

The Charity First Series

MAJOR GIFT FUNDRAISING

Taking the plunge

Peter Maple
James K Myers



The Charity First Series aims to provide practical and straightforward guidance on the challenges confronting charity operations today, with fundraising in the spotlight. Its individual subjects range from those concentrating on the UK and Ireland to non-profit issues in the EU and other jurisdictions, from traditional to digital fundraising and from basic help for those just entering the third sector to specialist areas for the more experienced.

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Peter Maple
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First published electronically in 2011 by Social Partnership Marketing LLP
38 Leconfield Road, London N5 2SN
Revised edition published 2020

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Full version ISBN 978-1-908595-38-6

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INTRODUCTION

There is an apocryphal tale about an exchange between two of America's most famous novelists on the nature and attitudes of wealthy people. F Scott Fitzgerald is reputed to have said 'the rich are different from you and me'. In reply, Ernest Hemingway is quoted as saying 'yes, they have more money'.

Major gift fundraising can be seen as a mysterious field, but the essential elements of a good campaign effort are reasonably accessible. In reality, they're much the same as for any well planned fundraising activity. People give to people whether you are asking for £20 or £20,000. For the effort expended on getting relatively small gifts done well, you might equally well attract some much larger ones. In today's world, with funding from statutory sources withdrawn or shrinking fast, this could be very helpful indeed. Moreover, major gifts can be sought both for specific projects and core funding. Whether for a particular purpose, overall expansion or simply survival, major gifts ought to be a part of your strategy for survival and sustainability. They can be a vital part of the fundraising mix.

What constitutes a major gift? There are no universal thresholds. For some charities, a £500 donation would be considered a major gift. For others the figure might be £5,000 and for some it might even be a million pounds. Remember however, that anyone who can write a cheque to charity for £1,000 can usually, if they are sufficiently motivated, put an extra nought on the end. So, one might do well to set the prospect threshold at a comparatively low level. In every case, no matter what the amount, the effort requires the same careful preparation, discipline and diligence. Much is said here about personal contacts and meetings. In a world experiencing a pandemic one may have to resort to Zoom meeting rather than face-to-face and that brings its own challenges. The upside however is that people may be much more willing to see you digitally than up close and personal. Either way it is no reason to avoid tackling the issues and opportunities.

The world of major gift fundraising can bring surprises. Embarking on the trail of major gifts is an exhilarating voyage of ups and downs through which the determination to see the success of your cause will sustain you. There should also be a bonus, besides the gifts, which is that of the friendships that can result from these endeavours. Cherish them! So, are you ready to take the plunge?

IT STARTS WITH YOU

Many do not relish the thought of asking for money whatever the amount. However, in reality it needs to become much more than a simple request for cash. Think in terms of bridge building, the satisfaction of giving, how we can all make a very real difference, thus achieving a reason for celebration and joy. Researchers talk about transformative giving and how a major gift can change the lives of both the giver and the receiver.

As the fundraiser, whether a paid member of the team or a volunteer, it is vital that you have a real enthusiasm for your charity's cause. How can you engender empathy if you don't display it yourself? The type of cause will, of course, influence the direction of your overall and fundraising strategy. What is the case for support? Consider the charity's mission against a backdrop of other similar charitable causes in the sector or community and look at how they operate their own fundraising campaigns.

Then, think about how to differentiate your espousal of the charity's mission in your own approach to potential givers. Imagine the differences between appealing for an animal charity on the one hand and an art gallery on the other. Similarly, imagine fundraising for Tate Britain compared with your local art gallery. Both are important causes but the fundraising strategies will necessarily be quite different.

Next, consider the available resources in terms of time, money and staff. Think in terms of fundraising precepts such as the Pareto principle that 80% of your funds will probably come from only 20% of your funding sources.

So how do you start your approach to potential major givers? Some of the steps suggested below may seem obvious, but they are included because they are so fundamental to success and yet can easily be overlooked.

The Cause

As already pointed out, if you're not enthusiastic, the potential giver is most unlikely to be either. Define the case as you see it so that it is crystal clear. If the desired gift is for a particular project, be ready to convince your listeners that the objective is essential to help fulfil the charity's mission.

Of particular importance is the need for you to understand your potential giver's reasons for considering a gift to your charity in the first place – what is it about your cause that they are particularly interested in?

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With this understanding of their motivation, if you can explain how their gift will help to advance a mission with which you already know them to be in sympathy, then you can begin to establish a bond between the potential giver and your charity.

