

Intro

The information in this session appealed to me because a great part of my job is fronting up to donors, face to face, and asking for large gifts. If your work involves asking people to give to your cause, this session will give some signposts to make your job a lot easier and to make your donor's job a lot more enjoyable.

When preparing for an ask, whether it is in person, through a letter in the mail or email or at a big gala function:

I need to know the case I am presenting
I need to know as much as I can about my donor, or prospective donor
And I need to be able to link the two

If that linkage is a challenge, we will often get an influential peer as well, either as a volunteer to help us ask or maybe as a VIP to give an endorsement.

But the bottom line is that whether crafting an appeal letter or preparing for a million dollar personal ask, knowing as much as you can about your donor or market segment gives you extra leverage.

- what causes / organisations do they support
- why do they support them, what is their motivation
- how much they will give, or how much should I ask for
- what time of year/occasion do they like to make their gifts
- how do they like to be asked to support their favourite causes
- who is the best person to ask them to give to this appeal

Well in 1994 a book came out that helped professional fundraisers to help their major donors. I revisit it 14 years later because I recently picked it up again and I was surprised at how much it is still relevant and applicable to my daily job/



READ FROM BOOK PAGE XV IN PREFACE SECTION

Research was conducted among

- Donors of \$50,000 or more
- Assets of \$1 million or more
- Men and women

US Survey based on responses from 817 people who had given more than \$50,000 in last two years.

Understanding these seven subcultures of philanthropy focuses us on “donor-centred” fundraising because it forces us to look closely at our major gift prospects as individuals and identify the “triggers” for their giving.

Often a donor can be “multi-cultural” but it is usually possible to identify the primary and secondary philanthropic culture they possess.

The authors, Russ Alan Prince & Karen Maru File, have organised philanthropists into seven personalities. The organising process they use is segmentation and they say that the “objective of segmentation ... is to group major donors who are similar in the way they give.”

