or team?
 - Credit
 - Do colleagues believe their contribution matters?
 - Almost every principal gift is “planned”

POSITIONING FOR PARTNERSHIP

Use language that supports philanthropic partnership:

- *Shared objective* (impact) rather than “need”

MUTUAL BENEFIT

Use language that supports philanthropic partnership:

- *Shared objective* (impact) rather than “need”
- *Mutual benefit* versus indebtedness

MUTUAL BENEFIT

“My support of the arts has allowed me to meet amazing people who enrich my life,” says Mercedes Bass. “I learn a lot from them, and it’s great fun to be with them. They include world-renowned soloists but also the people who build an organization’s artistic reputation each and every day—the conductor, the orchestra players, the chorus master, the chorus members, and so on.”

SAYING “THANK YOU” IS ONLY A START

- **Gratitude first...**

SAYING “THANK YOU” IS ONLY A START

- **Gratitude first...then RESULTS**

DELIVER ON PROMISES

“Organizations and philanthropists need to measure results and deliver on promises,” says Tim Gill. “Philanthropists should and will cut off programs and organizations that don’t work and move on to something that does.”

WHAT CAN I DO?

Facilitate Philanthropic Partnership:

Build relationships that allow organizations and donors to accomplish something neither could without the other, driven by shared values and shared objectives