

Guidelines for defining mega-donor engagement

The main point of the evening's discussion focused on the following two issues:

- Distinguishing the differences between a traditional mega-donor and a younger mega-donor.
- Setting rules for soliciting mega-donors.

Included among the guests were development executives from The Los Angeles Philharmonic/ Disney Hall, Cedars-Sinai Medical Center, The University of Judaism, The Autry Museum as well as several high profile independent fundraisers, research professionals and high-ranking fundraising academics.

The following notes are a summary of the dinner brainstorming session. These findings are not the results of formal research, but of an informal conversation among people who interact with mega-donors on a daily basis.



Definition of a mega-donor: Differences between the traditional mega-donors and younger mega-givers

- A mega-donor has the capacity to give one million dollars or more.
- A mega-donor is a leader willing to take a risk and views philanthropy as an investment.
- A major donor with mega-gift capacity, but who tends to give less than one million dollars, generally follows the pack. This donor feels comfortable in giving when mega-donors have already blazed a path.
- Key influencing factors for mega-donors are:
 - Trust in the organization
 - Accountability
 - Involvement
 - Outcome
- Each mega-donor is a “market of one” and needs to be researched so that each “ask” is individualized. Fundraising on the one million dollar plus level is all about relationships and connecting on a human level.
- The traditional mega-donor (60 years+) views his or her philanthropy as an obligation. That said, there still needs to be a certain level of trust that must be established between the donor and the organization.

- The younger mega-donor (less than 60 years old) views philanthropy as a business and knows very well what he/she is going to do with his/her money. There is also a generational shift in thinking regarding giving. The dot com donor is looking to give a gift that will make a large, visible, and sustained impact or change. The new donor is far more involved in the allocation of their gift than the traditional donor.
- A major point about the younger donor is that he/she actively wants to see a gift that produces immediate, concrete results that can be maintained. As one participant explained, his new (younger) donors want to know that their gift will fund “the cure for cancer” and, as we all know, there are no small steps to finding that cure. They want a date, a concrete number or milestone they can put their hands around. This also touches on an important distinction between the traditional vs. new donor groups. Traditional donors are far more willing to donate to an umbrella organization (ex. United Way, Jewish Federation) than younger donors.

General discussion:
Guidelines for soliciting mega-donors

- Each donor is a “market of one” and you need to understand a donor’s intentions. For some, philanthropy is justice. For others, philanthropy is business. Solicitors need to research the donor and give them “the right experience.”
- Solicitors need to understand the “thinking culture” of very rich people and how it differs from the culture of major donors. Philanthropy is a way for mega-donors to put values into actions and it enables them to buy influence, access and power.
- Solicitors and lay leaders need training on how to deal with mega-donors.
- Mega-donors prefer building something rather than saving it. They want to feel that they are on the winning team.
- Solicitors need to set high goals; there are more than the same 10 mega-donors out there. Solicitors need to research and cultivate new donors.
- It is essential to establish a culture of giving; this does not yet exist among the younger generation. There is no history to look back on as an example of how to attract the younger donor because it is a relatively new marketplace.
- Mega-donors want straight talk and must be involved and engaged from the beginning of a prospective project. They also need to be informed about progress in more substantial ways.

- Mega-donors want to know who else is giving (ex. peers, business leaders, socialites, celebrities) and who is already involved. Not surprisingly, a donation is frequently contingent upon the type of peer group the donor wants to be associated with. It is therefore crucial to build a social environment among donors.
- A solicitor needs to become knowledgeable about each prospect's previous gifts and motivations for giving – this will shed light on what they will donate for. As an example, if a donor has never given to an arts organization, they should probably not be asked to fund an art museum.
- Solicitors must determine who the asker should be (including the issues of male vs. female) according to the prospect's personality. The initial asker may not be the person who closes the gift.
- Overall, these are people who know very well what they are going to do with their money and want to position themselves in a leadership role. Mega-donors do not perceive themselves as followers.
- It's all about relationships and connecting on a human level. The prospective donor will need to trust the organization and the people associated with it.

Tactical question#1:
"What are the mega-donor's "red flags"?"

- As with any other investment, they seek opportunities to give to organizations that are:
 - Credible
 - Honest and open
 - Trustworthy
 - Realistic and clear with their mission
- Ongoing stewardship is imperative to maintain a mega-donor
- Organizations must send a financial report at least twice a year, if not every quarter
- Solicitors need to allow donors to track their investment and see progress
- Donors need to see further that without your gift the project would not be possible

Tactical question #2:
“How do you deal with gatekeepers?”

Most mega-donors are surrounded by gatekeepers that solicitors found they needed to deal with strategically. These are some of the conflicting thoughts that emerged:

- Befriend them even more than the donor but get them out of the way as soon as possible.
- Respect them – they have your direct connection to the prospective mega-donor.
- Contact board members of a mega-donor’s organization to avoid the gatekeeper.
- Weigh the pros and cons of attempting to go around the gatekeeper.
- There is a price you might pay if you go over a gatekeeper’s head.

Tactical Question #3:
“Biggest cultivation skills with mega-donors?”

- Build a relationship before you ever ask for the gift.
- Express the importance of their gift and the difference it will make.
- Is the right person doing the “ask?”
- Who makes the “ask” is as important as what they are asking for.
- Is the “big” person making the “ask” for the “big” mega-donor.
- What does the “asker” say to the mega-donor about their importance and position in the system?
- Training of the “asker” is crucial to obtain a gift:
- Training stems from the ability to form relationships. If they are resistant, coach the solicitor individually.
- Must conduct in-service training with board members.
- Part of building relationships is having the ability to listen.
- Shine a light on the donor.

All of this is difficult to achieve, but to be maximally successful, it should become part of an organization’s culture during a mega-campaign.

Passion Marketing distributed support materials to guests with excerpts on major gifts from The Chronicle of Philanthropy, The Los Angeles Times, Worth Magazine, and quotes from mega-gift researcher Gary Tobin and the Andrea and Charles Bronfman Philanthropies' President, Jeffrey Solomon.

This information was gathered from a Conversational Dinner facilitated by Gary Wexler, President of Passion Marketing.

Passion Marketing asks that when you use this information, that you credit Passion Marketing.