7 Faces of Philanthropy: A New Approach to Cultivating Major Donors

JULY 18, 2024

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- 55 years of results in fundraising, leadership and performance
- Willingness to think outside the box of traditional fundraising
- Proven track record of fundraising success with campaign goals of up to $1 billion
- Belief in a values-based, donor-centered approach to philanthropy and fundraising
- Customized and client-centered solutions
Today’s Discussion

1. Giving USA Data
2. The Role of Major Gifts
3. Donor-Centered Fundraising Cycle
4. Donor-Centered Discovery and Cultivation
5. The Seven Faces of Philanthropy
6. Cultivating and Stewarding Donors
2022 Contributions: $499.33 Billion by source*

- **Individuals**: 64%, $319.04 billion
- **Foundations**: 21%, $105.21 billion
- **Bequests**: 9%, $45.60 billion
- **Corporations**: 6%, $29.48 billion

* All figures rounded
Fund Development Programs

Annual Gifts
Operating & Program Funds

Major Gifts
Program & Capital Funds

Planned Gifts
Program & Endowment Funds
Integrated Donor Development
When we ask for money, we are friends, not adversaries. We are counselors, not salesmen. It’s not a game of predator and prey.

We are trying to help the donor to do something significant for the community and for society.”

James Gregory Lord, The Raising of Money
Donor-Centered Fundraising Cycle

Identification

Discovery

Cultivation (3-10 times)

Solicitation

Stewardship Activity

Stewardship Activity

Solicitation

Receive Gift!
Objective:
Leverage the process to grow our constituent relationships

Reward:
People who feel they are involved with, have influence over and own the direction of the organization
Objectives of the Discovery Process

• To uncover the values of the donor
• To learn about philanthropic interests and motivations
• To share your organizations values
• To listen
• To develop a philanthropic profile
Donor-Centered Discovery aka... The Blind Date!

- Take a prospect to coffee, lunch or dinner
- Mutual discovery
- Focus is changed from the organization “let me tell you about us” to the donor “tell me about you”
- Visionary; not about needs
- If you ask about values, interests and giving... people will tell you
Conversation Starters

• Thank donor for their gift

• Ask how the donor first became involved with the organization

• Ask if donor or someone donor knows was ever touched by...

• Ask about the donor’s community involvement and other charitable interests

• Ask what the donor would like to accomplish through their philanthropy that is most meaningful to them
Sample Questions

• What motivates your on-going support of XYZ organization?

• What has been most rewarding about your involvement? How would you like to be involved future endeavors?

• Can you think back to your first gift to XYZ organization and what motivated you to give?

• As XYZ organization thinks about future programs, what should we focus on if we are to capture your interest?
Donor-Centered Cultivation aka... Prospect Dating!

• Individual and Group Activities
  – Invite a prospect to personally experience the mission of your organization (see a program or activity)
  – Host a cultivation (or stewardship) gathering at a home
  – Visit with a donor or prospect at an event or program
  – Other ideas?

• Create opportunities for volunteering, advice giving and relationship building

• Allow time for commitment
Cultivation Outcomes

If you inquire...

• About their values
• About their interests
• About their giving

They will tell you...

• What to ask for
• How to ask
• Or not to ask
Seven Faces of Philanthropy
The Seven Faces of Philanthropy

- *The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors*

- Russ Alan Prince & Karen Maru File (Jossey-Bass, San Francisco)

- Philanthropically motivated individuals

- Donors of $50,000 or more

- Assets of $1 million or more

- Men and women
The Seven Faces of Philanthropy

- Communitarians (26%)
- Devout (21%)
- Investors (15%)
- Socialites (11%)
- Repayers (10%)
- Altruists (9%)
- Dynasts (8%)

The Communitarian (26%)

“Doing good makes good sense.”

• Local history, roots and giving
• Focus on results rather than plans for the future
• Expect recognition
• Personal and family well-being tied to the well-being of the community
• Philanthropy is an exchange-benefit is impact on the community
The Devout (21%)

“Doing good is God’s will.”