Their seven segments of (MAJOR DONORS) are

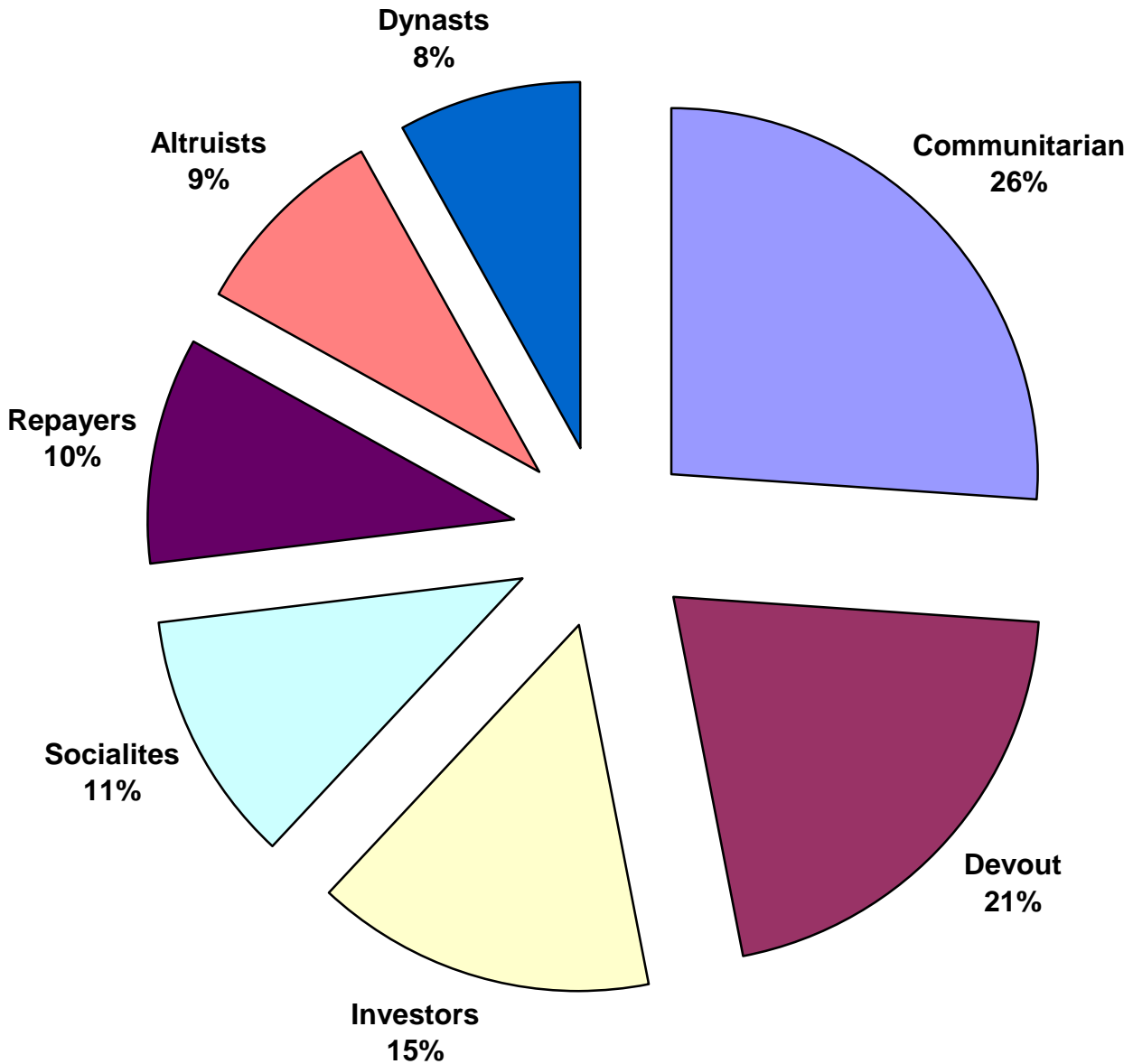
Communitarians (26%): Doing Good Makes Sense
The Devout (21%): Doing Good is God’s Will
The Investor (15%): Doing Good Is Good Business
The Socialite (11%): Doing Good Is Fun
The Altruist (9%): Doing Good Feels Right
The Repayer (10%): Doing Good in Return
The Dynast (8%): Doing Good Is a Family Tradition

And I want to take the time to introduce you to them to see how you can use the information in your daily work. While doing that I want you to be considering, what type of donor are you?



SLIDE

First let's look at what percentages the research found in terms of how many of each donor segment there are:



A question

Where would you expect to find the bulk of donors to your cause, your organisation?

Second question

Which donors do you target in your acquisition efforts?

Third question

Where are you in that pie graph?



Communitarian

26% of major donors

of which 91% are male

“Doing Good Makes Good Sense” is their mantra

- Have local history, roots and giving
- May have been born there/interested in their community
- Local business owners
- Income comes from community. Need to be seen as community supporters
- Success tied to success of community
- Philanthropy is exchange—good for their business
- Have a preference for local causes and organisations
- Typically serve on board, largely because they like to have a say in how the funds are being used
- Often members of Rotary, Apex, etc
- Like accountability on how money is spent
- They look closely at “value for money” and will research the effectiveness rather than the intention. They will often want influence on how their gift is used
- Appreciate recognition—want name on room, community signs and they expect personalised attention
- They believe that philanthropy is a choice, a voluntary act not an obligation
- Gives across the board to lots of local groups
- Very wary of local group’s funds being diluted by national infrastructure

Language—Impact on community, quality of life, "one family at a time"



Devout

21% of major donors – in Aust I would suggest that would be 16-18%

“Doing Good is God's Will” is their mantra

96% go to church

86% tertiary education

- Gods will for them to help others.
- They attribute their material success to God
- The act of giving is a sign of spiritual maturity
- It is an inescapable moral obligation
- Believe income comes as a gift of God. Have a “sowing and reaping” motivation.
- Practice proportionate giving
- 96% of giving is focused on religion
- Supports outreach and mission work
- Can give to international religious groups - does not have to be local
- They believe that philanthropy is a moral obligation of everyone, regardless of income or wealth
- Acts on faith in institutions—strong sense of faith, rarely check to see if money used as said
- Moral obligation to give—“to whom much is given, much is expected”
- Don't want to be recognised—will get recognition on other side
- Believes everyone should be treated the same from small to large gifts
- Seeks little control on how money is spent
- Not interested in being on board

