



## Introduction and Definitions

If you want to encourage individuals to give money to your organisation you will have to decide on the type of donors you want to target. You may decide to develop a regular donor/membership campaign or you may decide to go for Major Donors.

Please note that we are not going to refer to cash donations in this guide although they are also a form of individual donations.

The definitions for the terms Major Donor and Regular Donor in this guide are:

- **Major Donors will give donations (of money or gifts in kind) that:**
  - Have a significant impact on the organisation
  - Will vary in size depending on the organisation i.e. every organisation will define what they consider a major gift differently. For some £100 is a Major Gift for others £5000 is the starting category for a Major Gift
  - Is significant to the Donor
- **Regular Donors give:**
  - Smaller amounts on a regular basis normally through Direct Debit or Standing Order

For smaller organisations it is less likely that you are going to secure hundreds of thousands of pounds from a donor as you don't have the capacity, structures or resources to secure or manage those kinds of gifts. You are more likely to secure smaller gifts such as a few hundred to a few thousand pounds. However one of the main reason to go down the route of major donors would be to identify women within the community who have influence and contacts who could organise community fundraising events on your behalf, champion your work amongst their rich friends and give you access to more influential circles.

Before deciding which route to take it is important to consider the advantages and disadvantages of these two different approaches to donations from individuals. *The table below highlight some of these but is not exhaustive.*

	Regular donors	Major Donors
<b>Advantages</b>	<ul style="list-style-type: none"> <li>○ Spread the risk</li> <li>○ Likely to give money over a long period of time</li> <li>○ People forget about small regular donations going out of their bank</li> </ul>	<ul style="list-style-type: none"> <li>○ Larger gift</li> <li>○ High value therefore need less of them</li> <li>○ Have less donors to take care of</li> <li>○ Gives you access to other rich contacts</li> </ul>

	<ul style="list-style-type: none"> <li>○ account</li> <li>○ More likely to be unrestricted<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>○ Provides you with someone that can champion your work amongst their rich friends</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>○ Smaller amounts so need a lot of them</li> <li>○ Takes a long time to recruit lots of small donors</li> <li>○ Have to keep up with donors that stop giving</li> <li>○ Have to take care of many different donors – keep records, stay in touch</li> </ul>	<ul style="list-style-type: none"> <li>○ Can take a long time to develop</li> <li>○ More likely to want a say in where the money is going</li> <li>○ Need a lot of personal attention</li> </ul>

**This guide will focus on Major Donors although many of the principles are transferable to developing donations from regular donors.**

### The profile of potential major donors

If seriously considering Major Donors as a potential income stream it is important to be aware of the current and changing landscape.

There is an emerging new type of philanthropist<sup>2</sup> and it is important to be aware of who they might be and why they are turning to philanthropy:

- A significant number are women
- They are interested more in vision than detail
- They see a problem and want to help fix it
- They want to make an impact – (also want to see their impact)
- They want to get involved in doing good
- They want to achieve recognition as well as wealth
- They will do as much research on you as you on them
- They expect accountability
- They will expect you to be brilliant stewards<sup>3</sup>

When considering raising money from major donors people often think of targeting the super rich, assuming they are the ones who have all the money - but they might be missing something. Major donor fundraisers are increasingly becoming interested in the generation of people called the “baby boomers” for the reasons set out below.

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<sup>1</sup> Income that can be spent how you choose to spend it rather than being tied to certain conditions. For example income from trusts and foundations is often restricted to spending it on a particular project

<sup>2</sup> Someone who makes charitable donations intended to increase human well-being

<sup>3</sup> To be a brilliant steward means to take care of your donors well. You will increasingly hear the term stewardship referred to in individual donor fundraising as it is considered essential if you want to hold on to you donors.

A definition of stewardship is ‘the process whereby an organisation cares for and protects its philanthropic support – its gifts and those who give them – in a way that responds to donors’ expectations and respects the act of giving’.

**Baby boomers**

Born 1947-1963 (Boomers 47-57, shadow boomers 58-63).

The baby boomers make up 29% of the population.

General characteristics:

- Concerned about their children's futures
- Independent
- Liberal in social attitudes
- Demanding – don't accept authority so easily
- Home owners (large proportion)
- Confident consumers – happy to complain
- Have secure and higher pensions
- Have an annual combined income of £160 Billion
- Have more disposable income as they get closer to retirement
- Worth £5.6 Billion in legacies<sup>4</sup> by 2050

**KEY POINT**

Whoever your donors are or become they will always want to know how their money has been spent and the difference they are making to the world. They'll expect a high level of transparency and will want to feel connected to the charity/issues/beneficiaries they support.

**Some general rules to major donor fundraising**

Some general rules are:

- For every nine people you approach ("prospects")<sup>5</sup> you will get one person who donates (a 'Win')
- It can take anything between six and 18 months from your first contact with a potential donor to develop the relationship and end in a 'win'
- Major donor fundraising is all about building a trusting relationship with the potential donor, taking care of their needs and responding to their motivations

**The process**

In order to develop major donors you need to go through the following seven step process which is set out in the next section of this guide.

1. Identify
2. Research
3. Understand Donor Motivations
4. Plan
5. Engage
6. Ask
7. Thank
8. Stewardship

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<sup>4</sup> A legacy is a gift of money or property from an individual in their will.

<sup>5</sup> This assumes that the nine people you approach have been targeted well i.e. you have good reason to think that they will give after having researched them

