

THE INTERSECTION OF METRICS DRIVEN MAJOR GIFTS AND DONOR CENTERED DEVELOPMENT

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Today's Questions

1. Why focus on major and principal gifts in the first place?
2. Isn't it true that big gifts come from relationships?
What do metrics have to do with all of this?
3. How does one put together a metrics driven management program?
4. How should we measure a full time major gift officer?
And what levels and types of activities should we expect?
5. How do you come up with the right metrics?
6. How do you get traction with prospects?



WHY FOCUS ON MAJOR AND PRINCIPAL GIFTS IN THE FIRST PLACE?



Big Gifts Are Back

- Contributions of \$50 million or more grew by more than \$800 million in 2014.
- The surge—a result of bigger gifts, not more of them.
- 2014 counted 40 contributions of \$50 million+ and 3 donations of \$500 million compared with 1 in 2013.
- 98.4% of high net worth households gave to charity in 2013.
 - They gave an average of 7.8% of their income.
- It is estimated that between \$6.6 trillion and \$27.4 trillion in charitable bequests will be made between 1998-2052.



Sources: *The Chronicle of Philanthropy*
The New York Times

If that isn't reason enough...

- According to research from Giving USA, large gifts from individuals, and particularly major donors, typically represent up to 75% or more of total annual funding.
- The 90/10 rule:
 - Annual donations represent 90% of gifts, but only 10% of total dollars raised.
 - Major gifts represent 10% of gifts, but 90% of total dollars raised.



Source: Giving USA Foundation
Minnesota Council on Nonprofits

**ISN'T IT TRUE THAT BIG GIFTS COME
FROM RELATIONSHIPS?
WHAT DO METRICS HAVE TO DO
WITH ALL OF THIS?**



Fundraising Maxims

- People give to people.
- People give because they are asked.
- Personal visits result in larger gifts.
- Donors want impact.
- Donors deserve recognition.



HOW DOES ONE PUT TOGETHER A METRICS DRIVEN MANAGEMENT PROGRAM?



Metrics Driven Moves Management

What it is

- Organizing your work.
- Focusing on the prospects and activities that will bring the greatest return.
- Moving from individual work to winning as a team.
- Providing leadership with information and a reason, when ready, for greater investment.

What it isn't

- Competing with colleagues.
- “Gaming” the system.
- Getting nervous and defensive.



Metrics Driven Moves Management

Meeting Structure

1. Annual, comprehensive portfolio review/rebalancing/top 25 prospect strategy sheets
2. Monthly prospect moves management meeting
3. Monthly one-on-one portfolio review meeting
4. Quarterly top 25 strategy session summit
5. Quarterly 90-day inactive/dropped prospect review

Critically important to establish common language with respect to moves management terms and definitions.



**HOW SHOULD WE MEASURE A FULL TIME
MAJOR GIFT OFFICER?**

**AND WHAT LEVELS AND TYPES OF
ACTIVITIES SHOULD WE EXPECT?**



Portfolio Management

Staff	Portfolio Size	Portfolio Breakdown			
		Qualification (30%)	Cultivation (40%)	Solicitation (20%)	Stewardship (10%)
Full time (100%)	150	45	60	30	15
Part time (50%)	75	22	30	15	8
Part time (30%)	45	13	18	9	5

Annual Responsibilities of a Full-time Major Gifts Officer

Moves Management by the Numbers

- 150 prospect portfolio
- 120 “moves” (substantive, strategic interactions with donors/prospects that move them from one step to another—for example from qualification to cultivation)
- 2.5 times dollar goal in solicitations
- 18 gifts of \$25,000+
- 25 newly identified prospects



Some of us have myriad responsibilities for events, direct response giving and internal meetings.

HOW DO YOU COME UP WITH THE RIGHT METRICS?



Factors Affecting the Metrics

- Time devoted to Leadership Support as compared to:
 - Management—staff and/or programs
 - Direct response and event initiatives
- Volunteer management
- Staffing responsibilities
- Nature of prospect pool
 - Volunteer leadership
 - Ability to give
 - Inclination to give
- Development experience
 - In general
 - At the organization
- Length of time in current position
- Stage of funding priority development



HOW DO YOU GET TRACTION WITH PROSPECTS?



Cultivation Tools

- “Door-opener” letter from leadership
- Staff-led Feasibility and Planning Study interview to seek advice and to secure feedback on institutional priorities
- Special receptions
- Tour of new building/classrooms
- Visit from trustee
- Visit from school leadership (if major request planned within 18 months)
- Volunteer opportunity



Questions to Establish Successful Interaction

- What is most important to you and your family in your philanthropy? What would you like to accomplish?
- What is the most satisfying relationship you have or have had with a charity? Why?
- How did you become involved with the charities with which you are involved? Why do you give to them?
- Where does this organization rank among your top philanthropic priorities?
- What other charitable organizations and causes are important to you? Why?



Questions to Establish Successful Interaction

- How did you come to join our community?
- What do you see as our greatest services?
- What excites you most about the future of this organization?
- What would motivate you to make a significant, personal philanthropic contribution to an organization?
- Do you have any advice for organizational leadership?



THANK YOU

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