

August 19, 2011  
Vol. 2, Issue 7

## In this issue:

(podcast) Hope for Our Catholic Schools (Part III): Capital Models

(GSN) You Are Invited to Participate In an Online Conversation about Stewardship

The Importance of Donor Cultivation



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## The Importance of Donor Cultivation

*By Ric Rodríguez*

Several years ago when I started in the field of consulting, I had a boss whose favorite line was "People give to people and people give to people with good causes." He said that if people could understand this concept they would easily understand the nature of major gifts. The idea at first seemed far too simplistic, but 20 years later the concept is still holding its own.

At its heart, fundraising is really about people. Consider the following report on philanthropy by Giving USA: "In 2010, an estimated 75 million households, (an increase of 2.7% from the previous year), made charitable gifts totaling \$211.77 billion. Charitable bequests were estimated to be \$22.83 billion; an increase of 18.8% from 2009, and family foundations provided approximately 48% of all grants." According to Giving USA, individuals consistently represent the largest donor market segment, significantly surpassing the funds given by corporations and foundations.

The data clearly shows that people who give to charity do so because of their personal convictions about money. This makes individual gift fundraising a most intimidating process to most organizations in our Catholic community. Perhaps that is why we are so uncomfortable in asking for a gift.

According to experts in philanthropy, there are three dimensions when asking for a gift: the psychology involved in asking for money, the identification and cultivation of the prospects who will be asked, and the solicitation itself. If any of these three steps are neglected, fundraising efforts will not succeed.

### A Brief Psychology of Money

Let's explore several factors that stand out in the psychology of asking for money. First, giving away money can be pleasurable. After an act of philanthropy, the donor often realized that she enjoyed it. He finds that he feels good at a most basic emotional level.

Giving away money helps people feel they are addressing a problem, meeting needs, or creating a better place. Often, they give to causes they wish they could be more involved in, and therefore give money to a particular cause in which they are interested.

*"No one can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve both God and Money." ~ Matthew 6:24*

The history of Judeo-Christian tradition demonstrates that people have always felt a tension between the Christian imperative to focus on the moral and spiritual aspects of life including one's relationship with God versus the temporal need to obtain and use material resources.

In our culture, money is often discussed only under very specific situations and with a very limited number of people. For some, money is one of the last taboos we keep to ourselves (perhaps even more than conversations on sex, politics, or religion). It is important to note that many countries and cultures do not have this same notion about money. In fact, one would argue that avoiding conversations about money is often taught during childhood. As children, we are taught not to ask for money, and in fact that it's impolite to ask for money.

Think about some of our commonly accepted expression about money: "money doesn't buy happiness," "time is money," or one many parents can relate to: "money doesn't grow on trees." For those of us in the religious sector there is the oft-misquoted New Testament passage, "Money is the root of all evil" (the actual passage says, "For the love of money is the root of all evil"). At the same time, others believe they would be happier if they just had money. The fact is most people of faith do many good things with money. They care for their families and they support a number of good causes, including the work of their faith communities. They often use money to help meet the needs of others, who would otherwise go without.

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These mixed messages about money can be confusing. It is important to acknowledge these issues surrounding money and understand the critical role it plays in our society. We must come to terms with the reality that money or other forms of wealth in and of themselves are not taboo. Perhaps then we can adequately challenge the notion that asking for money is rude.

### Some Thoughts on the Cultivation of Donors

Asking someone for support is asking him or her to invest in a vision of what can be achieved, but cannot be done alone. For Christian organizations, it is about looking at the life-enriching relationship with God that can be deepened through the practice of giving, especially when giving takes root in and expresses a person's faith.

*"Not that I am looking for a gift, but I am looking for what may be credited to your account." ~ Philippians 4:17*

The apostle Paul provides a good example on how we can learn to cultivate our prospects. If ever there was a Christian worker who had earned the right to request a gift from fellow believers, it was Paul. Yet even out of his personal difficulties, Paul points to motivations other than practical or personal need. Paul shows us to look beyond practical needs and goals towards the blessings donors will experience from their generosity. He invites us to look at the life-enriching relationship with God that can be deepened through the practice of giving, as an expression of one's faith.

