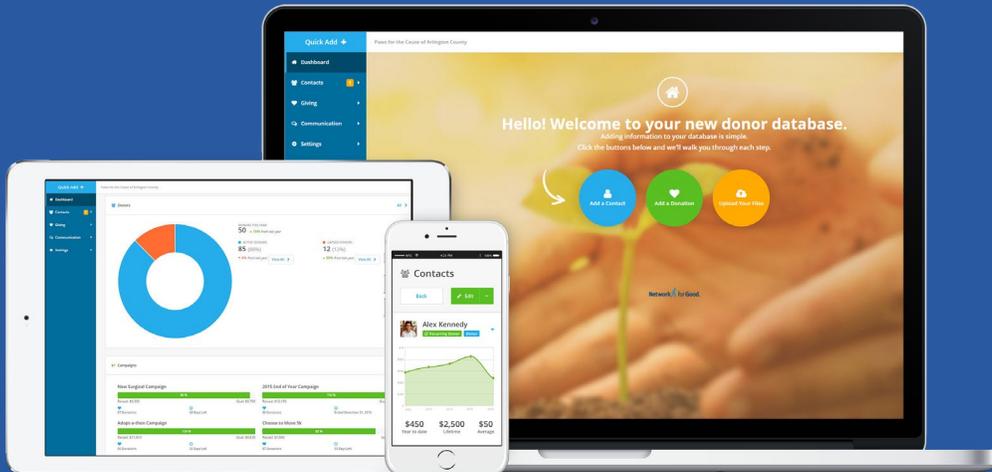


# HOW TO CREATE A MAJOR DONOR PROGRAM



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# How to Create a Major Gifts Program

It's no secret that major gifts impact the bottom line for small and emerging nonprofits. Even though major donors might make up a small segment of a nonprofit's donor base, they account for a large percent of the total of gifts that come through the door.

New nonprofits that haven't built extensive individual giving program yet may not experience a small percentage of donors give the lion's share of all their contributed revenue, but it is a consistent reality in the nonprofit sector. Many organizations experience the 80/20 rule, or even the 90/10 rule.

Major giving and major donors need your attention. This eGuide outlines the steps you can take now to build or revamp your major gifts program. Why do you need to create or revamp your major giving program? There are two major reasons:

1. Because of the huge impact one major donor can have on your total fundraising goal. It's essential that you give major donors the right amount of attention to ensure their continued interest in your work.
2. A huge intergenerational wealth transfer will be underway during the next 40 years. Baby Boomers will soon be passing on their wealth to the Gen X and Millennial generations. These younger generations will be looking for a cause to support and it's your job to make sure the pieces are in place now to cultivate these up and coming major donors.

This guide will introduce you to a format you can use to identify, cultivate, solicit, and steward your best donors.

The majority of this guide was written by R. Daniel Shephard, CFRE, Principal of The Shephard Group, with editorial assistance from Liz Ragland, content and community manager at Network for Good.



Network for Good combines fundraising expertise with simple-to-use technology to provide [smarter fundraising software](#), tools, and coaching that are easy to use and raise more money. Since 2001, we've processed over \$1.4 billion in online donations for more than 125,000 nonprofits. We're here to help you connect with donors and create more successful fundraising campaigns.

# Step One: Identify Your Major Donors

## What is a “major gift”?

How do you define “major donor” or “major gift”?

Here’s the accepted industry definition: a major gift is an occasional contribution that’s larger than a donor’s ongoing annual support.

Some nonprofits set a minimum amount they define as a major gift to help them identify who among their constituents deserves attention based on some assessment of gift capacity.

If your organization hasn’t selected a threshold amount, consider taking these steps to identify your potential major donors:

- Generate a list of all your donors and all the donations they made to your organization last year.
- Sort the list with the biggest gifts (and donors’ names) at the top.
- Calculate the total fundraising dollars received last year and then calculate 75% of your total.
- Starting at the top, add up gifts until you hit that 75% number. Then, count the number of donors (not donations) who contributed to that 75%.
- If this number is too big, shorten the list to identify the number of individuals and key institutional donors you choose to manage as your major gift prospects and donors.
- Identify anyone you’d like to include on this list based on their leadership, gift potential, lifetime giving, deferred gifts, etc.
- Don’t forget your board members! Whether yours is a working board or a fundraising board, adding them to this list will help you grow their fundraising capacity.

