

Individual Giving: The Largest But Often Overlooked Source of Support

By Suzanne Callahan, CFRE

Close to 90% of philanthropic dollars in the U.S. are given by individuals. Yet arts organizations, particularly the smaller ones, tend to focus most of their efforts on the limited opportunities that are available through foundations which distribute a mere 14% of all giving. *Don't overlook this obvious and accessible source of support.* Understanding why people give, and how you can build relationships with them, is critical to your success.

Why People Give

Above all, people give to people. They give because they have some personal relationship or connection with an artist, representative of an organization, or cause. *Build relationships with individuals who are interested in your organization.*

People give because they are asked to do so. The top reason why individuals do not give is because they were never asked. *Develop strategies and a timeline for asking for gifts.* This may include direct mail and events, but should lead to individual solicitations for larger gifts, which are usually obtained through personal contact. And don't be misled by the perception that no one will give—they will.

People give because they want to make a difference. They want to help, or to give back to, society. *Identify the ways in which giving to your organization makes a difference—through the art, audience, or community.*

People give for the joy of giving to a cause with which they identify. There is an inherent joy in doing good for others in society. *Identify, and be prepared to talk about, the joy that individuals get when they give to your organization—how past donors feel about supporting a new contemporary dance work, sponsoring a poetry slam, listening to a Chopin recital, or watching a master class for young people.*

People give to express deep emotion. Major gifts may be made to commemorate joy, such as the thrill of viewing a premiere, or to overcome grief, such as to memorialize the death of a loved one. Donors may wish to diminish negative feelings, such as fear associated with causes like AIDS or cancer research. Sometimes people give to attain a feeling of immortality, especially when they are considering planned gifts, such as bequests or trusts. *Determine the emotional appeals of giving to your organization.*

People may give for status, peer approval, and/or to demonstrate power or gain influence. This is most often the case for donors who seek to advance their career or enhance their own community profile. (Many corporations require their senior staff to become involved with the community.) *Identify the aspects of your organization that may appeal to donors, particularly if your organization has a high profile.*

Some people are motivated to give by the benefits related to taxes and financial planning. Research has shown that, although financial benefits are a factor in a donor's decision, they are not the major factor. *Know the basics about tax deductions of gifts, and the ways in which major gifts and in-kind donations can be financial benefits.*

Keep in mind:

80% of the funding is obtained from 20% of donors. *Concentrate your efforts on those who are most likely and willing to give. This involves thorough planning and careful research.*

Understanding the intent of the donor is critical. We all need money, and we all believe in our own cause. But we need to work to determine the overlaps between a donor's interests and intent and our own needs.

Many excellent materials and classes on individual giving are available. Take advantage of those resources offered by organizations such as BoardSource (www.boardsource.org), the Foundation Center (www.fdncenter.org), Independent Sector (www.independentsector.org), and Guidestar (www.guidestar.org).

Steps to Obtaining Individual Gifts: Identify, Cultivate, Solicit, and Thank

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Identify your best prospects for gifts by conducting careful research. Prospects may include an audience member, board member, neighbor, business contact, your best friend, the local banker, or even someone you met recently. After making a list of likely prospects, conduct two kinds of research. 1) At websites and libraries such as the Foundation Center, a great deal of information is available on individuals, such as their past giving, assets, and community affiliations. Take the time to obtain this information, which is accessible through public sources, many of which are available online. 2) Consider the information that you may know internally which is not available through libraries. What do you, or your board members, know of an individual's interests, values, and personality? What particular causes or projects might appeal to him or her? Keep track of all of this information by developing and maintaining donor files.

Cultivate your prospects by developing relationships with them. Invite them to performances and other events. Ask them to serve on a committee. Call or email to inform them of your successes. Send newsletters or other kinds of correspondence. Above all, listen to what they have to say and keep track of their interests. Engage your board in building relationships with prospective donors. And, carefully consider what might appeal to them.