Remember that your case statement needs to answer, at the very least, the three questions any potential funder will be asking themselves. Who are you? Why are you doing whatever it is? And why should I support you? There is also an old sales adage that suggests, ‘you’ve got two ears and one mouth, use them in that proportion’. That is to say it is vital to hear what your potential giver would like to see from the gift. It may be the same as you, a change in the world, a life improved. But, it may be quite different. It may be about remembering a loved one or simply facilitating something they would like to see happen.

At all costs, avoid what is known as ‘smash and grab’ fundraising, i.e. appearing to potential givers as being unprepared and in a hurry – ‘you’ve got money and we need it!’ Go to meetings prepared to explain the need for the gift or the project and be able to answer all the questions put by the potential supporter and his/her advisers (who may well be present, as may representatives of foundations), including their expectations.

Always make sure that you have with you budgets, costings, detailed plans and anything else you might need to make the best possible presentation of the project or cause. And remember that sales adage. Listen to what the potential support wants and ask them for their advice.

Involving the Trustees

The trustees of your charity must be closely and continuously involved in the process from the very beginning. There are at least two basic ways in which they can support you: by discussing, agreeing and supporting the fundraising plan; and by opening up their address books to help with the identification and development of friends and contacts who may become prospective givers. Indeed, this can assist the creation of a development committee, made up of several trustees and selected staff members. This will be covered more fully in a later chapter. The Americans have an adage about trustees that they should give, get (i.e. help find supporters), or get off.

Strawberries and Cream

It isn’t only the trustees who need to be fully in the fundraising picture. As Peter Hendley, veteran fundraiser, says, ‘Fundraising and finance go together

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like strawberries and cream, so internally always ensure the fundraisers can talk openly with the charity finance people. An open sharing of information helps fundraisers to understand the need for funds to cover core costs and how to articulate what can often be a difficult ask to a supporter'. The closest cooperation between communications, finance and fundraising is vitally important to ensure that everyone is on the same page and to avoid fundraisers going off on their own personal crusades for projects they like or feel they can raise funds for.

There is a further truism that everybody in a charity is a fundraiser. That is, they have the ability to provide enthusiastic, informed support when asked. Potential givers may well want to speak to those on the ground delivering the service or project. In a similar way the chief executive must be fully engaged and willing to enter into those dialogues.

Preparing the Ground

Accurate and up to date information on potential givers is fundamental whether they are from foundations, corporate bodies or acting as individual givers. You must be able to explain why you are approaching them and not someone else and how supporting your cause or project would be rewarding for them. Be confident that you know enough about your prospect to see the possible link between him/her and your cause.

The question of 'who' and 'method of approach' usually starts with existing supporters. There is more to this than just the hope that they may be disposed to give again (if you have looked after them and communicated previous successes) – after all, they have already exhibited their support on numerous occasions. Check your database and any other records very carefully, swot up on their giving history before you meet them. This may involve getting some 'institutional memory' from colleagues, which can be done in regular fundraising meetings. Read what Sarah Gardner, chief executive of a small (£200k pa) development charity called Action Through Enterprise (ATEGhana) says about getting started.

'ATE had already reached out to family and friends in getting started to reduce poverty in a remote, forgotten, corner of Ghana called Lawra. A trustee was helpful in showing me how to talk directly to some of those already interested and giving at lower levels, about the difference they could make with a larger gift, and how both they and the charity would benefit from their gift. Really importantly he showed me that the first major givers are likely to be friends of the charity giving at lower levels, because they've never been asked effectively, to make a substantial gift.

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This advice has stood me in great stead when reaching out to both existing and new potential supporters and grantmakers’.

Initial Research

As suggested earlier, find out, to the extent possible, what other charities, both those based locally and those operating in your field, are doing to raise funds generally and major gifts in particular. Use websites and the media, and for local charities study the local press. Find out which professional organisations in your locality (for example Rotary, Round Table, Soroptimists and business clubs) might take an interest in your organisation or be in contact with affluent members of the community. For the same reasons, you could also explore contacts with legal, accounting, financial (wealth) advisers and other professional services working in or with the non-profit field.

ABOUT THE AUTHORS

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James Myers is the founder of the European Association for Philanthropy and Giving (EAPG), a not-for-profit membership body that brings charities, legal advisers and financial intermediaries together for more effective and efficient philanthropy (EAPG is now known as Philanthropy Impact). He is also a partner of Social Partnership Marketing LLP. Jim is American by birth but has spent virtually all his adult life in Europe, mainly France and now the UK. Earlier in his career he co-founded the European-American Tax Institute in Paris.

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Full version ISBN 978-1-908595-38-6