

MAKINIG AN EFFECTIVE DONOR ASK

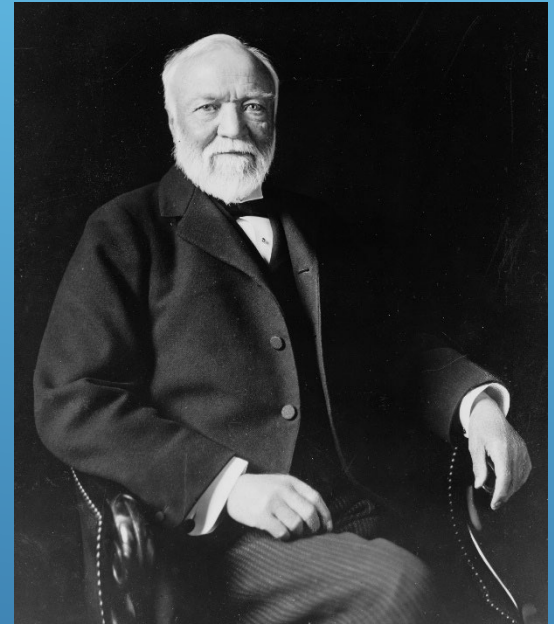


February 15, 2024

Terry Munday

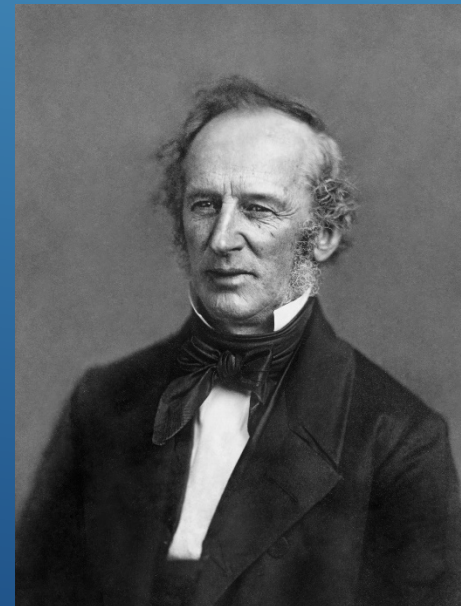
“The almighty dollar bequeathed to a child is an almighty curse. No man has the right to handicap his son with such a burden as great wealth. Will my fortune be safe with my boy and will my boy be safe with my fortune.”

Carnegie



“Inherited wealth is a certain death to ambition as cocaine is to morality.”

Vanderbilt



IMPORTANT ACTIONS

- If you want money, ask for it
- Be quick to thank people for their gifts
- Donors require maintenance

KEY SECRETS TO FUNDRAISING:

3 “C” PRINCIPAL

See the people

See the people

See the people

Personal Solicitation is the best method

→ Direct Mail – 1-5%

→ Telephone – 25% -40%

→ Personal – 75%-85%

“If we wait until every thing is perfect before making the ask, we have the prescription for never asking.” -Tom

DIRECT MAIL

- 90% of direct mail gets opened compared to 20-30% of emails
 - 3 times more likely to respond to direct mail versus email
 - Direct mail 1-9% response rate
 - Email .6-1% response rate
- 
- Several white lines of varying lengths and angles are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

Know the stories of the
organization

RELATIONSHIPS

- ▶ Gifts with a relationship.....5 to 1
 - ▶ Gifts by referral.....8 to 1
 - ▶ Gifts by cold call.....10 to 1
- 
- A series of white diagonal lines of varying lengths and thicknesses, located in the bottom right corner of the slide.

FUNDRAISING IS A CONTACT SPORT- RELATIONSHIP REQUIRES TIME

12-18 touches (more contacts=better results)

Harvey MacKay

“Dig your well before you’re thirsty”

Art Hodson

Larger gifts require more time in
cultivation and trust building

GOOD FUNDRAISING

People give to people

People give to people with a cause

People give to people who ask

MFI

QUALITIES OF AN EFFECTIVE ASKER

1. Passion for the cause
 2. Persistence
 3. Ability to listen
- 
- Several thin, white, parallel lines of varying lengths and slight curves are positioned on the right side of the slide, extending from the top right towards the bottom left.

