

Getting Major Gifts

By Kim Klein

The underlying premise of major gifts fundraising is that the most effective way to raise money is for one person to give a gift and then to ask a peer to make a similar commitment. This approach is effective for two reasons:

- 1) The chances that the person being asked will say "yes" are much higher than through direct mail, phone solicitation, or media advertising; and
- 2) the size of the gift is likely to be larger than gifts solicited through special events, direct mail, or other strategies.

Furthermore, the likelihood that the gift will be repeated, and even upgraded, is also much higher with such personal contact.

Self-sufficient organizations should set as a goal raising 25 percent of their operating income from gifts of \$50 and up. Obviously it is too labor intensive to ask people randomly, so to achieve this goal, a systematic plan must be developed specifying how many gifts are needed, whom to ask, and how much to seek from each donor.

The total amount needed for operating expenses varies from group to group, but we will take a sample group and show how to figure out the gift ranges required to meet the goal.

It would be ideal if you could say, "We need 2000 people to give \$100 each-- will you be one of them?" Then you send a letter to 2000 people who are able to afford \$100, call them up after they receive the letter, and get your money. Unfortunately, 2000 people will never act the same way. Some of them would give less than \$100, some much more, and most would give nothing at all.

Over the years, fundraising experts have observed a pattern of how gifts come into organizations. Based on that pattern, it is possible to plan what size gifts you will need in order to meet any fundraising goal, and how many of each size gift you should seek, as well as how many prospects you will need to ask to ensure that one person will give. The pattern observed is this:

- 60 percent of an organization's income comes from 10 percent of the donors;

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- 15-25 percent of the income comes from 20 percent of the donors;
- the remaining 15-25 percent of the income comes from 70 percent of the donors.

In other words, the vast majority of the gifts you get will be small, but the majority of the income will be from a few big donations.

To show how this works, let's assume that an organization needs \$50,000 from grassroots sources. Based on the principle just described, they will need \$30,000 (60 percent of their goal) from major donors, \$7,500-\$12,500 (15-20 percent of their goal) from average-sized gifts, and the remaining 15-25 percent from all other fundraising strategies combined.

A second observation concerns gift size and the number of prospects needed to achieve each gift. The two top gifts need to equal five percent each of the total goal--in this case, two gifts of \$2,500. The rest of the gift ranges for the top 10 percent of donors are calculated onto a gift range chart, as follows:

Gift Range Chart for Major Gifts
(60 percent of money needed)

Gift Amount	No. of Gifts Needed	Prospect/ Donor Ratio	No. of Prospects Needed
\$ 2,500	2	5:1	10
\$ 1,000	5	4:1	20
\$ 500	10	4:1	40
\$ 100	100	2:1	200
\$ 50	100	2:1	200
Total \$ 30,000	217	-	470

The Gift Range Chart should not be used as a rigid document, or as a blueprint for the major gifts campaign. Its purpose is to show what an average \$30,000 campaign would look like. The numbers can be changed--the ranges moved up and down depending on the group. It's like a chart of body size and weight, which only says what the average healthy person of your size will weigh--not what you should weigh. Like body size and weight charts, the gift range chart is meant to be flexible.

Whom to Ask, and For How Much

Once the gift range has been established, you can proceed to figure out where to find these people. Ideally, you would start by getting the top gifts and work down from there. However, an equally effective process is to start with the highest gift you can get (which might be \$50) and work from there. Most people have friends of equal or slightly higher economic well being. If you are a person who can give \$50, you will know five more people who can also give that amount, and a few able to give \$100 or even \$500. In turn, the \$100 donors will know five people able to give \$100 and a few able to give \$500, or even \$1,000. The higher you go in this "circle of wealth" the fewer people there are, and the more likely they are to know one another.

To find prospects, then, start with yourself. Whom do you know who could give \$50 or more? (Keeping the size of a major gift at \$50 opens up the possibility for a lot more people to become major donors. Almost any employed person can give \$50 if they pledge \$5 a month.) Recognizing that being a large donor is not the exclusive province of the upper-upper class, you begin to find a number of prospects among your own friends and acquaintances.

From yourself, you can move out to the board of directors and other volunteers or staff in the organization. Statisticians tell us that every person knows 250 people. No doubt some of these people can give large donations.

Another place to look for prospects is your current list of donors. Do you now have any donors who have given \$50 or more? What is the highest gift you have received, and how did it come about? It is not at all unusual for people to send in \$50 from a mail appeal, and sometimes people send in large donations based on a radio program or other publicity. If any of these people are in your area, it is perfectly legitimate to contact them to renew their gift and to ask them to give you the names of five to ten people they think could also give a gift. Ask first if they will ask their friends; if they don't feel comfortable asking, then ask if you can use their name in contacting their friends.