Solicit by actually asking for a gift. As the Association of Fundraising Professionals states: Select the right person, To ask the right person, At the right time, For the right amount, In the right way, For the right reason. Here are questions to ask in order to determine if you are ready to ask:

- Based on research, is the individual interested in your cause and is she inclined to donate?
- Is the individual sufficiently involved in your organization – has she attended events or become a member?
- Have you identified an amount that is feasible, given her interest level and financial ability?
- What is the most comfortable meeting place for the prospective donor – their home, office, or another location?
- Is the appeal, or use of the funds, of interest to the prospective donor?
- Are they passionate about your cause and willing to invest in your future? A major component in soliciting a gift is listening, not talking. Solicitors can make the mistake of preparing slick presentations that consume the majority of the meeting time. While you need to be prepared and make a convincing case, you are there to listen intently to the passions and concerns of the prospective donor, including any appeals to giving and objections she may have. Tell her about the ways in which her gift will be recognized.
- Finally, are the solicitors (which is often a team of two people) committed to and knowledgeable about your organization, and are their personalities and communication styles compatible with the donor's?

Thank your donors as soon as possible. Recognition builds relationships. Saying thank you is the first step toward obtaining the next gift. When people give money, they want to feel involved and appreciated. Show them that their gift made a difference. Acknowledge their gift publicly in your programs or other written materials. If their gift is large, then the recognition should be accordingly large, and can range from a plaque to placing their name on the wing of a new building. Stewardship of the gift is critical to retaining donors. Keep them informed of your

organization's activities. Show by example that their funds are being used well. Think of recognition options in advance.

Again, it is the donor's intent that is critical, more so than the organization's needs. Conduct research to learn as much as you can about their interests and priorities. Plan thoughtfully, keeping in mind what's important to them. And listen intently to what they have to say. Seek to understand them as humans.

Asking for and Giving Money: Activities that are Natural and Noble

Excerpted from *The Board Member's Guide to Fundraising*, by Fisher Howe.

People give money because they want to. This concept is basic. Asking for money is not an act of arm-twisting; you are not forcing people to do something they don't want to do nor are you begging. You are inviting willing cooperation.

Think of your own giving: you give to your church, your alma mater, and you own selection of charities, because you want to give. When you decline to give to an organization you don't want to support, you don't resent those who solicited your gift. Asking and giving, therefore, should not generate confrontation or antagonism. In a very real sense, when you ask an individual, a foundation, or a company to support an institution, you are offering the potential donor an opportunity to do something that can give pleasure and be rewarding—an opportunity that the donor can, without feeling imposed upon, accept or decline.

Especially is this so if a person is asked "to consider" a contribution. No one can take offense at being asked to consider a proposal. Accordingly, all requests for contributions or grants—addressed to government agencies, corporation, foundations, and especially to individuals—should be couched in terms of "considering." In that form, the asking cannot hurt either the asker or the giver.

People don't give unless they are asked. You cannot sit back and hope that, because your organization is known and liked, the money will flow in. You have to ask.

Equally important, people don't give large donations unless they are asked to consider larger donations. Nor do prospective contributors resent being asked to consider a specific named amount; indeed they may be flattered. They may not give the suggested amount but they certainly would not give in that dimension unless they had been asked to consider it. And their ultimate contribution will almost surely be greater for having been asked to consider giving a larger amount.

People give money to people. Never underestimate the personal equation in asking and giving. The personal touch, the person-to-person relationship, underlies most philanthropy. This personal factor is naturally present in asking for contributions from individuals; it also plays a key part in corporate, foundation, and even government grant-making. Of course, a prospective donor must be interested in an organization and what it does, but then the people involved—who asks for the give, who runs and who supports the organization—count most. Personalities are at the heart of asking and giving.

Contributors give for many different reasons: for public recognition, to assuage guilt, out of gratitude, or to gain a tax advantage. But the most powerful motive underlying contributions is to make a change for the good. Whether the contribution is five dollars or five million dollars, donors want their money to go to an institution that seeks to make a difference, to make a change, to make something better. Institutions asking for money must constantly put themselves in the contributor's position and show that they fill a community need, that they address a "focus problem," and can make the world better, or happier, or more livable.

People give money to success, not to distress. Everyone likes a winner. Everyone wants to help someone who is achieving, doing something positive, making that "change for the good." Contributors give to opportunities; they don't give because an institution needs money. Need and opportunity are often opposite sides of the same coin. An organization may see its own "need" for a new building or a new program, while a prospective contributor may see a

chance to achieve some good purpose by helping the organization acquire a building or mount a program. Above all, an organization's appeal should show the success or the achievement, and not plead for help to meet its own need. Raising the distress signal wins few supporters.

The basic message is simple but important: asking for money is not something to be seen as hurtful and unpleasant. You are not pressuring or invading someone's personal domain when you ask for support for your organization. You should not think of it as an unpleasant task. If you do, you will fail.

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