Faith groups have natural constituencies. However, individuals should not be taken for granted as faith-based organizations still need to work hard to identify and build relationships with their constituents. Studies by the Center on Philanthropy at Indiana University and other institutions, have consistently shown that an organization must make a major commitment to strategies that provide donors meaningful opportunities for genuine participation in the ministry

Too often constituents are seen as able-bodied donors who, if asked, will faithfully make their gift. However it is clear that organizations must invest in the time and resources necessary to identify, inform, and build strong ties to its members. Organizations that invest in developing their constituents will in turn be rewarded with active volunteers, donors, and advocates. Needless to say, the bond that brings them together is the organization's mission.

As a fundraising entity, it is important to understand some basic fundraising philosophies to achieve the desired goals. The late Hank Rosso, a visionary in the field of fundraising, promoted the concept of the six "right" considerations in the gift solicitation planning process. In his teaching and highly acclaimed book, "Achieving Excellence in Fund Raising", Rosso stressed that fundraising success is maximized when the right person asks the right prospect for the right amount of money for the right cause at the right time and in the right way. The process of donor cultivation – inviting prospective donors in to see the organization and to get to know the people who carry out its work – helps the organization gather additional information from the prospective donors themselves.

### A Note on the Solicitation of Gifts

A widely accepted hierarchy of strategies, The Ladder of Effectiveness, is used in the solicitation of gifts from individuals. According to this concept, the most effective method is peer-to-peer solicitation conducted in person. Unfortunately, this can be the very strategy that holds many organizations back from actively engaging in effective individual gift programs. However, because talking about money is perceived as a cultural taboo, which in turn may create a great deal of discomfort, encouraging a volunteer to ask a peer for a financial contribution is often seen as putting both individuals in an uncomfortable situation. What if the prospective donor says no? And is it appropriate to put people in a situation that we know is "socially improper?"

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This can make for some interesting dynamics. Volunteers who believe and care about the organization's mission are inviting others – who based on internal research suggests might also have an interest in the cause – to become part of something that they both care about. Ultimately, a gift will be made if the prospective donor comes to understand and believe in the mission of the organization as strongly as the volunteer does. Thus the asking process becomes less about money; instead, it is about developing a shared relationship between an organization and the people who care about a particular cause.

Face-to-face solicitation is highly accepted as the most effective gift strategy, especially when the organization is raising major gifts or seeking to upgrade giving levels. When seeking first-time gifts from individuals, organizations generally rely on strategies that are farther down the Ladder of Effectiveness: event gatherings, telephone, direct mail, or even e-mail solicitation.. While these less intrusive strategies may take away some of the perceived discomfort, they are generally not as successful. Interestingly enough, these strategies become more effective if the effort involves a peer of the prospect.

### Conclusion

The data in philanthropy is clear. Making personal connections with others remains the most effective strategy for raising funds

for charitable organizations. Thus, fundraising is really about making connections and building relationships with people. At a time when our culture is moving at blazing speeds in technology that promises creative financial vehicles in fundraising, it is also bringing new opportunities to faith communities. Such fundraising vehicles as on-line giving, text fundraising, venture philanthropy, and creative charitable funds may provide new opportunities for raising funds. But the challenge remains for religious organizations. They must continue to connect effectively with their established constituencies and develop relationships with new groups of individual donors who come with diverse interests.

In the process of releasing our fears and finding the courage to ask, we must remember to invite and meaningfully engage community members in the process, create a sense of belonging and satisfaction for them, ensure we remain transparent in our successes and short comings, and provide for the opportunity for input and feedback. Making those personal connections with others is one of the most important jobs we can do.

My boss was right. What seemed so simplistic 20 years ago is strikingly clear to me today: "People give to people and people give to people with good causes."