

Transitioning Annual Donors to Major Donors

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- Director of Development
- U. of Penn Law School
- 15+ year career includes annual giving and major gifts
- B.A. in American Studies from Mount Holyoke College and J.D. from Brooklyn Law School

University of Pennsylvania Law School

- Penn Law was founded in 1790
- Located in Philadelphia, PA
- ~12,000 alumni
- 1 of 12 schools and colleges
- \$3M each year
- 30% alumni participation
- 3 full-time staff members
- Unofficial mascot: “The Goat”
- “Advocates for a New Era”
Campaign launching in April 2018



Agenda

- Understanding mechanics of annual and major giving
- Coordinating plans for cultivation and solicitation
- Soliciting donors for both annual and major gifts
- Stewarding donors for both annual and major gifts



UNDERSTANDING MECHANICS OF ANNUAL & MAJOR GIVING

Think about the differences

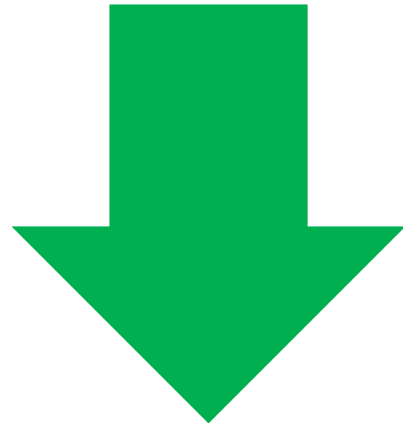
Purpose:

- **Major gifts** typically support endowed funds, such as scholarships or capital projects (e.g., buildings)
- **Annual gifts** provide more immediate budget-relieving discretionary funds

Incubation/Cultivation Period:

- **Major gifts** can take anywhere from a year to a lifetime to complete
- **Annual gifts** are usually true to their name and close within a fiscal year

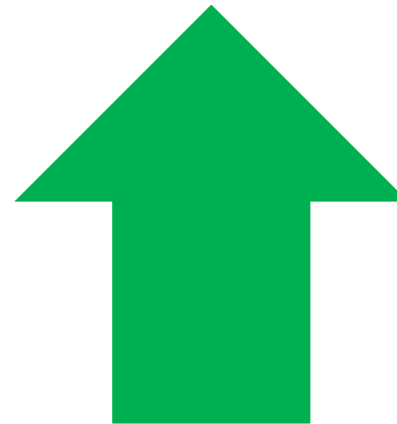
Look at the impact of cash vs. pledges



Even if pledged over 5 years, annual gifts are for immediate use.



Major gift payments usually go into an endowed fund that cannot be used until all payments are complete.



Consider the purpose of gifts

“Money to Live on” Annual Gifts

- Term dollars
- Filling financial aid gaps
- “Keeping the lights on”
- General budgetary needs
- Not usually directed to a very specific project or use
- Can provide steady year-to-year funds



“Money to Grow on” Major Gifts

- Usually endowed funds
- Can provide funding for new initiatives or emerging needs
- Cover expanding needs such as scholarships & faculty salaries
- Usually directed to very specific projects with specifications from donor
- When covering brand new programming, they usually do so on a very large scale

Remember the 80/20 Rule

“80% of the money comes from 20% of the donors.”

- Applies to both overall giving and specifically to annual fund
- Cultivation of that 20% is very tailored and takes a “long game” approach
- The annual fund is the key “leadership funnel,” feeding all types of larger gifts