Language—values of organisations, mission of group/project



Investors

15%

“Doing Good is Good Business” is their mantra

- Gives carefully after investigation
- Looks for measurable returns on investment, not seen as a charitable gift
- Their 'investments' should pay real 'dividends'
- Everyone should win as a result of the contribution: victim, family, society, operator
- Philanthropy is a business relationship
- Tax minimising is a high motivator
- Looks at giving as optional—doesn't understand moral obligation
- Tends not to have high influence on organisation—rarely on board
- Would go to taxes otherwise and govt is wasteful and never eliminates a social problem
- Tend to donate to a wide variety of nonprofits after a careful analysis
- Likes some recognition—formal, among peers/above peer in community
- 90% expect individual attention and be appreciated - honors, dinner if noticeable difference.
- Frameable certificate causes others to notice his philanthropy
- Give because they are financially able to do so. They take a judicious approach to giving, calculating cost, tax benefits and ROI. They plan their giving, not impulsive.
- They look for “professionally run” organisations.
- They believe that philanthropy must be fiscally responsible. Resent guilt motivation based on affluence.
- They are results oriented and will want to see a track record. They don't seek influence over their gift but expect feedback on its result.
- They may want to negotiate benefits.
- Important to determine who does ask—peer or above peer
- Prospect for anyone who can show bottom line/results
- Most likely to be interested in planned gifts

Language—financial health, size of budget and number served, "your investment in the group"



Socialite

11%

"Doing Good is Fun" is their mantra

62% women

80% tertiary graduates

- Motivated by creativity of event planning
- Fundraisers, not donors—help the organisation—social, fun, bring in their social circle
- While communitarian looks at business contacts, socialite looks at social circles
- 92% believe that nonprofits are more capable than government
- Big parties raise piles of money
- Focus on the results - \$50 per person.
- There are social consequences of being affiliated with a nonprofit - so they take care up front. It must provide no social risks - must be well run
- After the gift; individual attention and public recognition. Lapse in attentiveness will result in loss of future support. Attention = paraphrase what person said. They need reassurance that they have been heard
- Socialites are so focused on fund-raising they have little need to be concerned with the uses of the funds.
- Don't have time to be members of anything other than the gym.
- Have a preference for sterling organisations because they reflect their status.
- They believe that the act of giving is more important than the amount and that no one is obligated to give because of wealth.
- They choose carefully and only give to organisations that will meet approval of their social network. They have little interest in how the funds are used. Their satisfaction is "Did everyone have a good time?"
- In return they demand personalised attention and formal recognition within their social network.
- Follow-up with people brought to events—some will not be socialites
- Want special status/attention from the staff—want to be treated better—remember their birthday/when they call, put it through
- Ask to host dinners in their homes to intro/expose organisation to others

Language—philanthropy as social exchange, "helping the organisation"



Repayer

10%

"Doing Good In Return."

- Response to life-changing experience
- Focused giving—usually education or health
- Benefit first, then philanthropic response
- Give because they have received. Self made success. Tend to support limited number of causes.
- Will be members of alumni, old boys, past patients
- Emphasis on results and beneficiaries
- Like low involvement in organisation
- Doesn't seek attention—important to keep them informed on how spending their gift
- They believe that the wealthy have a special responsibility to give.
- They insist on effectiveness and often gauge that effectiveness by their personal experiences. They will leave the stewardship of their gifts to "the experts".
- In return they expect to be valued and informed but do not seek attention or formal recognition.
- Feel that philanthropic dollar is more valuable than government dollar

Language—positive change, benefits, "just as the organisation impacted your life forth years ago..."



Altruist

9%

“Doing Good Feels Right.”