SUCCESSFUL FUNDRAISING COSTS MONEY

Research in Giving

Most major giving and planned giving began as alumni givers

An alumni making a gift of \$1 million will make their first gift 20 years earlier

“Shows persistence not rapid persuasion”

78% of planned giving donors gave 15 or more gifts during their lifetime to the organization named to their will

Good Advice

“The donors who are already supporting your organization are your best source for your next gifts”

ACQUISITION OF DONORS

It's a marathon, not a sprint.

Starbucks estimates the average lifetime value of their customer is \$14,000.

- Brooks Fortune-St Elmo's-\$100 meals
- Lifetime value-\$700,000

Time Value

- Fred Scripture
- Lifetime value-\$6.4 million

HIERARCHY OF AN ASK

1. Make the first ask a non-monetary ask:

- Event on campus
- Serve as a volunteer-mailings
- Read your case for support-Jim and Rachel

2. An ask for money

3. Ask them to open their network of friends

4. Ask for an upgrade or recurring gift

5. Ask for a planned gift

6. Ask for Leadership gift for Capital Campaign

WHY PEOPLE DON'T GIVE TO YOUR ORGANIZATION

- ❖ Never asked
 - Number 1 reason people do not give
- ❖ Not educated about your organization
 - Potential donor + Organizational Knowledge=
- ❖ A Potential Ask
 - Potential donor + Organizational Knowledge+ Involvement with Organization+ Good Relationships= Larger Capacity Donor

WHY PEOPLE DON'T GIVE TO YOUR ORGANIZATION (CONT.)

❖ Lack a relationship

- Relationship requires time

- Donor needs to know you

- Get their advice and ideas

- Donor involvement and engagement

- Brooks Fortune-Foundation Proposal

- Drive from Indy

- Gaither concert

- Dinner

- Visits to home in Indy and Florida

- Son speaks at commencement

The most important metric in achieving
success in fundraising...

“ASKS MADE”

THE ASK

Hardest part of making the ask is getting to the appointment

The process is 85% complete when you are sitting in their living room

A GOOD ASK

It is an actual question

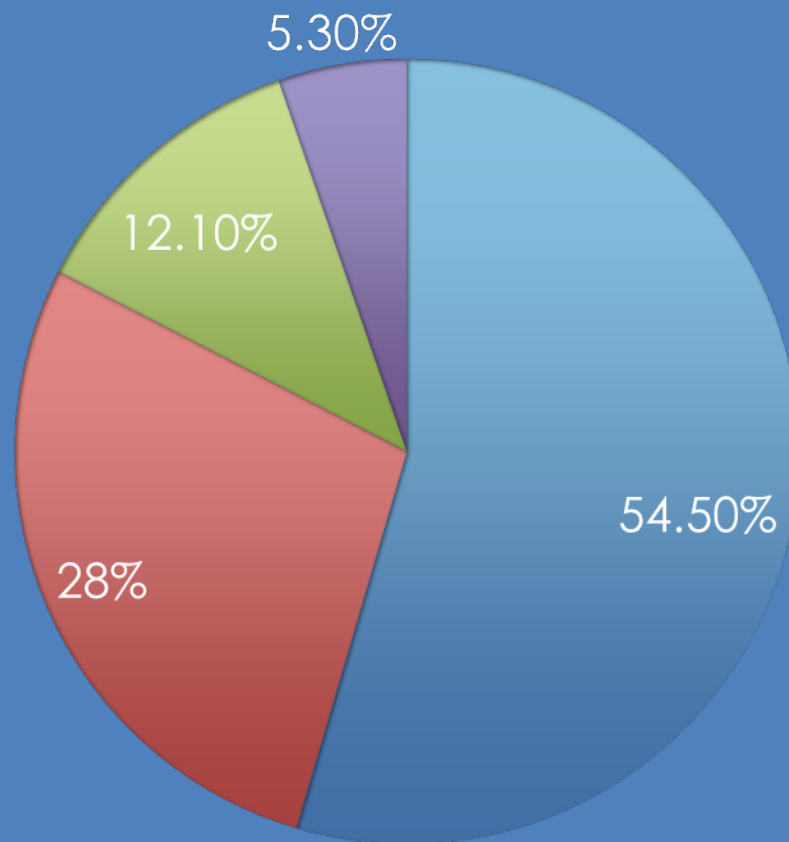
Invite a person to take a step
on behalf of your cause

Asking for a specific amount

A SUCCESSFUL ASK

- 55% based on appearance
 - 38% based on elevated voice
 - Present an opportunity
 - Volunteer shares what they are giving
- 
- A series of white diagonal lines of varying lengths and thicknesses, located in the bottom right corner of the slide.