What to Look for in a Prospect

You are looking for three things in each prospect:

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1. evidence that the prospect is acquainted with someone in your organization, to establish a link to your group;
2. evidence that the person is committed to your cause (in a broad sense), which includes evidence that the person gives money to similar organizations;
3. evidence that the person has the ability to make a substantial gift, which includes establishing approximately how much the person can give. When you have positive information about acquaintance, commitment, and ability, then you have a "qualified prospect"-- that is, someone who can be asked for a gift. Let's look at each of these factors.

Acquaintance: Someone in your organization either has to know the prospect or know someone who knows the prospect. The person who finally asks the prospect for the gift does not have to know the person at all, as long as they know someone in common.

Committed: When considering this factor, it is critical to be creative and broadminded. Often people assume that someone won't give to a certain cause because he or she is a business person, or belongs to a conservative church, or is known to vote Republican. In fact, these very things may be clues that this person would give. For example, a pro-choice group was organizing in a conservative farming community. Most of the people were not in favor of abortion; in fact most were right-wing in their politics and strong Reagan supporters. However, the organizer quickly realized that being New Federalists, they would subscribe to the adage, "who governs least governs best." This became the theme of the organizing and fundraising: "Who will make the choice about abortion--the government or you?" "Do you want the government to have the power to make these choices for your life, or do you want to exercise the choice yourself?" As New Federalists, they opted for the latter and major contributions were received from members of that community.

Here's another example. A man was approached by a suicide prevention group in a town of 50,000 people. The person asking had not done a lot of research on this prospect and talked in general terms about the problem of suicide in America, the number of suicides and attempted suicides reported in San Francisco, New York, and Los Angeles, the very low age of many suicide victims, and the broad scope of this problem. The solicitor was sent away with a token donation.

Later that year, another person did more research on this prospect. The prospect was a member of the chamber of commerce and active in civic

affairs. He had lived in this community all his life and owned a great deal of real estate there. This solicitor made an appointment to see the prospect and told him exactly how many suicides and attempted suicides happened right in that town. He went on to discuss the fact that some of the suburbs which this man had developed had high suicide rates for no apparent reason.

The suicide prevention program, he explained, proposed to address the problem by having on-call counselors available at churches and libraries. It was also going to launch a large poster campaign telling people how these counselors could be reached. Posters would be hung in grocery stores ("two of which are yours") and other public places. The solicitor then asked the prospect to underwrite the entire campaign, and walked away with a check for \$5,000--exactly what was needed. Obviously, this prospect is not interested if the entire city of Los Angeles kills itself. What matters to him is what happens in his community.

In addition to being broad-minded in talking about commitment, it is important to find out if the prospect gives away money at all. Many people profess to be committed to the environment, or women's rights, or civil liberties; however, if they do not make financial contributions to groups representing those causes, they are not good prospects for them.

Sometimes people wonder how they can find out if someone is a donor. There are several ways. In the course of a conversation, one might simply ask, "Do you belong to Greenpeace or the National Organization for Women?" If the person says yes, you know that he or she has given to these groups. Many organizations publish a list of their donors in their newsletter. Search through those, or if your community has a symphony, opera, or theater, find the page listing the donors or patrons. From this, you may find out if the person donates. If he or she does, your task is to help him or her decide to donate to you.

Ability: In looking for evidence of ability, don't just look for 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 signs of wealth. It is more effective to look for signs of disposable income spent spontaneously. For example, would this person ever spend \$50, \$100, \$200 on a single item of clothing? Does this person buy art or antiques? Do they ski or scuba dive, or have other expensive hobbies? Where do they go on vacation? Do they ever go away for the weekend, and how often and where? Do they eat out often in nice places? Are they season ticket holders for the symphony, the football team, or the theater?

Once you have this information, you are ready to solicit this prospect. It is important to remember that you only need one prospect to begin soliciting. As you begin to develop prospects, you may decide that it is not worth visiting people just to get gifts of \$50 or \$100. In the beginning, however, those "smaller" large donors will be important. As you get to know your donors, ask them for names of other donors. For those donors who live far away, write or call them. Other local donors can be visited.

The Fine Art of Asking

Many people have discovered that doing face-to-face fundraising reminds them of the true depth of their commitment to the organization. They remember why they became involved in the first place and why they think the work is important. Occasionally, people discover that their commitment is not so strong and they would be happier in another organization.

First and foremost, it is imperative that the people soliciting major gifts believe thoroughly in the cause of the organization and have demonstrated that commitment with a financial contribution. The size of that contribution is not important, but it must be a contribution which for that individual is significant. The message to the prospect from the solicitor is, "Join me. Do what I have done. Give a large contribution to this organization because it is really important."