90% tertiary educated

70% business owner

- Genuine selfless donor—internally driven
- Doing good feels right. Gives their life a greater sense of purpose (spiritual but not affiliated with a formal religion)
- Spontaneous donors—respond to crises
- Can change giving from year to year
- Believe wealthy have obligation to give
- 55% believe that nonprofits are superior to the government
- More than any other group - focus on social causes such as **elderly** and the poor
- They believe that donating to charity is a moral imperative which should be everyone's responsibility - not just the rich
- Altruists give because they believe that they are the **ONLY TRUE** philanthropists
- They do their own research and rely on their own instincts.
- Not influenced by others
- Prefer to be anonymous—similar to devout, but less religious
- 95% of Altruists consider it important that others recognise, respect, and acknowledge their motivation to give. 85% want individual attentions - not standard dinners/certificates. However they do **NOT** want public recognition, dinners, newspapers, etc.
- Rarely serve on board
- Can respond to direct mail/personal contact—dramatic story/appeal
- Direct service volunteers often are here, often members of Rotary, Old Boys
- They believe that giving is a moral imperative and will want to know that you give.

Language—dramatic stories, personalise, life-changing/saving, “hard to imagine a world without...”



Dynast

8%

“Doing good is a family tradition/decision.”

94% tertiary educated

- Philanthropy is a strong family value
- Generational differences—younger may choose creative alternatives
- Most careful and selective of all
- Focus on core mission of institution
- Will use outside advisors (61%)
- Current group not necessarily following family's traditional groups
- Doesn't seek formal recognition for gifts (do in Aust) —“if we put our name on it, they expect us to maintain it forever!”
- They do not seek recognition for themselves but rather for the family or previous generation
- Like to help economically disadvantage
- 41% of dynasts had inherited wealth and 56% got source of wealth from getting the family business. They give because their family have taught them it is important, it is part of their self-concept
- 81% feel strongly that nonprofits should be familiar with THEIR motivation for giving. They want to be kept informed and involved after the gift.
- Members of establishment clubs.
- Will often support “outside of the box”.
- They believe that philanthropy is everyone’s responsibility and will assess their part in relation to what others do.
- They are careful givers. They want detail on the organisation and the project before they consider. They rarely want influence on how their gift is used as they have taken the time to be sure they can trust the organisation.

Language—tradition, core mission, new collaboration/partnerships (creativity), impacting lives in crisis/ underprivileged



Applying the Seven Faces

Tell-tale signs/questions to ask:

Communitarians--

- Long time in community?
- Is name of things in community?

Devout--

- Where go to church?
- Devout in their life?

Investor--

- What's return on gift?
- Want to see balance sheet
- Will talk about own financial situation

Socialite--

- Read society page
- Read programs from society events

Repayer--

- Patient?
- Alumnus/parent of alumnus?

Altruist--

- Won't tell you much!

Dynast--

- Family history of giving?
- Will talk about family's history of giving
- Will discuss philanthropy with their children



Personal exercise

Confidential – for your eyes only

I want to help you discover your dominant giving motivation/s

Write down your favourite charity or NFP

Now write in one line why it your favourite?

Now rite down the top 3 causes that you give to

- 1 _____
- 2 _____
- 3 _____

Is one of these three causes the same as my favourite charity? Yes / No

When you look at the giving motivations, do I see any of these in my actions?
Circle as approp.

Just a first and a second if you need one

Community	Devout	Investor	Socialite	Repayer	Altruist	Dynast
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According to this profile, what kind of giver are you? _____

Any secondary characteristics? _____

Is this what you expected? Yes / No



Table of all donor types

	Importance of Charity Networks	Power of Testimonials	How often they are asked about meetings	% of donors
Socialites	100%	94%	30%	11%
Communitarians	97%	83%	38%	26%
Dynasts	92%	100%	80%	8%
Investors	88%	93%	25%	15%
Altruists	85%	60%	25%	9%
Devout	82%	90%	37%	21%
RePAYERS	10%	85%	30%	10%