## Identify those with greatest giving potential

The next step is to determine your organization's most promising donors. I recommend using a scoring model to determine who on your list you should contact first. For each person, note your points for each item, then total them at the end. The scores are based on seven categories:

1. **Relationship to Your Nonprofit (student/client/patient/patron/etc):** Has the person been a recipient of your programs and services? Add a point for each year of activity, or for each occasion.
2. **Activity with Your Nonprofit (board member, key volunteer, attends events, etc):** The recency and frequency of involvement can tell you a lot about a person's interest. You might score a point for each activity within past three years.
3. **Birthdate:** Age may indicate a person's available assets. Prospects with school-aged or college-aged children may not have disposable income or assets to donate. On the other hand, retirees may be in a better position to give. You might, for example, assign a point for each decade a person is over 40.
4. **Giving Summary:** Among those donors who haven't made major gifts, consistency may be more valuable than gift amounts. Scoring this element is simple. Award a point for each consecutive year a person's made a gift.
5. **Employer:** Is there potential for a corporate gift as well as a personal one? Add a point.
6. **Professional Title:** This can be especially valuable if your prospect is the owner or principal, a likely decision maker. Score a point here.

This process may seem straightforward, but things are rarely as simple as we wish. You may find it easy to manage this sort of research for a list of several dozen names. Scoring hundreds, or even thousands, of people is another thing entirely. So start with what is usually considered the most valid factor: giving history.

To start, sort your donors based on years of consistent giving. Look for your most loyal donors. If the number you identify who have given for three – five years is too large, run it again based on lifetime giving amount. Start at the top of that list.

## Step Two: Put Major Donor Tasks on Your Calendar

Now that you've identified your major donors, the next step is deciding how much time you are willing to commit to building and strengthening these important connections.

Here's a brief outline of what it takes to complete a single visit with a major donor or prospect. And remember: almost no significant gifts are secured in a single visit:

**Securing the appointment:** Plan for 30 minutes of making phone calls to secure one appointment. That includes leaving voicemails, speaking with gatekeepers, and scheduling the meeting. I recommend setting blocks of time each week for these calls. Prioritize and protect this time because it's important!

**Preparing for the meeting:** You'll usually want up to 30 minutes prior to the visit to conduct research, prepare pertinent materials, and plan for the visit.

**Ensuring enough time for a productive meeting:** Budget two hours for the visit and don't forget leaving yourself adequate time to travel to each appointment. And when you're scheduling back-to-back meetings, it's better to have extra time between appointments than to rush the end of a valuable conversation.

**Conducting follow up:** Plan for up to an hour post-visit for follow-up correspondence, internal coordination, planning next steps, etc.

On average, you should budget four hours per major gift appointment. Understand this isn't time spent all at once, but it will impact your overall work week. This means approximately 10% of your working hours should be committed to major gift fundraising. If you're just starting out, try doubling that to 20%.

I recommend trying to schedule at least two face-to-face visits each week. These can be discovery visits, or stewardship visits – it doesn't matter where you start or with whom you meet. All that matters is that you start and that you commit to your goal.

# Step Three: Keep Your Information Organized

Having the right kind of information about your major donors is almost as important as the way you organize that information.

You can't rely on paper files, Excel spreadsheets, and post-it notes to get the job done. You must commit to using a [donor management system](#) (DMS) to keep this information accurate, accessible, and safe.