Approaching the Prospect

There are three types of prospects for face-to-face solicitations:

- People who have given before, and are prospects for a repeat or upgraded gift;
- People who have not given before, but are close to someone in the organization;
- People who are interested in the cause but don't know anyone in the organization.

For the third type, some kind of cultivation is necessary before actually soliciting the gift. Inviting the person to a special event, house meeting, or educational evening will be important. Or you might ask to see the person in order to describe the program and invite him or her to the office (if the office is an exciting place) as a prelude to the meeting at which a gift is requested.

Let's assume that the prospect is ready to be asked for the gift. There are three steps in approaching the prospect:

1. A letter describing the program and requesting a meeting to discuss it further. The simplest letter is the one that goes to prospects who have given before. You thank them for their support in the past and ask them to give the same amount or more again. Describe some of your achievements in the past year and some of your future plans. Tell them that you will phone them in a few days and, if they are in your area, offer to meet with them. Enclose a stamped, return envelope.
2. A phone call to set up a meeting. If you have said you are going to call, call. Rehearse the phone call beforehand to anticipate possible hard questions or objections that the prospect might have.
3. The meeting itself, in which the gift is usually solicited.

Obviously, if you are approaching your spouse or your best friend, you can skip the letter, and perhaps even the phone call. In some cases the letter will be enough and there will be no need for a phone call and meeting; in others a phone call alone will suffice.

The Face-to-Face Meeting

Once you have an appointment, you are ready to prepare for the face-to-face solicitation. This is not as frightening as it seems. First of all, the prospect knows from your letter or your phone call that you will be talking about making a contribution. Since he or she has agreed to see you, the answer to your request is not an outright "no." The prospect is considering saying "yes." Your job is to move him or her from "I'm considering giving" to "I'd be delighted to give."

The purpose of the meeting is to get a commitment to give. Everything else revolves around this purpose. It is fine for the conversation to go off on a tangent, but you must keep bringing the conversation back to the financial needs of the organization and the possible role of the prospect in meeting those needs.

As the solicitor, you must appear poised, enthusiastic, and confident. If you are well prepared for the interview, this will not be hard. Many times, board members and volunteers are afraid that they will not appear knowledgeable about the organization. It is perfectly fine to bring along a staff member or someone who has been with the organization a long time to answer difficult

questions. Sometimes going with a partner also helps you feel more relaxed. It is also fine to answer a question with, "I don't know, but I'll be glad to get you that information."

Help the prospect to see that giving to your organization is a logical and natural extension of his or her interests and concerns. Ask the prospect questions, and carry on a conversation with him or her. "Do you agree with our approach?" "Did you see the article about us in last week's paper?" "Has Jane Friendswithyou talked much about our organization?"

When you finally ask for the gift, look the prospect right in the eye and in a clear, bold voice, say, "Can you help us with a \$300 contribution?" or, "We are hoping you can give \$500-\$1000." Keep looking at the prospect, and don't say anything after you have asked for the gift. It is the prospect's turn to speak. Although it may seem like a long time between your request and his or her response, it's usually only a matter of a few seconds.

Sometimes the prospect will say, "I'd like to help, but that figure is way out of my range." Your response can be, "What would you feel comfortable giving?"

After you ask for the gift and get an affirmative answer, discuss how the prospect wants to make the gift. Perhaps they will give you a check right there, or mail it in the return envelope you brought. For larger gifts, prospects (now donors) may want to transfer stock, or make other arrangements that will cause the gift to arrive in a week or two. Once these arrangements are made, thank the donor and leave. Immediately after the interview, send the donor a thank-you note. Another thank-you from the organization should be sent when the money arrives.

Although it can be anxiety-producing to ask for money the first few times you do it, it is thrilling to get a commitment from a major donor. It is also a good feeling to know that you were able to set aside your own discomfort about asking for money for the greater purpose of meeting the needs of your organization. Knowing that you can talk comfortably about the financial goals of your organization is empowering. Boards of directors find that they are immeasurably strengthened when each of their members feels able to ask for money.

Some Common Questions

1) If we go out to lunch, who should pay?

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The solicitor should be prepared to pay for lunch or drinks, although this often turns out to be unnecessary. The donor does not want you to be spending his or her donation taking other prospects out to lunch. In a successful solicitation, the donor often picks up the tab, or suggests that each person pay his or her share. There are two factors to take into consideration. One is the expense of the meal. If you have gone to a restaurant of the donor's choosing and it's expensive, the donor will probably pay for lunch. If you feel that the price of the meal is just too high for you or your agency to absorb, it is not rude to suggest that each person get a separate tab. The second consideration is how much the donor gave. A \$25 lunch for a gift of \$50 is far different from a \$40 lunch for a gift of \$1,000.

2) How should I dress?