INDICATORS TO DETERMINE WHAT AMOUNT TO ASK FOR



- Past Giving
- Capacity to Give
- A Formula
- Peer Giving

VARIABLES THAT PREDICT THE AMOUNT OF THE GIFT

- Annual gifts during the last 5 years
- Total lifetime giving (cumulative giving)
- Largest gift amount.
- Wealth capacity (if available)
- Giving capacity (if available)
- Largest gift made elsewhere (if available)

2 to 10 times their largest gift-Kansas City Christian College
1% of asset base

THE ASK-WHEN YOU GET A “NO”

Why did they answer with a “no”?

1. Timing
2. Interest in the specific project-hot button
3. Ask for too much

A “no”--- does not complete the process of an ask

THE ASK

1. The donor is asked to write a check
2. Ask for a specific amount-no range
 - Westerville, Ohio
 - Rule of thumb (10-20 times annual gift)
3. Use staff and president, CEO
4. Use two volunteers
 - One to share vision
 - One to make the ask
 - One who has a relationship
5. After ask (SILENCE)
6. Minimal amounts of materials

TIPS DURING AN ASK

- Smile early & often
- Stand or sit tall
- Sit toward the front of your chair, lean into your ASK
- Be physically accessible. Don't cross your arms.
- Good voice inflection, speak with volume.
- Express gratitude for visit.
- Be curious. What do you see in the room?
- Make intentional small talk – kids, vacation, work projects, hobbies, likes & dislikes.
- Give compliments

RULES TO OBSERVE WHEN ASKING

Make your own gift first

Know your prospect

Listen to what the prospect says

Emphasize the prospect's interest

Ask for a specific gift

Remain positive and focused

Counter objections with facts

Manage the follow up

✓ Pledge Card ✓ Next Appointment ✓ Report Results

8 Gift Asking Blunders

1. Failure to ask face to face

Interaction

Body Language

2. Failure to find the donors interests

Hot Button

3. Failure to ask for a specific amount and for a specific purpose

4. Failure to get to ask, cutting to the chase

8 Gift Asking Blunders

5. Failure to remain silent after the ask

17 Seconds people begin to feel uncomfortable

6. Failure to get the right people in the room

Friend of donor

Someone the donor trusts

Use of board members

7. Failure to have an exit plan

When will you get back with them

8. Failure to have immediate follow-up

#1 Reason donors stop giving

“They don’t know how their gift is being used”

What do you share?

1. Fiscal integrity of the organization
2. Stable Leadership
3. Their Passion- “make them cry”
 - Appeal to the heart not the head

“Everyday we have students either drop out or cannot get a Christian education because of a lack of funds”

Story of Elliott Miller

MAKE THE ASK

- No reason to spend more than 12 months in conversation
- Worst they can say is “no”
- First gift will not be their largest
Think about 2nd and 3rd gifts

CHALLENGE GIFT

1 - 1, 2 - 1, 3 - 1
Challenge gift will
increase the
probability that the
donor will give.

Announcing a
match will
increase revenue
per solicitation by
19%.

Andrew Carnegie
Larry

ENGAGEMENT METRIC SCORE (EMS)

Criteria	Possible Points	Score
Alumnus with Degree	0/3	3
Alumnus(Attended but never graduated)	0/1	0
Parent(N/A, Past, Current)	0/1/2	2
Married to Alumnus	0/1	1
Served on a College Committee	0/3	1
Served as a College Bd Member Past/Current	0/5/10	5
Staff/Faculty/Retiree	2/4/6	6
Involved in Athletics/ Music/Extras Curricular)	0/2/4	2
Purchased Alumni Directory	0/1	1
Total	31 points	21 points

ENGAGEMENT METRIC SCORE (EMS)