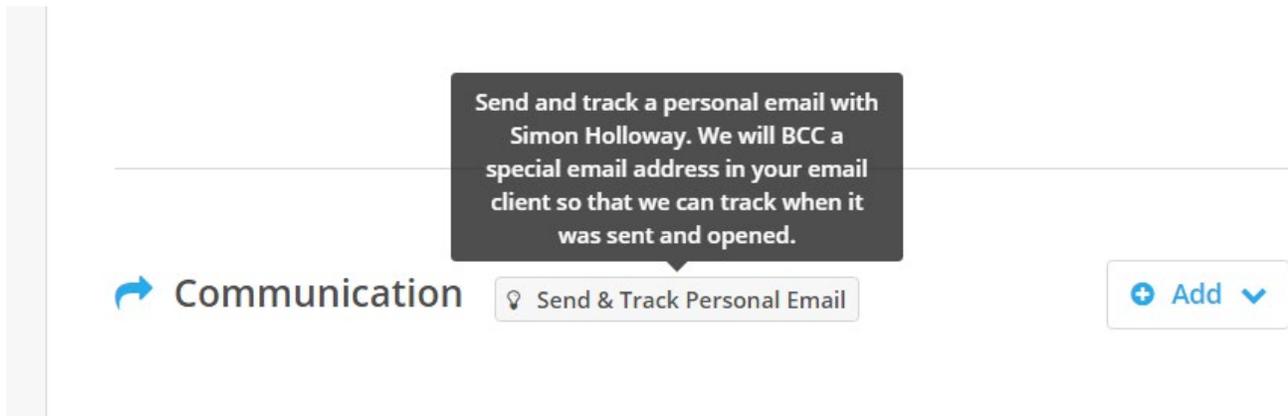
## What goes in your donor record



Beyond name, address, phone number, and email, consider gathering this information on major donors:

- **Birthdate:** Age can be a good indicator of giving capacity. A donor's birthday is also a great touchpoint for your donors.
- **Spouse Name:** Knowing a spouse's name can make your life easier when you're addressing event invitations. You should also consider attaching children's names to donors records.
- **Employer and Business Title:** Does this donor's employer offer matching gifts? What about corporate sponsorships of nonprofit events?
- **Key role with Organization:** Has this person served as a volunteer, board member, event host or fundraising ambassador?
- **Social Media Profile Links:** A donor who is very active and feels comfortable sharing on Twitter, Facebook, and LinkedIn can help you with your next peer-to-peer campaign.

Your [donor management system](#) should also give you a complete giving history of every donor and a record on communications sent to each donor from your email marketing system.



Network for Good's donor management system enables you to track one on one email communication in addition to mass email sends. This way, there is an accurate history of communication with your major donor which will stay attached to the donor record even after an employee leaves.

## Keeping track of notes

After each meeting, phone call, or conversation, record a summary of that conversation in the person's record in your DMS. You should also train your staff to look up donor information and record conversation topics. If a colleague happens to reach out to any of your prospects or donors, asking them to log the communication in your DMS gives you an accurate account on who said what to when and why.

## Set follow-up tasks

In [Network for Good's donor management system](#), you can set up tasks and reminders to make sure you follow up with major donors on outstanding items.

It's good practice to set a task to discuss next steps right after the donor meeting is over. Even if you haven't set a time for a follow-up conversation with the donor, do set a task to remind yourself to reach out so that the next steps can be determined.

## Step Four: Identify Opportunities to Cultivate Relationships and Make a Plan to Follow Through

Now that you have a list of donors and potential major donors as well as an organized way to track your interactions with each donor, you should next decide the how/when/why will reach out to those on your list.

The next step is deciding the best ways to reach (and resonate) with your donors. Your outreach activities could include;

- **Individual meetings:** Face-to-face meetings are always the most valuable way to build a relationship.
- **Group meetings:** Invite donors and prospects to the home or club of a peer leader, ideally someone who is already a major donor. Use this time to have donors talk about their support of your nonprofit and take the temperature of potential donors and note what programs they are most interested in.
- **Gift anniversary:** Saying thank you is a comfortable reason to reach out, and it gives you an opportunity to request a face-to-face meeting.
- **Birthday:** Same as gift anniversary, this event offers another opportunity to thank them for their support.
- **Special events:** Be sure to invite those on your major gift prospect list to appropriate events where you can engage them in conversations that may lead to follow up meetings
- **Donor stewardship events:** Take advantage of events built into your annual calendar. Invite your best prospects to mingle with your best donors and let them feel the enthusiasm in the room.