Gift solicitors used to be advised to look like the peer of the donor, which meant dressing in a similar style. This is no longer a helpful rule. Too many prospects dress in jeans and other very casual attire, which solicitors should not imitate. The solicitor should look professional, well-dressed, neat and clean. Flamboyant clothes are not appropriate. Dress in such a way that no matter who might see you, you would not feel underdressed. It doesn't matter if you turn out to be better dressed than your prospect. Prospects can dress in whatever way they like. They have the money!

3) As a younger woman asking an older man for a major gift, what happens when he calls me by my first name but I have to call him by his last name?

The easiest way out of this situation is to avoid using the prospect's name altogether. It is only necessary to call him by name once--when you are first introduced. If you are very bothered by this interaction, you can ask the prospect if you can call him by his first name. (Do be sure you have the right first name, however. In one instance, a 25-year-old woman represented her organization to a 50 year-old male corporate executive. He called her Kathy several times, and she called him Mr. Riley. Finally she said, "May I call you Michael?" He said, "Kathy, honey, you can call me that if you like, but my name is George.")

4) What should you do if you go with someone from your board and that person makes a fool of you and your organization?

This depends on what the board member does to make your organization appear foolish. If it is a matter of the board member talking too much,

interrupt from time to time and turn the conversation back to the prospect with a phrase such as, "Yes, that's a good point, Talking Board Member. What do you think of that, Ms. Bucks?" If the board member gets into an argument with the prospect or swears or gives out information about the organization that is inappropriate, try to change the subject quickly. If all else fails, say to the prospect, "Well, thanks for seeing us. I'll be back in touch. Let's go, Foolish Board Member." Afterwards, get that board member off of the Major Gifts Committee, and apologize to the prospect. Keep in mind that the prospect is rarely as aware of how foolish someone seems as you are.

5) What if the donor promises a certain amount and then sends less?

Send a gracious note for the amount received and don't mention that you thought it would be more. Next year you can return for a higher gift.

6) What about sending a person to solicit a gift who is not a donor to the organization but is personable and charming?

This is a mistake. The chances of getting a gift are significantly reduced when the person asking has not given. It doesn't matter whether or not the prospect is told. At some level, the prospect will intuit that he or she is being asked to do something that the solicitor has not done. The gift the solicitor makes does not need to be the same size as the prospect's, but it must be significant relative to the solicitor's resources. Sincerity is much more important than charm.

7) How important is it to name a specific amount?

In a study of New York City panhandlers the panhandlers that asked for a specific amount, or for a specific purpose ("So that I can get on the subway") were more likely to get something than those who asked for the vague "spare change." The same is true for larger gifts. "We need some money for our important work and we would like you to help" is too vague. The prospect doesn't know how much money is needed, or what an appropriate gift would be. Is \$50 too cheap? Is \$1,000 ostentatious? Is there a plan for the use of the money? Say something like, "We need \$10,000 for our community organizing project, and we hope to raise \$5,000 of that in gifts of \$50-\$500. Can you help?" Or, "We want to raise \$15,000 in gifts of \$200-\$1,000. We have already received \$5,000 from ten individuals, and hope that you can give \$500." It is much more convincing and specific.

8) What if I can't answer a question that I am asked?

Whatever you do, don't make up an answer. Say you don't know the answer but you can find it out and let him or her know. If you do say you will get an answer to a question for a donor, do so as promptly as possible.

9) When during a meeting should I ask for the gift?

Toward the end. Use the beginning of your meeting to connect with the donor and to make a "case" for support of your organization. Bring the donor up to date on the organization's activities, talk in some detail about one or two particularly exciting projects, and give the donor the opportunity to raise any questions or concerns he or she might have. Ideally, all of the donor's questions or concerns should have been answered before he or she is asked for the gift.

10) If my organization is in a serious financial crisis, should I tell the donor that or not?

If donors are going to invest in your organization, they should have the benefit of knowing about your financial health. Don't dwell on the crisis, but let them know that it exists and provide them with all of the excellent reasons you know that the crisis will pass. Then move on to the positive developments and efforts you are making to ensure the organization's financial stability.

Kim Klein is the author of Fundraising for Social Change and the publisher of The Grassroots Fundraising Journal. This article, reprinted with permission, is excerpted from the newly expanded and updated version of Getting Major Gifts, a collection of articles that originally appeared in The Grassroots Fundraising Journal. The Grassroots Fundraising Journal is a bi-monthly magazine designed to help small organizations raise as much money as they can from diverse sources. It features articles on special events, direct mail, major gifts, fees for service, membership campaigns and more. Annual subscription is \$25. To subscribe, or for more information, write: The Grassroots Fundraising Journal, P.O. Box 11607, Berkeley, CA 94712, or call (510) 704-8714; FAX (510) 649-7913. E-mail: chardn@aol.com