Giving	Possible Points	Score
Cumulative Giving 0/0-\$4,999/\$5,000/\$50,000/\$50,000-\$100K/\$1 Million	0/1/2/3/4/5/7/9	5
Annual Total Giving in Last 2 years 0//\$1-499/\$500/\$999/ \$1,000-\$2,499/\$2,500-\$4,999/\$5,000-\$10,000/ Above \$10,000	0/1/2/3/4/5/6	4
Consecutive Giving 0/3 years/5 years/10 years	3/5/10	5
Years with Increased Giving 0-2 years-3 years-5 years	0/3/5	5
First Time Donor	0/2	2
Restricted Gift (Scholarship, Music, Nursing, Athletics)	0/2	2
	34 Points	EMS Total <u>23</u>

ENGAGEMENT METRIC SCORE (EMS)

0-10	Continue Direct Mail
11-20	Visit from Pastor
21-30	Visit from Advancement Office
31-40	Receive Invitation to Special Banquet
41-65	Visit from Founder or Board Member

90% of the GIFTS
come from
10% of the PEOPLE

Several thin, parallel white lines are drawn diagonally across the bottom right portion of the image, starting from the bottom edge and extending towards the top right corner.

COST TO RAISE A DOLLAR

Event: 50 cents

Annual Fund: 25 – 30 cents (Direct Mail)

Major Gifts/Capital Campaign, 5 – 10 Cents

GIFT DEFINED

Is the donor making the gift from:

- ♦ INCOME (9%)
- ♦ ASSETS (91%)