Once you have a donor's attention, what should you say? Amy Eisenstein, ACFRE, offers these tips on getting to know your donors and understanding their desire to support your organization:

The most important step for fundraisers is to meet with major gift prospects in a personal, face-to-face setting. Warm them up with a conversation on common interests or top-of-mind news or events (keep it uncontroversial!). Then, probe their philanthropic passions and habits via a series of open-ended questions:

- What made you give to our organization in the first place, and what motivates you to keep giving?
- What do you like and dislike most about our organization?
- What do you think we should be doing more of or better?
- What advice would you give our organization?
- What other organizations do you volunteer for or give to, and why?
- Would you consider volunteering for us (list a few distinct opportunities)?
- Use what you learn to continue the conversation, in person and via email, over time. But don't stop there.

And after you have these important conversations, don't forget to enter their responses in their records for future reference.

Additionally, what gets scheduled gets done. Make time to perform this outreach.

# Step Five: Execute!

A major gifts program takes time and commitment. Major donors will be cultivated one at a time. There are no short cuts.

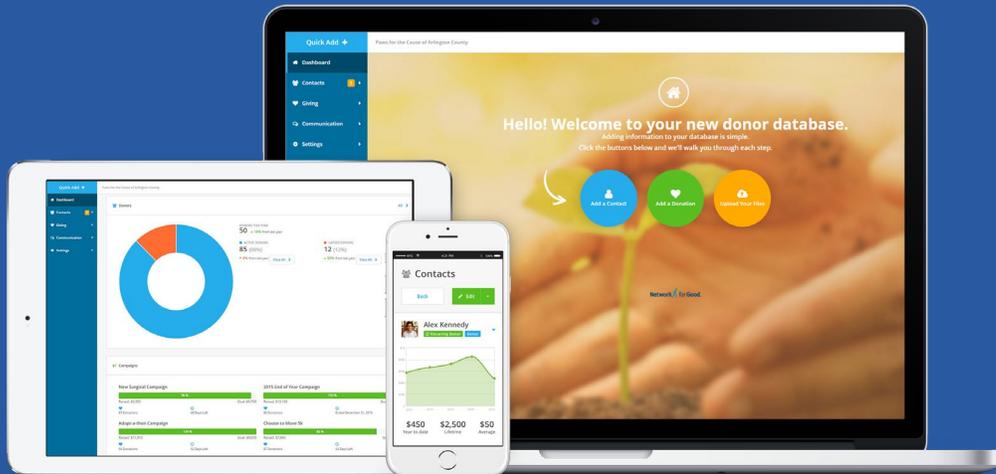
Reflect on your nonprofit's version of the 80/20 rule. The reality is that a small number of donors have the potential to make up a large part of your overall giving total. Reaching out to this group of donors will pay off!

Launch your major giving program step-by-step, and as you become more comfortable with each step, build this strategy into your fundraising plan on a monthly basis. Set your goals and pursue them. Over time two things will happen.

1. As you get better, you'll find time and/or resources to grow your major gift program
2. You will see more gifts. As this occurs, be ready to reinvest in growing the program, which could mean more staff to focus on major gifts.

Cultivating relationships with major donors and identifying opportunities for them to give will have a dramatic (and positive!) impact on your organization's long-term stability, and more important, advance its mission.

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# Additional Resources

[Major Gifts Fundraising 101 Part One](#)

[Major Gifts Fundraising 101 Part Two](#)

[Get Ready for a Major Gifts Attitude Adjustment](#)

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## R. Daniel Shephard, CFRE

Dan Shephard is Principal of The Shephard Group, which provides training and consulting services focusing on the skillsets most valuable to frontline fundraisers. Dan knows from personal experience the value to the major gift planner of being equipped with both the competence and the confidence to engage a potential donor in a discussion that will result in a significant gift commitment. Dan has served as Planned Giving Director for the Florida State University Foundation, Director of Development for the Pamplin College of Business at Virginia Tech, Director of Gift Planning for The Citadel Foundation, and Director of Development for the Chase College of Law at Northern Kentucky University. He is the author of *Charitable Choices – How to Avoid Donor’s Remorse*.