THE 80
20 RULE

Acknowledge the shared mission

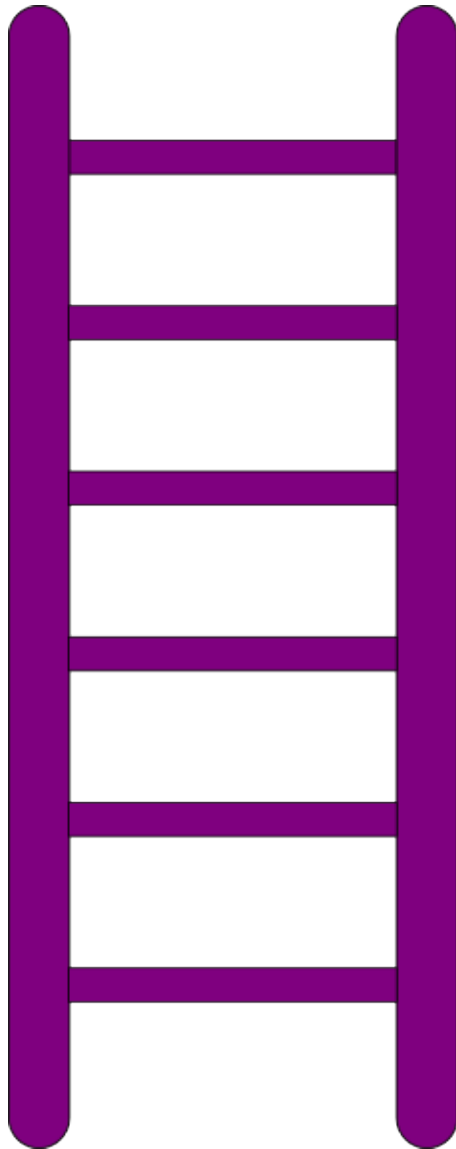
To serve as stewards for the Penn Law community's values through lifelong alumni engagement, continuing education and philanthropic opportunities in support and celebration of the School.



Put the donor pipeline into action



Find your leadership donors



Major Donors

Leadership Donors



Upgraded Donors

Regular Donors

Acquiring Donors



COORDINATING PLANS FOR CULTIVATION & SOLICITATION

POLL: Approximately how often do your annual giving and major gifts staff meet?

- Quarterly
- Monthly
- Weekly
- Never
- Not Applicable/Not Sure

Bridge the gap



- ➔ Joint Meetings
- ➔ Shared Research
- ➔ Circulated Call Reports

Make prospect management meetings inclusive

- Regular communication is key, but a good place to start is by having prospect management meetings for both annual and major gift officers
- Add highest level annual giving donors to the major gift pipeline, with separate expectations for annual and major gifts
- Identify 3-4 specific prospects, research them, and create a joint cultivation plan

Create a joint pipeline

- Any gifts over a certain level, whether to annual fund or to a specific project
- Makes for easier collaboration
- Ensures “high level” stewardship and the potential for additional asks
- Constantly builds the “next generation of donors,” especially during campaigns

Make use of a shared database

- **Create detailed call reports**
 - Include as many personal details as possible
 - Give a good picture of capacity
 - Provide info on potential areas of interest
- **Share results**
 - Email all call reports to fundraising team
 - Send specific reports to teammates with whom partnership is possible



Use teamwork to brainstorm solutions

Reasons why donors don't make major gifts



- ☐ “You didn’t ask”
- ☐ Unclear case for support
- ☐ Bad stewardship after last gift

Teamwork solutions



- ☐ Identify the best officer to make the ask
- ☐ Work together to develop your story
- ☐ Develop stewardship plan *before* the ask



SOLICITING DONORS FOR BOTH ANNUAL & MAJOR GIFTS

Consider differences in cultivation

Annual Gifts

- Mass mail appeals
- Broad message (with some variable language, maybe)
- Gifts made in current fiscal year
- Upgrades timed around reunions or pledge periods

Major Gifts

- Individual meetings and long-term relationship building
- Pitch tailored to each donor
- “Long game” for gifts
- Timed around campaigns or as needs arise

Develop your pitch

- Think about the long term legacy vs. immediate needs
- Show unique impact of each gift, major and annual
- BUT... you *can* show how both gifts further the mission of your institution
- Know your data – major gift prospects want to know facts about impact



Perfect the proposal



- For donors wishing to provide term scholarship gifts, Penn Law has established the **Fund for Penn Law Scholarship**
- This gift comes in the form of a **five year pledge of \$125,000** (\$25,000) per year to the scholarship sub-fund of the Fund for Penn Law
- These payments will be spent, in their entirety, each year and will be directed towards the Law School's general financial aid budget
- A gift of this kind can potentially offer grants to one or more students, depending on their financial need



Consider joint visits – but carefully!

- This approach is only appropriate for select donors
- Make sure donor will be receptive to a visit from two gift officers
- Strategize together beforehand
- Major gift officer usually takes the lead
- Make the case for separate gifts very clear
- Not usually used for the ask, may be helpful for cultivation or transition to new gift officer

Create or revamp a leadership giving society

- Identify giving levels that would be extraordinary for your donors but also “doable”
 - Create higher levels for the smallest group of donors
- Find existing donors who can be volunteer leaders
- What is in a name?