Jim Sutter
Jett Sisters

Income = Entry Level = Low Emotion

Asset = More Mature Level = High Emotions

Transforms the donor

TIME LINE

1900

Greatest

1928

Silent

1945

Boomers

1964

Gen X

1980

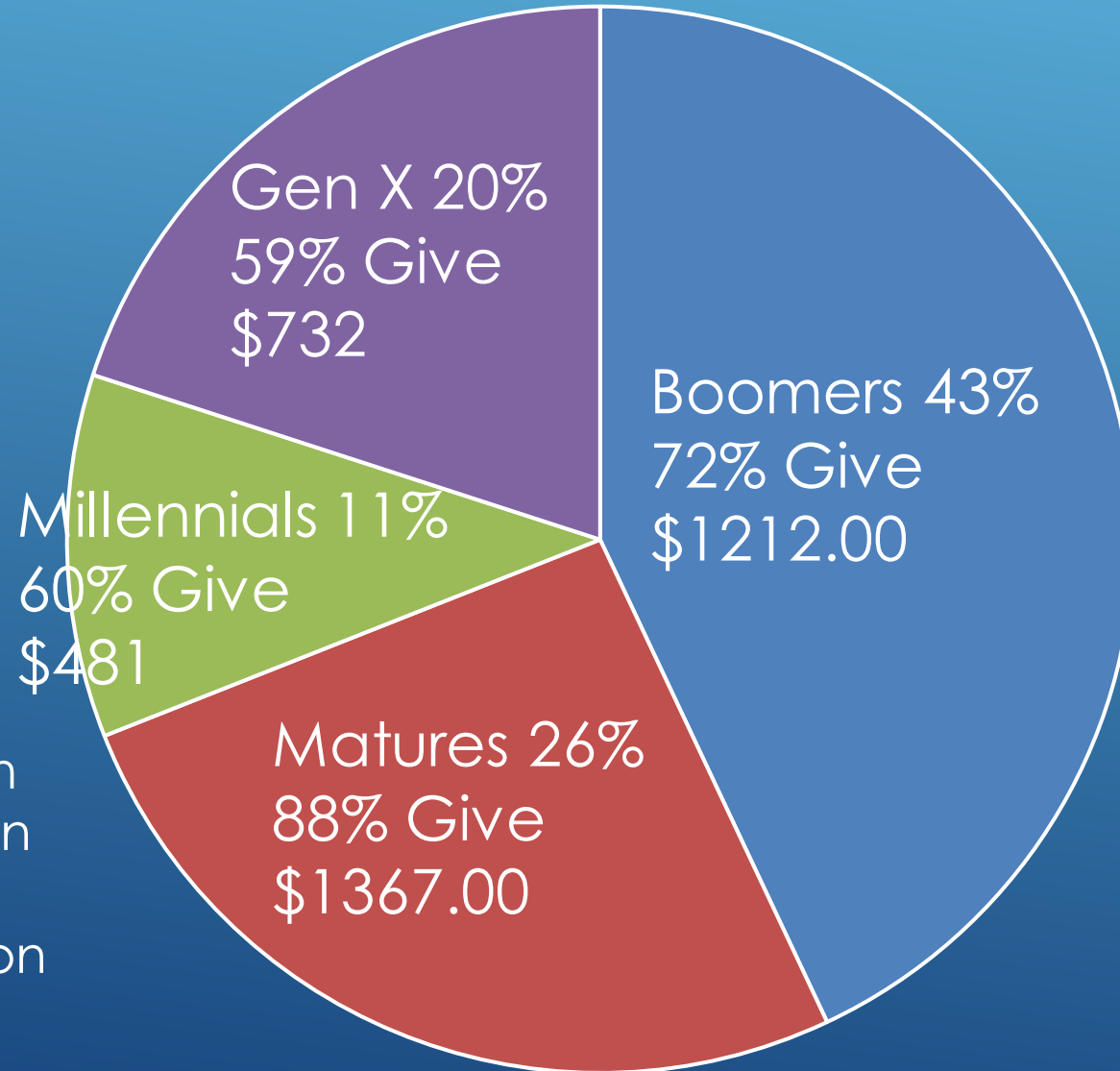
Millennials

1994

Gen Y



GIVING BY GENERATION



Generation Populations

Matures- 50 million
Boomers- 76 million
Gen X- 49 million
Millennial- 80 million

MILLENNIALS

- ▶ Millennials will peak in number in 2036 at 76.2 million.
 - ▶ Gen X peaked in number in 2018 at 65.8 million.
 - ▶ Baby Boomers reached their peak in 1999 at 78.8 million.
- 
- Several white lines of varying lengths and slopes are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

OLDER DONOR CHARACTERISTICS

- ▶ Higher average donation
 - ▶ Higher second gift rate
 - ▶ Higher retention (especially in monthly giving)
 - ▶ Higher amounts raised (in events)
 - ▶ Higher chance of supporting an event again
 - ▶ Higher lifetime value
 - ▶ Higher chance of putting you in their will... and a higher chance of realizing that sooner
 - ▶ Higher chance of becoming a major donor
 - ▶ Higher chance of responding to most of your communications
- 
- A series of white diagonal lines of varying lengths and thicknesses are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

STUDY: REASONS GIVEN FOR NOT PASSING MONEY ON TO THEIR CHILDREN.

- ▶ 24% of children would become lazy
 - ▶ 20% of children would make poor decisions
 - ▶ 20% would squander money
 - ▶ 13% would be taken advantage of by other people
- 
- A series of white diagonal lines of varying lengths and thicknesses, located in the bottom right corner of the slide.

Planned Giving Bequests

1. Ties a donor closer to charity
2. Opens the way for more lifetime giving
3. Leads to wiser charitable planning
4. Bequests that are larger than initially planned

Ken and Marceil Bostic
Jett Sisters

ONCE A DONOR NAMES A CHARITY IN THEIR WILL

97% Never Revoked

75% Never Changed

Several thin, parallel white lines of varying lengths and angles are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

PREDICTORS OF A PLANNED GIFT

1. Loyal to nonprofit
 2. Age of prospect
 3. Frequency of gift
 4. Annual fund donors
 5. Educational attainment
- 
- A series of several parallel white diagonal lines of varying lengths, located in the bottom right corner of the slide, extending from the right edge towards the center.

65+ POPULATIONS

- ▶ Florida has the highest percentage of population 65+ (19.1%)
 - ▶ Maine (18.3%)
 - ▶ Alaska is the lowest percentage of population 65 + (9.4%)
 - ▶ Utah (10%)
 - ▶ 2030-Predict 46 states will have 17% of citizens over the age of 65
- 
- A series of white lines of varying lengths and slopes are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

