

Individuals

Individuals support all types of funding needs for nonprofit organizations. Whether you need funds for your [annual operating budget](#), a major [capital campaign](#) or your [endowment fund](#), it's critical to include individual donors in your funding plan. According to recent trends, individuals make up 85 percent of the donor base for nonprofits in the United States.

To begin soliciting from individuals, you need to develop a prospect list for both major gifts and smaller donations. Think of individuals who share your organization's ideals -- your core beliefs, values and mission -- and who may be open to investing in those ideals. Perhaps they are people who have benefited from the services you offer or are close to an individual who has.

Individuals to consider:

- friends and acquaintances in your own personal network
- board members
- other wealthy individuals who support specific issues
- prospects who may respond to direct mail appeals

What can nonprofits do to strengthen their programs today?

Our economic recovery could be stalled by factors largely outside of our control – terrorist attacks, energy prices and stock market shifts. In this environment, nonprofits need a diverse resource base to weather changes in the recovering economy. Dependence upon single strengths such as grants, direct mail, or a small group of patrons is not sustainable. Diversified fundraising with strong major gift programs (individuals) help institutions weather economic changes better than any other fundraising method.

Bruce Meyerson. The Associated Press, in The News Journal, Wilmington, Del., March 28, 2004.

Statistically the people who give the most to charities are those between ages 50 and 64. And so with the baby boomer generation now within that age group, experts are attributing the rise in charitable giving to these baby boomers. Not only are boomers giving of what they have earned over the years, but they also are giving portions of recently received inheritances. In fact, the Social Welfare Research Institute at Boston College estimates that boomers will receive a collective inheritance of least \$7.2 trillion. Many expect the majority of their charitable giving to go toward local, hands-on charities with which the boomers can be directly involved. Also, many boomers are establishing family foundations. There are about 30,000 such foundations in the United States, some with endowments as small as \$50,000. With such commitment to giving, the values of the boomer generation will certainly prove fruitful for many charities and communities for years to come.

Giving Pyramid

Fundraising professionals commonly refer to the Giving Pyramid. It serves as a model to envision how donors are initially attracted by entry level fundraising strategies at the base of the pyramid and cultivated over time to give larger gifts through successive engagement strategies. The pyramid reflects successive giving opportunities through which a donor is cultivated as their commitment and capacity to assist an organization and its needs, increases over time.

While fewer donors emerge at each successive level from the pool of donors at the previous level in the pyramid, the amount of their gift increases as the donor moves to the next level. There can be exceptions and a donor can surface at any level. But if you are thinking pro-actively and strategically, the Giving/Donor Cultivation Pyramid is a time-tested guide for framing your donor cultivation strategies and giving opportunities. Ideally, you and your fundraising partners will actively seek gifts and provide involvement and donor opportunities at all levels of the Giving/Donor Cultivation Pyramid.



Pyramid Level 1 – On-Site Giving: At the base of your pyramid is a large pool of donor prospects. The majority of people enter as first-time donors to your need with an initial, often spontaneous, gift. The initial contact comes in many different ways. Usually a park visit and a quality park experience motivate an initial gift through an on-site giving opportunity such as: a [donation box](#), a lodging check-off under the [Guest Donation Program](#), or an Adopt-a-Park Program opportunity. Most people learn about park giving opportunities through: the park newspaper they receive when entering a park; a display in a visitor center; or information in guest lodging. Another way that people may initially choose to support a park is by becoming a VIP-Volunteer in the Park. Outside a park, the initial opportunity might be through a special event or direct mail appeal. In addition, some organizations are experimenting with On-Line Fundraising by featuring direct donation opportunities on their webpages.

Pyramid Level 2 – Annual Giving: As you accrue names of previous donors or likely donors, you can begin to recruit annual gifts which support mostly on-going needs. This is done through

[Membership Programs](#), direct mail appeals, e-mail appeals, and annual special events held by your park partners in connection with your park. Annual and seasonal appeals and events provide an opportunity to begin building an informed relationship between your park and these donors who choose to sign on to help meet your needs on a regular repeat basis. Like building any good relationship, these techniques require a higher investment on the fundraiser's part to enlist and regularly communicate with the donors. But the reward for building these sustained relationships is that the members and donors who continue to contribute, often increase the level of their gifts over time and become your best prospects for the next successive levels of the Pyramid -- Major Gifts and Planned Gifts.