The Red and Black Leadership Society

Utilize leadership giving

- Identify donors at the highest level of your annual giving recognition society
- Invite them to small, exclusive events with school leadership
- Follow up a soft pitch at the event with individualized thank you letters or calls afterwards
- *Another idea:* invite top annual giving society donors to review a “draft” of the Dean’s campaign vision statement or strategic plan

Add a Dean's Appeal

- Small group of highest level annual giving donors who are also major gift donors
- Highly personalized and hand-signed by the Dean
- Thank for each gift, acknowledge for specific major gift
- Make ask for current or increased annual gift

Think about the AG Scholarship

- Multi-year pledge of \$10K/year or more
- Gift agreement for term scholarship
- Stewardship includes Scholarship Reports & invitation to meet-and-greets with student recipient

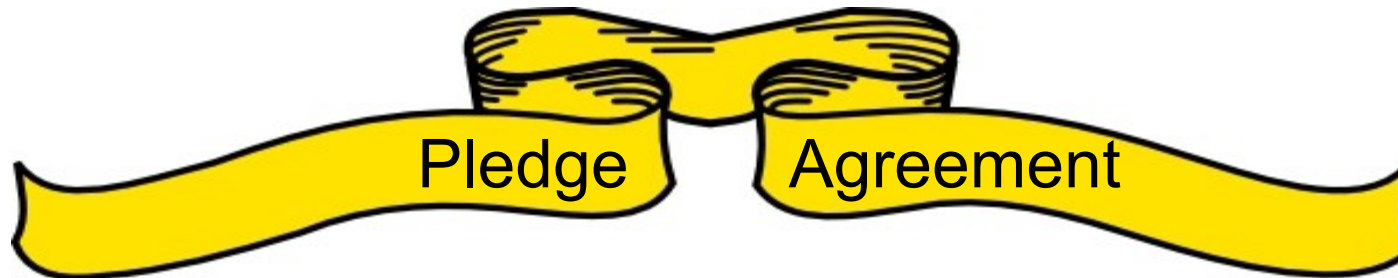


“Annual Fund scholarships also have an immediate and powerful impact, as a current-use scholarship gift of \$10,000 to the Rice Annual Fund is equivalent to the annual distribution of a \$222,000 endowment.”

POLL: How often do your major gift officers include the annual fund as part of gift proposals for major donors?

- Always
- Occasionally
- Rarely
- Never
- Not Sure

Institute a Dual Pledge form



In support of and commitment to XYZ University, I, _____, hereby pledge to pay XYZ University the sum of \$_____. This gift will be used to establish _____ and continue my support of the University Annual Fund.

This gift will ensure the success of the University by helping to raise its profile among peer schools and compete as a university of choice for exceptional young minds and leading educators.

This commitment will be paid to XYZ University in the following manner:

	Endowment	Unrestricted
Pledge Year 1	\$ _____	\$ _____
Pledge Year 2	\$ _____	\$ _____
Pledge Year 3	\$ _____	\$ _____
Pledge Year 4	\$ _____	\$ _____
Pledge Year 5	\$ _____	\$ _____
Total	\$ _____	\$ _____



I prefer to make equal payments annually, with the initial pledge reminder in the month of _____.

Make use of Giving Days

- **Use the immediacy of Giving Day as leverage:** A major donor's annual gift could make or break Giving Day
- **For challenge gifts:** Sponsoring challenges can be a great way to engage major gift prospects and increase their support
- **To secure large gifts before the big day so that it opens on a high note:** Arrange for pledges from large donors in the weeks leading up to Giving Day
- **As promoters:** Florida State University found that most of their Giving Day donors learned about the opportunity through word of mouth – in 2012, a dozen major gift prospects made their *first gifts ever* to FSU through the school's first "Great Give"



Use reunions to identify and cultivate

Committees

- Major gift and annual fund officers should be consulted for volunteer suggestions
- Good way to jointly engage prospects who have been disconnected

Visits/ Cultivation

- Allow for joint visits for big prospects who are also reunion volunteers
- Class dollar goals make room for dual asks

Stewardship

- At reunion – opportunities to highlight dual gifts and potentially inspire classmates
- After reunion – joint follow-up notes, framed photos

Use affinity to grow gifts



- 200+ alumnae
- Quarterly meetings/conferences
- Gifts of \$2500+ to any area of Penn
- Raising an additional \$350,000 for an endowed scholarship



- 149 alumnae
- 2014: Goal of 100 alumnae donors of \$100,000+
- 114 donors within 3 months
- Circle set a goal of 250 scholarships by 2019

Leverage your board members



The Small Cultivation Event

- Typically hosted by a board member
- Consider theming the event by affinity
- Invite a professor to speak
- No ask, but center topics around institutional priorities

Don't forget Planned Giving!