OLDER DONOR CHARACTERISTICS

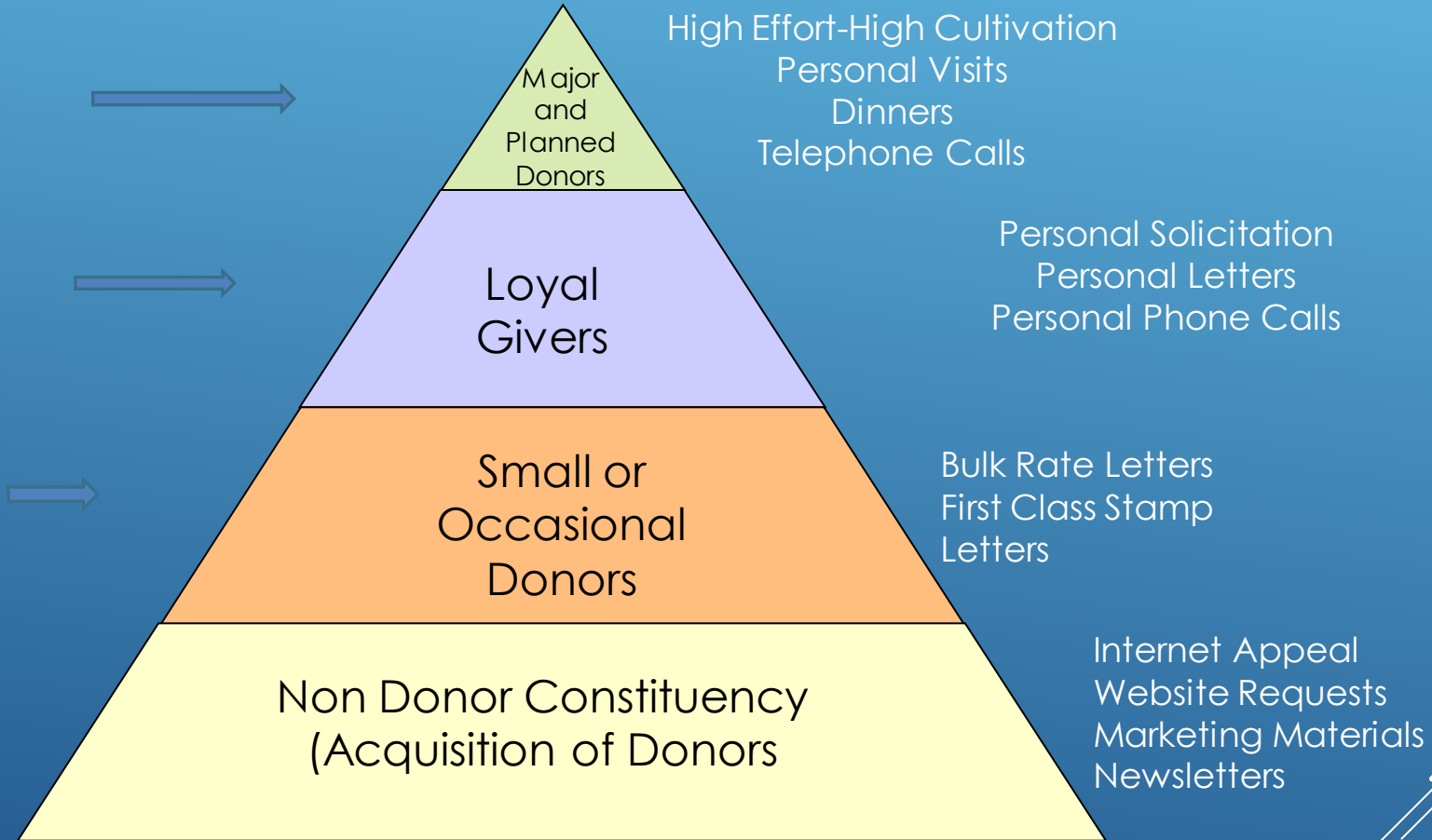
- ▶ Higher average donation
 - ▶ Higher second gift rate
 - ▶ Higher retention (especially in monthly giving)
 - ▶ Higher amounts raised (in events)
 - ▶ Higher chance of supporting an event again
 - ▶ Higher lifetime value
 - ▶ Higher chance of putting you in their will... and a higher chance of realizing that sooner
 - ▶ Higher chance of becoming a major donor
 - ▶ Higher chance of responding to most of your communications
- 
- A series of white diagonal lines of varying lengths and thicknesses are positioned on the right side of the slide, extending from the middle towards the bottom right corner.