Pyramid Level 3 – Major Gift Campaigns: These are usually directed to raising substantial amounts of funds for capital construction projects, land acquisition or an endowment fund. Capital and endowment campaigns require a pool of donor prospects from which to recruit lead and substantial gifts that will take the campaign two-thirds or three-fourths of the way to the campaign goal before turning to the final public phase to complete the campaign. Unless you have a pool of donors who have an established track record of supporting your park/program over time, your chances of successfully reaching your campaign goal are somewhere between unlikely to impossible. Most donors at this level strongly identify with and have chosen to focus on your park/program as a giving priority in their life. As they get further along with their lives and careers and have the means to make greater gifts, they will choose to do so.

Pyramid Level 4 – Planned Gifts: Donors at this level are at the pinnacle of the giving pyramid where the largest gifts are usually realized. These donors have decided that your park/program has great resonance in their life and that they want to assign a substantial share of their wealth or assets to make a difference and leave an enduring legacy. Planned gifts can include bequests and gifts of will or trust mechanisms, or Endowments that can be established immediately or co-mingled from their gift. The nature of these gifts will vary based on the intents and needs of each individual donor.

Many parks examples of unanticipated bequests are remainder of estate gifts that are announced out of the blue. But planned gifts are more numerous when they are deliberately cultivated. That cultivation starts at the first level of the Giving Pyramid and continues up through each successive level.

The art and strategy of fundraising is to motivate donors so they continue to support your organization at increasingly higher levels over time and move up through the levels of commitment and investment represented in the Giving/Donor Cultivation Pyramid to the ultimate gift. This technique is called “cultivation”, “moves management” or “relationship management.” The cultivation techniques become more targeted and personal as the donor is involved up the pyramid to the top.

Suggested Cultivation Strategies for Individual Donors

- Ask prospect/donor to serve on a committee
- Invite donors to feed back/discussion/strategic planning session
- Arrange personal visit/phone call from the Executive Director/Board Chair/Development Committee Chair
- Ask them about their own interests, why they support you
- Arrange site visits
- Invite their participation as part of leadership groups for special projects
- Add a short personal thank you to News letters, articles, reports, etc.
- List all donors by giving levels in Annual Report and recognize major donors/board with special name tags, publicly acknowledge them at events
- Hold a private reception/dinner or after special event/conference with speakers/famous guests
- Assign staff/board “buddy” to keep donors informed about progress/good developments/media coverage/grants/general good news about your organization through personal notes, phone calls and/or emails
- Personalize thank you notes (handwritten) and mail within 48 hours of receipt of contribution, follow up with a phone thank you
- Send a thank you from program recipient/s (if applicable)
- Host an annual recognition event such as an open house to thank donors and volunteers and celebrate successes
- Invite donors/prospects to issue oriented brown bag lunches with staff reporting on important issues, stories in the news, programs, etc.
- Send holiday cards (birthdays, anniversaries, etc)
- Ask donors to invite friends who may have similar interests
- Ask donors for testimonials and post on your website, newsletters, etc.
- Ask donors to hold cultivation events at their homes and invite their circle of friends
- Ask donors to solicit others
- Create a listserve to update donors/prospects
- Celebrate victories
- Share future plans with major donors, ask for feedback
- Ask for advice- to review materials, look at proposal letters before they go out, what made them choose your organization.
- Ask to help plan what they would like in the way of activities, programs, events, recognition, etc.
- Ask donors to create a Giving Circle
(http://www.donorsforum.org/forms_pdf/GivingCirclestarterkit.pdf)

Cultivating is the most important part of your strategy when focusing on individual donors. It is the hardest, longest and most rewarding process. It requires a focused effort that will continue for the lifetime of your organization. If your cultivation program is properly planned and executed, making the ask and receiving the gifts will be easy!