- Continued annual gifts can be punctuated with a future estate gift
- Consider other planned giving vehicles (IRA charitable rollovers, annuities, etc.) where income can be directed to annual giving and the remainder can be designated for a major gift
- Make sure to steward as a major gift – estate plans can be changed if a donor feels under-appreciated!

Barnard Bold Impact Challenge

1. Name Barnard in will or through another planned giving mechanism
 2. Tell Barnard about the planned gift
 3. A gift of 50% of the value of planned gift will be made to a current-use scholarship fund
- Added bonus: stewardship of the major donors who are giving the matching funds!

THE BOLD STANDARD

A CAMPAIGN FOR BARNARD

Suggest “early activation” of endowed gifts

- Typically, endowments don't start "paying out" until they are fully-funded
- Beneficiaries (usually a student or faculty member) would not receive any funds until the pledge has been paid in full
- Donor agrees to make an additional multi-year pledge to support current use/annual fund on top of their pledge to create an endowment
- The amount of the additional commitment would be equal to the estimated payout of the endowment (usually around 5%)
- Advancement department makes arrangements with finance to ensure that beneficiaries start receiving the funds right away

Example: Early activation

Scenario: A donor is considering an endowed scholarship but wants to still have an impact while completing the payments.

- A regular \$5k annual fund donor decides to make a major gift
- Pledges \$100k to endow a new scholarship in their name
- Agrees to pay \$20k per year for 5 years
- Finance stipulates that the fund would not be "active" until the end of the 5 year period
- Donor agrees to make an additional 5 year pledge of \$5k per year to the annual fund in the form of a "term scholarship"
- Total pledge = \$125k

Benefits of early activation

- Donor intentions and impact are realized right away rather than having to wait until the pledge is paid off
- A larger overall commitment for the institution
- Uninterrupted support for the annual fund
- Raises donor's sites





STEWARDED DONORS FOR BOTH ANNUAL & MAJOR GIFTS

Make stewardship a priority

- Appreciated donors come back!
- You have the opportunity to show the distinct impact of both annual and major gifts
- Even if the donor is a one-time major donor, they could be an annual donor for life
- The ask is customized to the dual donor, the stewardship should be too

Send thank you notes

- Make them personal
 - Handwritten
 - Mention specific gifts/areas of impact
- Make them fast
 - Within 24 hours of gift
 - Prompt follow-up to visits
- Make them meaningful
 - Include notes from beneficiaries of gifts
 - Maintain the relationship



Tailor dual thanks for dual donors

- Send hand-written thank you notes signed by both gift officers
- Call the donor together within 48 hours of the finalization of the gift
- Use skype!
- Create a simple smartphone video
- Take a selfie with scholarship recipient(s) on first day of semester

Make sure you are consistent



- All-girls boarding school
- Elderly alum had a personal relationship with a gift officer
- Never received an annual fund appeal – everything happened with phone calls
- After years of consistent stewardship, donor returned a planned giving appeal with the box checked affirming that she had named Foxcroft in her will
- The result was a transformational \$40M gift that doubled the school's endowment

Use website profiles...



Supporting Their Passion

READ ROSEMARIE AND TIM NELSON'S STORY



Rosemarie Nelson '90 and Tim Nelson '72 were among the more than 50,000 fans cheering on the SU football team on September 20, 1980, during the first-ever game inside the new Carrier Dome. On that warm autumn day, Rosemarie and Tim's life together began. Their love for each other eventually led to marriage; their love for Syracuse University to a lifetime of support.

Both Nelsons earned degrees from the Whitman School of Management. While serving in Vietnam, Tim learned he was able to take advantage of a government program that allowed him to attend Syracuse University. Rosemarie availed herself of University College's part time program, taking classes on nights and weekends while working full time.

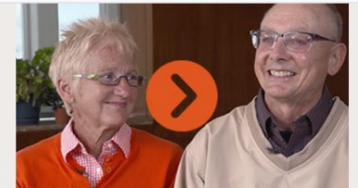
A bond that lasts forever

The Nelsons' love of SU athletics has resulted in lifelong friendships with other Orange fans they have encountered season after season at the Dome, or sitting next to on a bus trip to a championship game. "It's a club we like belonging to," says Rosemarie. "And it's a bond that lasts forever."

