**A “Short-Course” In the Fundamentals of Being Donor-Centric:**

**Understanding and Motivating Donors**

**Understanding what is motivating your donor prospect’s needs and interests**: This is the first step to successfully finding a match between your organization’s mission and the donor making a philanthropic investment. Oftentimes, the initial impulse in hearing what sounds like a “no” is to end the attempted giving conversation and go in another direction. The “no” may merely represent the “tip of the iceberg” in the donor’s thinking. Instead of a dead end, the donor’s response should be an opportunity to explore what lies beneath the visible waterline of thinking—the “no” may mean “not now,” “not that, but this,” or “not yet” simply “I don’t know.”

There are, generally, four areas of donor concern that may cause reluctance to engage in a gifting conversation, whether for an annual, major or planned gift:

1. *The organization: no interest in committing to the organization and its mission.*
2. *The project: the project is not of interest to the donor.*
3. *The amount: the wrong amount has been asked for.*
4. *The timing: the timing for making the gift is off.*

**Donors, themselves, aren’t always clear about their charitable goals**: fully know what their objections are. Consequently, you can perform a service by helping them figure it out so that you can respond accordingly and they can engage in the desired philanthropy. Ask questions like, “What are your concerns?” or “Is there something that you would like me to clarify a bit more or explain again?” or “What would you like to accomplish with your money that would be the most meaningful to you?”

**The *least* effective method for addressing the donor’s motivation for the “no” is to engage in debate.** No one (well, almost no one) likes to argue. So, keep in mind that a donor’s “no” is most often at least 50% emotional. No one (really, no one) responds positively to an argument that comes across as denying one’s feelings—regardless of how persuasive the facts. People feel the way they feel. Facts are only impactful if they are relevant to the recipient, preceded by validation of the donor’s emotion and state of mind, and are included in the conversation strategically.

**The *most* effective method**: Listen for the donor’s rationale; then rephrase the concern so that you make sure you’ve heard it correctly and they know that you are listening; then express understanding of the situation; and then ask questions that allow the conversation to lead to the opportunity to offer a solution—for example, more information, a tour of the organization, meeting other donors, engaging with those who benefit from the charity’s good works, or simply getting together at a later date.

**Here are the basics for being a donor-centric organization**:

1. *Donor relationships are nurtured and not treated like ATM machines.*
2. *The donor’s needs and interests match the mission—not pressured into the charity’s priorities.*
3. *The donor is stewarded, educated and connected with the charity’s mission*
4. *The donor is regularly informed of and involved in the charity’s mission, activities/outcomes.*

**Here are the charities donor-centric tasks:**

*√ “Informationally” introducing the donor to charity*

*√ Learn the donor’s interests and needs*

*√ Educate the donor about programs meeting criteria*

*√ Propose realistic philanthropic investments*

*√ Assure donor consultation with financial/legal advisors*

*√ Document the charity’s commitment*

*√ On-going stewardship*

**Common Objections to the Gifting Solicitation**—**and Their Solutions**

The following chart describes several of the most common donor concerns, along with the problem-solving solutions and the fund-raising vehicles available to facilitate each solution—and the gift:

|  |  |  |
| --- | --- | --- |
| **Objection** | **Solution** | **Planned Giving Vehicles** |
| The economy is doing poorly and I don’t have enough money right now for an estate plan. | A charitable pledge can | * Bequest * Remainder or a percentage of an IRA or insurance policy * A cash pledge to begin at a later date or simply and annual gift |
|  | be made now that does |
|  | not require any actual |
|  | cash gifts at the |
| present time or is payable  over time. |
| I would love to make a | An estate plan that | * Charitable remainder trust * Charitable lead trust * Charitable gift annuity if older * All or a percentage of a life insurance policy * Remainder or a percentage of an IRA, 401(k) or 403(b) retirement fund |
| large gift, but I want to | includes your children |
| make sure my children | and the organization and other |
| are provided for. | other charities you care about |
|  | can ensure that your |
| Or | children receive an |
|  | income or an inheritance |
| I will let my children | at the same time as your |
| make any future | personal charitable |
| contributions. | values are honored. |
| I need to save for my children’s and grandchildren’s | An estate plan may actually help with educational expenses | * Charitable remainder trust * Charitable lead trust * Charitable gift annuity |
| education. | depending on one’s |
| assets. |
| I’m going to retire in a few years and I need to make sure that I have enough resources. | Some charitable gifting strategies have the potential to increase your retirement income. | * Charitable trust * Charitable gift annuity * Deferred charitable gift annuity * Gift from qualified plan at death |

**Common Objections to Gifting Solicitation**—**and Their Solutions (cont’d)**

|  |  |  |
| --- | --- | --- |
| **Objection** | **Solution** | **Planned Giving Vehicles**  **Planned Giving Vehicles** |
| I need to make sure my | There are charitable gift | * Charitable gift annuity * Charitable trust * Qualified plan to establish a charitable trust at death |
| spouse is provided for. | strategies that can have |
|  | financial and tax benefits |
| Or | for you and/or your |
|  | spouse while still |
| I may outlive my assets. | supporting your |
| charitable values. |
| I am not wealthy. | A pledge or annual gift can be | * Annuity * Bequest * Life insurance * Remainder or a percentage of an IRA, 401(k) or 403(b) retirement fund * Annual gift |
|  | made by anyone at any |
|  | amount. |
| Charitable giving is for the rich. |  |
| ava |
|  |
| I don’t have any family, so I don’t need to think about gift and estate planning. | State laws will determine the disposition of your estate if you don’t have a plan in writing. If you don’t have a family, you still need an estate plan | * Bequest * Charitable trust * Charitable gift annuity * Charitable remainder trust * Charitable lead trust * Get professional advice |
| that reflects the things |
| you care about. |
| Charitable giving is too complicated. | Legal and financial professionals can advise you and help establish giving vehicles that will be best for you. They do not need to be complicated, just specific to your charitable aims. | * Charity staff * Tax and estate attorneys * Financial advisers * CPAs |
| My professional adviser has not mentioned charitable giving. | Charitable gift planning may not have come up in your conversations, but you can share your charitable interests with your advisers and together form a plan that is beneficial to both you and the charity. | * Charity staff * Tax and estate attorneys * Financial advisers * CPAs |