DONOR PYRAMID: 90/10

10% of Donors
Account for 90% of
Dollars Raised

20% of Donors
Account for 5% of
Dollars Raised

70% of donors
Account for 5% of
Dollars Raised

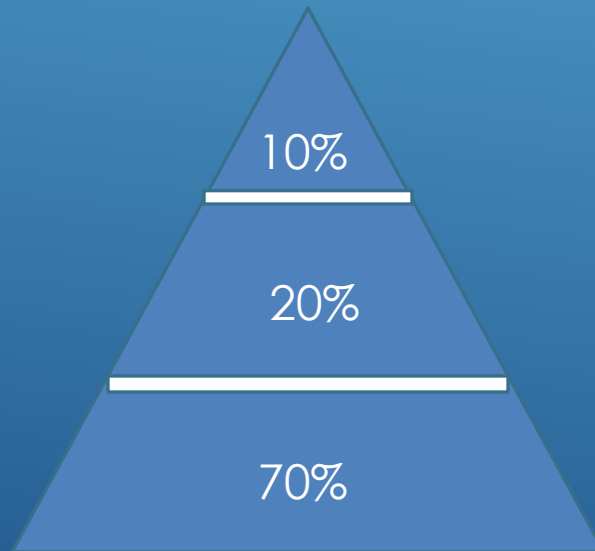


Do not view donors as one group. · Where do you spend your time? · Regular Donor Reports

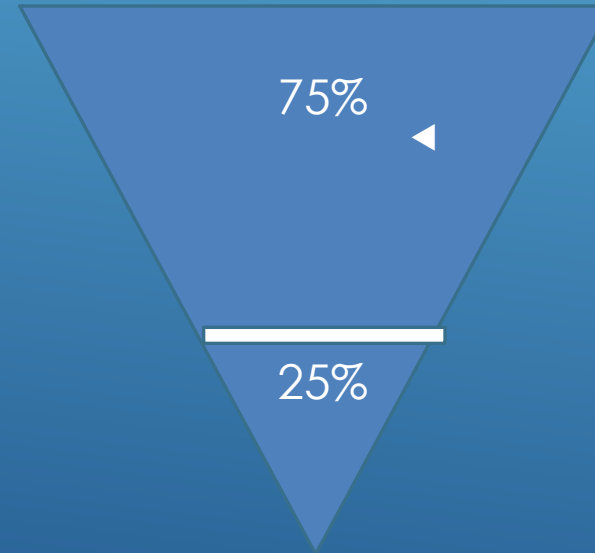
HOW TO HAVE FUNDRAISING SUCCESS

Rotated Pyramid

90/10 Donor Pyramid



Time and Resources



- **More Fun to Ask for Larger Gifts**
- **Relationship Building**
 - **Jim Sutter**

KNOWS KEY TIMES FOR GIVING

- 24% given between Thanksgiving and the end of the year
- 34% given during the last 3 months
- 74% of people will give during the holidays
- 60% of people plan to give \$100 or more

Gap Calls- Gurley

Why people give at these times:

- Tax benefit
- Spirit of the season
- Charities are making appeals

PHONE CALLS – GAP CALLS

- Calendar year end – solicitation calls
- Sample calling form

Name	2018	2019	2020	2021	ASK
John Doe	\$300	\$500	\$1,000	\$200	\$1,000
Mary Smith	\$1,000	\$500	\$500	\$100	\$1,000
Sue Jones	\$100	\$200	\$400	\$0	\$400
Van Gurley	\$5,000	\$5,000	\$5,000	\$0	\$5,000

Dan Bowen Ford

Give Me Five

Increase your
database



Kim Klein – “You already know all the people you need to know to raise all the money you need to raise.”

Questions to Ask

Consider these questions as you review your address file. We are looking for individuals that share the same values with your organization with whom we can build relationships. These questions are not intended to be exclusive, but give you some idea of the types of individuals we wish to identify.

- Do you know anyone
 - At your church
 - In your community
 - In your business
 - In your civic groups
- That...
 - Owns their own business?
 - Retired Early?
 - Owns a winter home in a sunny climate?
 - Travels extensively?
 - Owns commercial property, apartment buildings or farm land?
 - Is involved in the stock market, trading on a regular basis?
 - Is known for their charitable giving?
 - Is retired and has no children?
 - Has their own foundation or serves on the board of a foundation?
 - Is an executive officer at a large corporation?
 - Is on other boards with you?

	Prospect	Amount of Ask	Relationship	Assist With Ask
1	John	\$5,000	Neighbor	Y
2	Mary	\$10,000	Bus Associate	N
3	Sue	\$25,000	Banker	N
4	Bob	\$50,000	Uncle	Y
5	Charles	\$100,000	Grandfather	Y

QUESTIONS

Terry Munday

terry.munday@indwes.edu