Over the years, the Nelsons have also developed a lasting bond with the young men and women of the University's various athletic teams. "We'd be at a Dave Bing dinner or end of the season banquet and we'd sit with a player or two and start to hear their stories," says Rosemarie. "They'd talk about how their hero was their mother, that she raised three kids, and never even got to see this young person play in college. So we realized we had advantages other people didn't, and how much our giving means to these students."

Supporting their passion

The Nelsons support a number of initiatives at Syracuse University, including funding for athletes, the Whitman School of Management, the Carmelo K. Anthony Basketball Center, and a primary medical care lab inside The Arch—the University's new holistic health, wellness, and recreation complex. "Syracuse University has been very special to us, so we'd like to give other people the same chance to come here and enjoy it like we did," says Tim.



Avid fans of SU Athletics, the Nelsons traveled to San Diego, California for the 2012 Carrier Classic, played on the flight deck of the USS Midway.



The Nelsons celebrate their anniversary on September 20—the same day as the first game inside the new Carrier Dome in 1980—an event they say was "the coming together of us."

CHANGE A LIFE TODAY



...to highlight donors

Caroline Willis '66 is deeply dedicated to those who mean the most to her, including her Bryn Mawr family.

Her volunteer history is breathtaking: class president and editor; trustee; president of the Alumnae Association and member of its Executive Board; committee member for the Hepburn Medal, McPherson Fund for Excellence, and the Alumnae Regional Scholars Program; member of the trustee's Diversity Advisory Group and the Working Group for Gender Identity and Expression; longest serving volunteer at the Lantern Bookstore in D.C. (since 1984!) and, before that, a volunteer at the Bryn Mawr Bookstore in Cambridge for two years; and former District Counselor for the D.C. Region, which involved the organization of a three-day Alumnae Conference.

She is also a committed fundraiser, having served as class chair (several times over) and in key roles in many campaigns over the past few decades. Currently, she serves on the Campaign Steering Committee for Defy Expectation, The Campaign for Bryn Mawr.

So, it should not come as a surprise that Willis has been a consistent and generous donor to the College in the years since her graduation. But recently, she took it to a whole new level by making two very generous five-year pledges to Defy Expectation: \$100,000 each to The Bryn Mawr Fund and The William H. Willis Scholarship Fund, which she established in 2004 in honor of her father, a highly distinguished classicist who was active in the Civil Rights Movement in both his home state of Mississippi and his adopted state of North Carolina.



**BRYN
MAWR**
COLLEGE

Spotlight donors at events

THE ANNUAL BANQUET DINNER

- Does not have to just be for directed gifts – invite high level annual fund donors
- Create an opportunity to honor the largest annual donors
- Seat large annual fund donors with invited students who benefit from general financial aid or other areas supported by annual giving



MAKE USE OF DUAL DONORS!

- Have a videographer at banquet to capture “Why I Give” statements to use later
- Work with major gift officer to identify dual donors who might be willing to talk to prospects about larger gifts
- Highlight annual fund impact at high end donor events

Give special donors special access

- Exclusive link to live feed of a high profile lecture event
- Small group dinner with a professor or dean
- Presidential Consultation Program



Dinner with President

- Overview of ongoing plans and progress
- Current pressure points
- Long-term strategic decisions



Meetings with Senior Leaders

- In-depth look at upcoming decisions
- Discussion about future directions for institution



Group Engagement with Wide Appeal

- 60-75 donors invited
- 20-25 participants per session
- Two sessions per year

Acknowledge during reunion weekend

Put donors on display (HBS)

- Create large scale profiles that can be hung prominently during reunion or other big events
- Utilize technology – create profiles that can play on a loop on announcement monitors
- Design stickers or pins especially for dual donors that can be proudly displayed on nametags



HARVARD
BUSINESS SCHOOL



WELLESLEY

High Level Donor Reception (Wellesley)

- Deans Circle Luncheon at Wellesley president's house
- Keep it exclusive – top level annual fund donors and major donors
- President can highlight largest major and dual gifts
- Chance to inspire high level annual donors

Key Takeaways

- Communicate, communicate, communicate!
- Annual and major gifts have different cultivation schedules and purposes, but they both support the same mission at your institution
- Identify the reasons why a major gift is the right next step for your donor, but also why sustained annual giving is essential to the success of your institution
- The best way to stress the importance of dual gifts is to celebrate them – publicly!
- Modern donors don't want swag, they want access – you can steward dual gifts with opportunities that feel exclusive

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