

MAJOR GIFTS BASICS

To run an effective major gifts campaign, you must develop a plan that includes – a goal for how much you want to raise, how many gifts are needed to reach that goal, who you are going to ask, and how much you are going to ask each person for.

The Gift Range Chart

Given that not everyone has the same amount of money, giving patterns look something like a pyramid. A few people (the ones at the top of the pyramid) can give a lot, some more people can give mid-level gifts (the middle of the pyramid), and lots of people can give smaller donations (the base of the pyramid).

On average:

- 50-70% of a group's income comes from 10% of its donors
- 15-25% of income comes from 20% of donors
- The remaining 15-25% comes from 70% of donors

Additionally:

- One leadership gift usually accounts for 10% of the goal to raise
- The next two gifts account for the next 10% of the goal
- The 3-5 gifts after that are the next 10% and so on...

Sample Gift Range Chart

Goal = \$50,000 (\$30,000 in "major gifts")

Gift Amount	# of Gifts	# of Prospects Needed	Total	Cumulative Total
\$5,000	1 (10%)	4	\$5,000	\$5,000
\$2,500	2 (10%)	8	\$5,000	\$10,000
\$1,000	5 (10%)	20	\$5,000	\$15,000
\$500	10	30	\$5,000	\$20,000
\$250	20	60	\$5,000	\$25,000
\$100	50	150	\$5,000	\$30,000
TOTALS	88 gifts/donors	272 prospects	\$30,000 raised	
\$25-\$99	about 175	varies	\$10,000	\$40,000
\$1-\$50	about 600	Varies	\$10,000	\$50,000

The gift range chart is meant as a planning guide. It will be adjusted, numbers will be changed, and the ranges will move up and down depending on the goal, the size of the group, the extent of the campaign, etc.

Who to Ask and for How Much

Once you have your gift range chart, you need people to ask!

Donors don't typically give large donations until an organization has earned their trust. A nonprofit generally can track that trust in the relationship through donor loyalty. Look at your supporters and ask these kinds of questions.

- Has the donor given smaller gifts consistently, year after year?
- Does the donor give many times in the same year?
- Is the donor currently one of your largest contributors?
- Does the donor give gifts that are larger than average for your organization?
- Does the donor introduce new friends to your organization and bring people to your events?
- Does the donor volunteer with you?
- Does the donor communicate frequently with you?

Those who come to mind and stand out when thinking about these questions are top prospects to increase their giving.

How an institution handles these smaller gifts and interacts with its donors can greatly affect the frequency and amount of future gifts. By seeing all donors as the value they could bring to your nonprofit over their lifetime beyond the \$25 or \$50 donation they are able to make today, organizations cultivate long-term relationships.

Donors who give consistently and frequently are often ready to make a major gift. They just need to be presented with a reason to give more and the right opportunity to do so.

What to Look for in a Prospective Donor Who Hasn't Given to Your Group Before

You are looking for three things in each prospect:

- **Ability:** Evidence that a person has the ability to make the size of gift you want.
- **Belief:** Evidence that a person believes in your cause, or would if they knew about the cause.
- **Contact:** Evidence that a person knows someone in your organization, so you can establish contact with them.

When you have positive information about ability, belief and contact, then you have a "qualified prospect" – that is, someone who can be asked for a gift. For obvious reasons, we call these criteria ABC. But, in order of importance, they are CBA.

Contact: This is the most important factor. If you don't know the person or don't have access to them, then you have a stranger and not a prospect. That's why you start with who you know.

You know three kinds of people:

- those you know personally,
- those who are known by people you know (you might gain access to a person in this category by using the name of someone you both know), and
- those who are currently donors. You may not personally know each current donor, but you can say, "We don't know each other but we both support XXXX." Many of your best contacts are going to come from people who give money already.

Belief: Ask yourself if there is any reason that the potential prospect would not believe in your cause. Groups working for social change often think that a person won't believe in their cause when in fact the prospect has no opinion one way or the other. They may not have heard of the group, or possibly even the issue, or don't see how the issue affects them. A great deal of money is lost through assuming a lack of belief on the part of a potential prospect. More often, belief can be uncovered by bringing the cause closer to the prospects' personal experience.

Ability: The first question to ask about ability is *not* how much money the prospect has, but whether he or she gives away money at all. We know that about seven out of ten adults are donors. If your prospect is not one of those seven, she or he is not a prospect. Once you have determined whether the person is a giver, you now must decide how much to ask for. Don't go by the most obvious signs, such as the type of car the prospect drives or the size of his or her house. These are as likely to be signs of debt as of wealth.

The most telling evidence is how much they give to other groups.

- Do they attend events that cost \$100? Do they have season tickets to the theatre?

You can look for evidence of what they would spend spontaneously.

- Would they spend \$200 on one item of clothing? Do they have expensive hobbies?

Now compare what you know with the sizes of gifts you need in your gift range chart.

Finally, take into account what the prospect knows about your group.

- Suppose a prospect gives \$1,000 to her favorite group, which has similar values to yours. She has never given to your group, but a board member knows her and is willing to ask her for a gift. You have a qualified prospect, but don't start by asking for \$1,000. That is what she gives to her favorite group. What will she give to a new group? You should start in the \$100 to \$250 range.

SAMPLE PROSPECT FORM — CONFIDENTIAL

Date: _____ Compiled by: _____

Prospect name: _____

Address (Business & Home): _____

Phone (Home, Work, Cell, etc): _____

Email(s): _____

ABILITY:

- Evidence that this person is a donor (*Include names of groups and amounts given, if known*):
- Organizations this person is involved in (*Be as specific as possible about degree of involvement: “Active in Justice Now” is not as helpful as “Attends monthly meetings of Justice Now, serving as recording secretary. Also in charge of yearly auction for the last three years.”*):
- Giving History (*Both to your group, and to other groups.*):
- Occupation:
- Length of time in current occupation or with current employer:
- Income sources:

BELIEF:

- Note source of information about what this person believes (*For example, “Karen Smith heard this prospect speak at a school board meeting in favor of a pro-gay rights curricula” is more useful than “Pro-gay/lesbian rights.”*):
- In a committed relationship? If yes, partner’s name:
- Children: How many and what age:
- Personal history with our program or similar programs:
- Knowledge about our group (*What aspect of our work will be most appealing to this prospect?*):

CONTACT:

- Whose name shall we use in approaching this person?
- How will this prospect wish to be approached? (*For example, by two people, by board only, prefers to meet Executive Director, etc.*)

CULTIVATION & CONTACT RECORD (including solicitation efforts):

- Date:
- What happened:
- Who did it:
- What should happen next: