



# Major Gifts: Bigger, Better, Sooner

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# Where I am coming from...

# Our Donors

Consider cash a precious resource

Worry about taxes

Want to give more





# How big is the cash problem?



How much would a donor need to make  
to give a \$100,000 cash gift?



\$5,000,000



How many households make  
\$5,000,000 or more in a year?



872,200 Households



How many households have wealth of  
\$20,000,000 or more?



5,980,000 Households



So, what can we do about our donors' cash problem?

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# Conventional thinking on PGOs & MGOs

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## PGOs

What we know

Deferred gifts

Loyalty donors

Modest giving history

Few wealth indicators

Longevity is key

Senior donors

Modest cultivation

OK with technicalities

## MGOs

Who we know

Outright gifts

High capacity donors

Notable giving history

Good wealth indicators

Longevity not critical

Age not critical

Strategic cultivation

Avoid technicalities





# Shatter the stereotypes



# A new partnership between MGOs & PGOs





# MGOs & PGOs working together

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A successful solicitation builds on a donor's interest and capacity.

- The MGO discovers, cultivates and assesses interest
- The PGO assesses capacity

Together PGOs and MGOs build a complete picture of the donor's interest and capacity.

# MGO's and PGO's need each other

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## MGOs

- Control the relationships with the most affluent prospects
- Reach many donors for discovery
- Give PGOs the opportunity to assist with immediate gifts

## PGOs

- Have expertise about money & wealth
- Demystify the donor's complex financial situations
- Help MGOs add zeroes to their gifts

Collaboration equals success!



# When should you work together?

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A handoff is not collaboration on a major donor.

- Non-cash gift
- Stretch gifts
  - Here's what I know about the donor
  - What do you hear
  - What do I need to ask next
- Blended gifts

Business and personal events in the donor's life trigger collaborative opportunities.

# How to work together

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MGOs can bring in a PGO as a consultant.

PGOs can:

- Ask questions that MGOs may not find comfortable because of their longstanding relationship with a donor
- Be an expert resource
- Act as a sounding board
- Train MGOs to listen for trigger events
- Assist with immediate gift strategy: how the gift is made

When major and planned gift officers work together, the largest gifts occur.



# Conclusion

Gifts of assets create a new realm for gift solicitation and fulfillment

It all begins with asking questions and raising the possibilities.

Everyone benefits when PGOs and MGOs collaborate

Where to start?

A photograph of a beach scene. In the foreground, a yellow plastic shovel is partially buried in the sand. The sand is dark and textured. In the background, the ocean stretches to the horizon under a cloudy sky. Gentle waves are breaking on the shore. The text "Better Donor Discovery" is overlaid in white on the left side of the image.

# Better Donor Discovery



# Better understanding of the donor

## The Discovery Conversation

- The topics
- The skills
- The result

# Philanthropy questions

Current relationship

Giving to similar organizations

Other philanthropy





# More philanthropy questions

How do you make your gift decisions?

Why do you support the organizations you do?

Ask for some stories about giving



# Family questions

Does your family support the organizations that you support?

Tell me about your family.

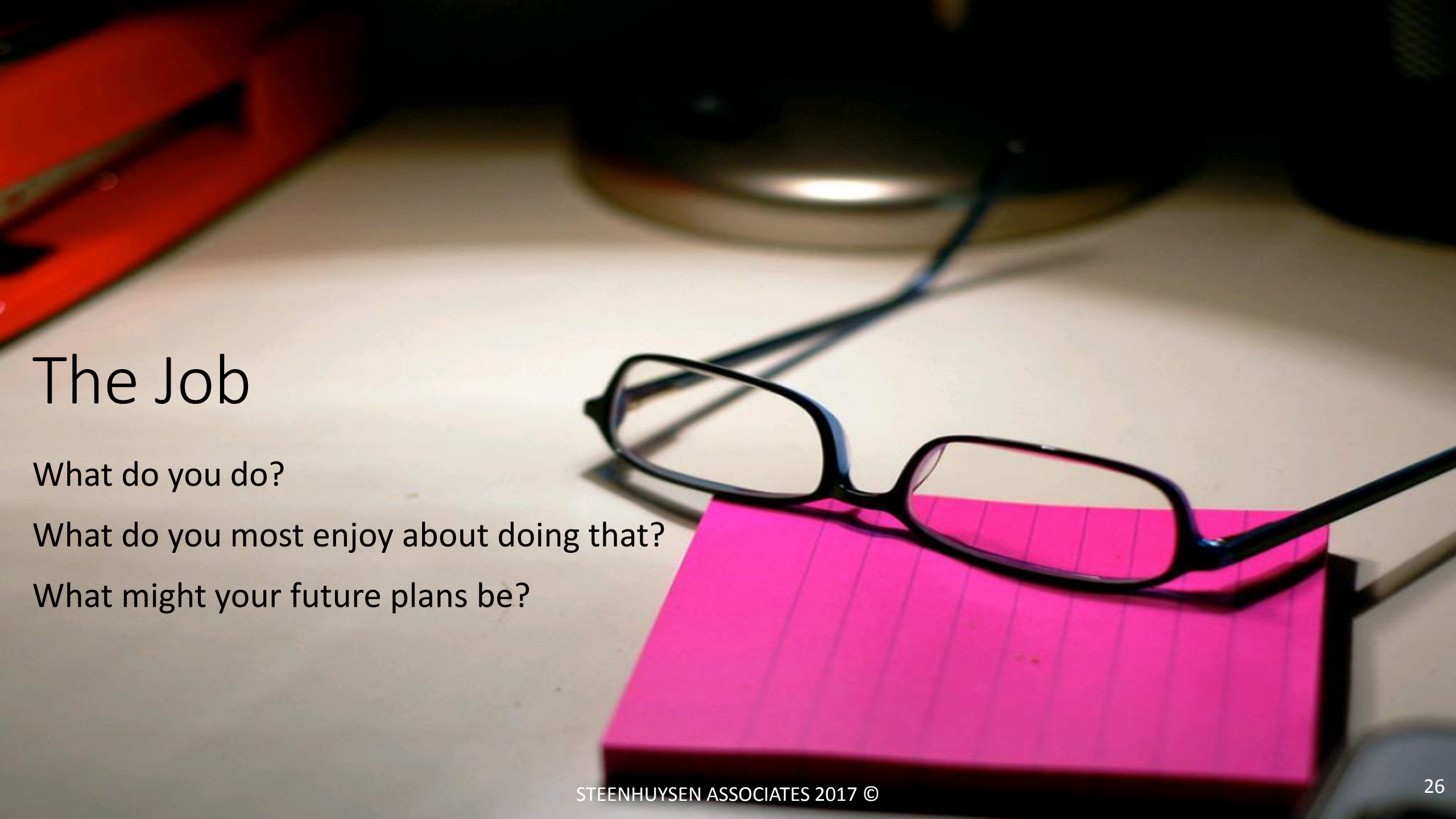
How often do you see them?





# Financial questions



A pair of black-rimmed glasses is resting on a pink notepad with horizontal lines. The notepad is on a light-colored desk. In the background, a red object and a metallic base are visible but out of focus.

# The Job

What do you do?

What do you most enjoy about doing that?

What might your future plans be?



Is that what makes it  
possible for you to  
support us as you do?...





# Would you have this conversation?

Can this be done at a first meeting?

Can it be done by phone?

Can it be done by a volunteer?

# Breaking the Asset Gift Barrier

A large, rusted metal sphere, resembling a bomb or a heavy weight, is suspended from a brick wall. The sphere is positioned on the right side of the frame, hanging from a dark, thick rope or cable. The brick wall is made of dark, weathered bricks and shows significant damage, with a large, jagged hole on the left side. Debris, including small pieces of brick and dust, is visible falling from the hole. The overall scene suggests a process of breaking through a barrier or obstacle.



# Resistance to making a non-cash gift of assets

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Friction

Distant goals

Disconnect from benefits

People don't agree

Lots of choices

Hacking Human Nature for Good, Chapter 5, Dan Ariely 2017



Use Behavioral Economics to  
get donors to act.





# Behavioral Economics and philanthropy

# Tactics to break the asset gift barrier

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Create a matching gift of assets program

Introduce a recognition reward for gifts of assets

Describe not giving assets as a loss of a 30% benefit

Use the proposal of a gift of assets to support the gift amount regardless of giving assets or not.



# Create a matching gift of assets program

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Use “range effect” to grow the donor’s sense of impact

The brain has one system to make decisions big or small.

Our sense of a meaningful difference is inverse to its range.

Differences become less meaningful as quantities get bigger.

Behavioral Economics, Scott Huettel, Ph.D., Duke University, 2014

# Describe not giving assets as a loss

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Use “loss aversion” to motivate the donor

Not giving assets as a loss of a 30% benefit

People's natural tendency is to strongly prefer avoiding losses to acquiring gains.

Most studies suggest that losses are twice as powerful, psychologically, as gains. Meaning, for most people, the payoff must be twice the possible loss.

Behavioral Economics, Scott Huettel, Ph.D., Duke University, 2014

# Introduce a recognition reward for asset gifts

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Use “social proof” to draw donors to join by making a gift

Donors will follow a leader in making a gift of assets, if:

- They perceive that those who have made asset gifts are similar to them
- Someone in authority is following up
- They “feel” growing momentum for gifts of assets

Hacking Human Nature for Good, Chapter 5, Dan Ariely 2017



# Suggest a gift of assets to support the proposed ask amount

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Use “mental accounting” to change the donors sense of wealth

People have multiple mental accounts for the same kind of resource – money.

Money is fungible, but people treat money differently depending on its source and purpose.

Shoppers buying lunch at a local market primed to think of the money in their bank accounts and investments spent 36% more than did shoppers primed to think of the cash in their wallet.

Behavioral Economics, Scott Huettel, Ph.D., Duke University, 2014

# Partners in Moves Management

	Major Gift Officer	Planned Gift Officer
Discover	Ask the questions	Decipher the answers
Cultivate	Learn more about past & present giving	Learn more about wealth & assets
Connect	Tie programs to values	Tie assets to potential gifts
Invite	Ask for the what	Suggest the how
Acknowledge	Thank the donor 7 times	Accept the asset
Fulfill	Document the impact	Ensure the deduction
Service	Deepen the relationship	Broaden the relationship



# Questions?

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