• Proportionate giving

• 96% of giving directed to faith matters

• Supports religious causes, outreach and mission work

• High trust – giving is an act of faith in the religious community and its leadership

• Philanthropy is an obligation – tied to spiritual development

• Act of faith in the cause/ institution
The Investor (15%)

“Doing good is good business.”

- Gives carefully after investigation
- Looks for measurable ROI
- Tax avoidance is a high motivator
- Think of giving and investing in the same terms
- Philanthropy is a business relationship
The Socialite (11%) 

“Doing good is fun.”

- Motivated by creativity of event planning
- See themselves as fund raisers, not donors
- Philanthropy as social exchange – of building or increasing a social or business network
- Attracted to social circle, entertainment and doing good
The Repayer (10%)  

“Doing good in return.”

• Response to life-changing experience – often education or health

• Benefit first; then charitable response – gratitude

• Highly focused giving

• There is a desire to extend the benefit

• Emphasis on results and beneficiaries
The Altruist (9%) 

“Doing good feels right.”

- Genuine selfless donor – lone philanthropist
- Internally driven – self-actualizing, moral imperative
- Focuses giving on the marginalized, social causes
- Wealthy have greater obligations to give
- Tends not to be influenced by others
- Focus on personal integrity of staff, not results
The Dynast (8%)

“Doing good is a family tradition.”

• Philanthropy is a strong family value
• Generational differences – creativity
• Most careful and selective of all
• Focuses on core mission of institutions
• Philanthropy product of early childhood socialization
Applying the Seven Faces

Identification
- Prospects can have multiple faces
- “Faces” can change over time
- Look for lifestyle, language, patterns of giving and involvement

Implications
- Consider the solicitor – your face
- Personalize the cultivation process
- Customize the materials
- Base the “the ask” on the face/insight
Relevant Life Domains: The Four “F’s”

<table>
<thead>
<tr>
<th>Domain</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>Family History</td>
<td>- Tradition of Giving – <em>Dynast</em></td>
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<td></td>
<td>- Situational Change – <em>Repayers</em></td>
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<td>Financial Orientation</td>
<td>- Monetary Calculus – <em>Investors</em></td>
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<td>Fundamental Beliefs</td>
<td>- Self-fulfillment – <em>Altruists</em></td>
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<td>- Traditional Religion – <em>Devout</em></td>
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<td>Friends &amp; Associates</td>
<td>- Business Contacts – <em>Communitarian</em></td>
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<td>- Social Interactions – <em>Socialites</em></td>
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Making the Ask
Donor-Centered Solicitation

- People give to people
- People give from different motivations
  - Utilize what you have learned through the discovery/cultivation process
- People follow a personal example
- Enthusiasm and honesty inspire giving
- Focus on the true value/impact of the ask
Factors in Realizing Major Gifts

• A “close” and “personal” relationship
• A compelling vision, plan and record
• A clear statement of what the gift will accomplish
• Articulate leaders with the resolve to ask
• A desire for a partnership and shared values
Develop a Personalized Plan

- Lead by example - make your gift prior to asking
- Determine who the right team is for the solicitation
- Determine what materials to take
- Confirm the ask level and recognition opportunities
- Practice the ask and prepare for FAQs
- Reconfirm the visit and logistics – when setting up the meeting, be direct about your purpose
Stewardship
Donor-Centered Stewardship

Identification

Discovery

Cultivation (3-10 times)

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Stewardship Activity

Stewardship Activity

Solicitation

Receive Gift!
Keys to Effective Stewardship

- Cultivation ends/begins with stewardship
- Continued giving flows through stewardship
- The rule of “thank-yous”
- Your organization should:
  - Share the impact of contributions
  - Honor generosity at every opportunity
  - Communicate regularly
  - Provide personal and sincere engagement
  - Reinforce trust in how the money was spent
Stewardship

• Why is this so important?
  – Responsibility to the organization and to the donor
    • Make sure the donor is properly thanked and recognizes the impact of their gift
    • Quality of thanks and donor recognition determine culture of philanthropy
  – Shows care for the donor
    • Good stewardship is part of cultivation for the next solicitation
Q&A
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