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Building a Donor Constituency Where None Exists *Not an Impossible Mission*

By Laurence A. Pagnoni, MA, MPA

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A near perfect correlation exists between charitable institutions that have a loyal constituency—I'm thinking of the alumni of a school or the former patients of a medical center—and charities that have robust individual giving programs. Loyal constituencies and robust individual donor programs go hand-in-hand.

Fundraisers overwhelmingly prefer to work for organizations with loyal constituencies, or for those with high public profiles. Such organizations tend to be well known, have large budgets, and are well-established. Fundraisers believe them to be the most fertile ground in which to ply their trade. I have always challenged that belief and I encourage you to do so as well. The fundraising strategies developed over the past 70 years for attracting individual and major donors are biased toward large charitable institutions. The strategies can, however, be adapted to small and mid-size organizations.

The organizations I am speaking of may be characterized as high-performing, under-recognized, and under-resourced. They are community-based organizations that lack money to spend on public relations to attract donor dollars and often tend to be overly reliant on government funding. Building an individual and major donor base is essential for these organizations, yet it is often overlooked.

To build donor constituencies where none exists is not an impossible mission. It requires an efficient process for introducing prospective donors to a charitable institution they have not yet heard of.



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The most cost-effective method is to make these introductions personally and through social networking, not by spending a lot of money on public relations. But you already know that. It's common practice among fundraisers to ask Board members, volunteer leaders, and major donors to introduce them to their social networks. If you have not yet asked the leaders in your organization to introduce you to the people in their social networks, stop reading right now and come back when you've done it.

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Now that we are all caught up, I'm here to introduce you to another way. A way to build a donor constituency when you have exhausted your natural constituency and the leadership of your organization does not have any more prospects to engage.

Another Way

The tactic begins with purchasing a mailing list of donor prospects that are likely to be value-aligned with your mission. This means that they should have supported similar causes in the past, or have something in their personal history to suggest they may care about your mission. A colleague who had never previously given to charity gave \$250K when his wife of 25 years succumbed to breast cancer. He was so moved by the hospice care she received that he made his first charitable gift to that program, in her honor. His appreciation for the compassionate care of the hospice workers made him a value-aligned donor. Giving for him was a tribute to his wife and a selfless statement that even those who cannot afford hospice care should have it. That is real value alignment, the type of connection that you should be looking for, but there are other ways to go about finding it.

For you, identifying a value-aligned prospect can mean many different things. Does your organization support animal welfare? You may want to consider reaching out to pet owners. Do you provide health care to the uninsured? Those working in the medical field may connect with your work. Is your work based in a religious tradition?



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Members of a church, synagogue, or mosque that share your principles may be interested in hearing about what you do.

You can purchase such a list of folks that meet this type of criterion at any direct marketing mail house or online. There are “list-brokers” in the field of direct marketing, such as Quality Letter Services, and you can shop your request to a few of them for the best price and the highest quality list. The list-brokers will tell you what attributes the list has; for example, they all give to charity, they all live in the zip codes you serve, they all have incomes over \$70,000, and they all subscribe to Forbes. Ask the list broker for as many details as he or she can share.

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The point of securing the list is not initially to mail to those contained within it. This is not a direct mail method. Instead, once you have secured the list, wealth vet the individuals to learn more about their philanthropic interests and giving capacity. Specific wealth-vetting software exists that is designed for this purpose. Target Analytics and Wealth Engine are two high quality prospect research tools providing information on donor giving history and assets. The wealth vetting will give you detailed accounting of all public wealth that an individual has –securities, real estate, business holdings, and more. In addition you will have access to Marquis Who’s Who records, selected philanthropic gifts, full political giving history, and nonprofit affiliations. Together this information will give you a snapshot of each prospect on the list.

Once the results are in from the vetting, issue a report and share it with your Development staff and/or Board Development Committee. Using the report, you can develop personalized strategies to reach out to each of the individuals who you identify as a good prospect. Generally, I am able to secure 35 new prospects from every 100 people listed.



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Sometimes I call the prospect up directly and invite them for a tour. Sometimes I choose to write to them or I ask them to “friend” my agency on Facebook. It all depends on what the research reveals as their capacity to give. The higher their capacity, the more I want to reach them in a personalized way. For each individual prospect identified I make three attempts to reach out, preferably using a different method of communication each time. If, after three attempts, I am not able to reach the prospect, I move on to the next one.

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Perhaps you know of the 10:3:1 sales rule? Of 10 people referred to you as business prospects,

3 will become clients, but not right away; only 1 will become a client today, the time may not be right for the other 2. This applies equally to introducing potential individual and major donors to organizations that are new to them. Securing a new donor is achieved by giving the prospective donor an intimate experience of your mission. Giving, like dating, is based on passion. You have to establish emotional connections with donors and this method is the opening to that connection.

The method that I outlined above is not easy. Despite the many seminars, books, and articles touting individual giving as the most potentially lucrative source of money for your organization, the process of getting money from individuals is time-intensive and laborious. It is truly a developmental process, one that unfolds gradually and can have a life of its own. Like life itself, several stages or phases recur endlessly in this process. They are: finding donors; approaching them; exciting them; asking them for money; and inspiring them to give over and over again for the rest of their lives. This method focused on the first two stages of this process – finding and approaching. It is still up to you to find the right way for your organization to excite, ask, and inspire. The good news is that it can be lucrative if you stick to the process.



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There is a direct expense associated with this process, including purchasing the list and then wealth vetting it, is usually around 45 cents per prospect, so for 5,000 initial prospects the cost will be \$2,250. The larger the list, the lower the per-unit cost. I have vetted lists as large as 150,000 contacts.

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As a special note, throughout this article I have referred to building a donor constituency, but the term “donor” itself needs a closer look. We do not consider a person who makes a one-time donation to a charity to be a donor. A donor is someone who gives repeatedly and at increasing levels. True donors give over and over again because they are fired up about the agency’s mission. So this method is not a way to get an individual to give a gift once, but a way to build up a group of people who give to your organization time and time again. It is your opening salvo. This is a first step in a long term relationship with individuals of high net worth who are value-aligned with your organization. In this connection, I have been reading *The Millionaire Next Door: The Surprising Secrets of America’s Wealthy* by Thomas J. Stanley and William D. Danko, and I’ve discovered some truly surprising facts about individuals of high net worth. Most of us think the rich must resemble Donald Trump. I assure you, they do not. The vast majority of individuals of high net worth more closely resemble the hardworking men and women who sit next to us on the subway. They are wealth builders—frugal and extraordinary savers—and many are small business owners and recent immigrants. After reading this book (which I encourage you to do), I realized that rich folks are very likely to appreciate the missions and accomplishments of emerging nonprofit organizations. The values they espouse are the values of the entrepreneurial nonprofit.



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It is a perfect love match, and we can do more to bring the parties together.

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