MAKING 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
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
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
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

Salvation Army – Stanford Study
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
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
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 2\textsuperscript{nd} and 3\textsuperscript{rd} 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)

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

<table>
<thead>
<tr>
<th>Giving</th>
<th>Possible Points</th>
<th>Score</th>
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<tbody>
<tr>
<td>Cumulative Giving 0/0- $4,999/$5,000/$50,000/ $50,000-$100K/$1 Million</td>
<td>0/1/2/3/4/5/7/9</td>
<td>5</td>
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<tr>
<td>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</td>
<td>0/1/2/3/4/5/6</td>
<td>4</td>
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<tr>
<td>Consecutive Giving 0/3 years/5 years/10 years</td>
<td>3/5/10</td>
<td>5</td>
</tr>
<tr>
<td>Years with Increased Giving 0-2 years-3 years-5 years</td>
<td>0/3/5</td>
<td>5</td>
</tr>
<tr>
<td>First Time Donor</td>
<td>0/2</td>
<td>2</td>
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<tr>
<td>Restricted Gift (Scholarship, Music, Nursing, Athletics)</td>
<td>0/2</td>
<td>2</td>
</tr>
<tr>
<td>34 Points</td>
<td>EMS Total 23</td>
<td></td>
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<tr>
<td>ENGAGEMENT METRIC SCORE (EMS)</td>
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<tr>
<td>-------------------------------</td>
<td></td>
<td></td>
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<tr>
<td>0-10</td>
<td>Continue Direct Mail</td>
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<tr>
<td>11-20</td>
<td>Visit from Pastor</td>
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<tr>
<td>21-30</td>
<td>Visit from Advancement Office</td>
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</tr>
<tr>
<td>31-40</td>
<td>Receive Invitation to Special Banquet</td>
<td></td>
</tr>
<tr>
<td>41-65</td>
<td>Visit from Founder or Board Member</td>
<td></td>
</tr>
</tbody>
</table>
90% of the GIFTS come from 10% of the PEOPLE
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%)

Income = Entry Level = Low Emotion
Asset = More Mature Level = High Emotions

Transforms the donor

Jim Sutter
Jett Sisters
TIME LINE

1900 1928 1945 1964 1980 1994
Greatest Silent Boomers Gen X Millennials Gen Y
**GIVING BY GENERATION**

- **Matures** (50 million): 26% give, $1367.00
- **Boomers** (76 million): 43% give, $1212.00
- **Gen X** (49 million): 20% give, $732.00
- **Millenials** (80 million): 11% give, $481.00

**Generation Populations**
- Matures: 50 million
- Boomers: 76 million
- Gen X: 49 million
- Millenials: 80 million
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.
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 change 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
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
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
PREDICTORS OF A PLANNED GIFT

1. Loyal to nonprofit
2. Age of prospect
3. Frequency of gift
4. Annual fund donors
5. Educational attainment
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
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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

10%

20%

70%

Time and Resources

75%

25%

- 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

<table>
<thead>
<tr>
<th>Name</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>ASK</th>
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<tbody>
<tr>
<td>John Doe</td>
<td>$300</td>
<td>$500</td>
<td>$1,000</td>
<td>$200</td>
<td>$1,000</td>
</tr>
<tr>
<td>Mary Smith</td>
<td>$1,000</td>
<td>$500</td>
<td>$500</td>
<td>$100</td>
<td>$1,000</td>
</tr>
<tr>
<td>Sue Jones</td>
<td>$100</td>
<td>$200</td>
<td>$400</td>
<td>$0</td>
<td>$400</td>
</tr>
<tr>
<td>Van Gurley</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$0</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Dan Bowen Ford
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?
<table>
<thead>
<tr>
<th>Prospect</th>
<th>Amount of Ask</th>
<th>Relationship</th>
<th>Assist With Ask</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 John</td>
<td>$5,000</td>
<td>Neighbor</td>
<td>Y</td>
</tr>
<tr>
<td>2 Mary</td>
<td>$10,000</td>
<td>Bus Associate</td>
<td>N</td>
</tr>
<tr>
<td>3 Sue</td>
<td>$25,000</td>
<td>Banker</td>
<td>N</td>
</tr>
<tr>
<td>4 Bob</td>
<td>$50,000</td>
<td>Uncle</td>
<td>Y</td>
</tr>
<tr>
<td>5 Charles</td>
<td>$100,000</td>
<td>Grandfather</td>
<td>Y</td>
</tr>
</tbody>
</table>
QUESTIONS

Terry Munday
terry.munday@indwes.edu