

Identifying and Cultivating Major Donors  
Van Lunen Fellows Program  
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July, 2008

Typically, independent schools have financial needs above and beyond the scope of annual income streams (tuition, profit centers, endowment interest, etc.) Because of this fact and because independent schools are not-for-profit, raising funds from private donors is appropriate, necessary, and essential. This plan incorporates practices and innovative ideas for identifying new donors, assessing their wealth, and effectively cultivating them so that they are ready to be asked for a donation.

This plan provides practical strategies for an independent school development office to implement. The strategies for identifying donors and assessing their wealth are universal and should be consistently applied. The strategies for cultivating individual donors should be scrutinized and used if they fit a particular situation.

The focus of this project is to create a comprehensive plan for thoroughly identifying and cultivating potential major donors. Before asking for a major gift, potential donors must be identified and cultivated. (When I use the term “potential major donor” I am referring to someone who already has a connection to the school and therefore has a reason to give. In other words I am referring to a parent, grandparent, alum, friend of the school, etc.)

Both identification and cultivation are essential to a successful campaign but are often overlooked or at least neglected. To proceed to the point of an effective ask, planning (identifying and cultivating donors) must occur. This plan will give direction to the development office and help the Head of School effectively use the time that he/she has allocated to raising funds. The plan will apply to both annual and capital campaign needs. Typically, independent schools have financial needs above and beyond the scope of annual income streams (tuition, profit centers, endowment interest, etc.) Because of this fact and because independent schools are not-for-profit, raising funds from private donors is appropriate, necessary, and essential. This plan incorporates practices and innovative ideas for identifying new donors and for assessing wealth. The plan also provides methods for effectively cultivating potential major donors.

The method for carrying out this project consisted of research, consultation, and personal implementation of practical strategies. Mostly, I have worked with two people that have been hired by my school to carry out the two major development projects that we are currently involved: the annual fund and a capital campaign. I have hired a new Director of Development who directly oversees all aspects of the Development Office including the annual fund and capital campaign. She has been helpful in coming up with strategies for identifying donors, assessing their wealth, and cultivating them. I have hired Winkler Consulting Group to provide counsel for our current Capital Campaign. Tim Winkler, the principal of the group, visits the school twice a month providing direction for the campaign, helping to identify major donors, and assisting in creating and recognizing cultivation opportunities. Because of his experience, he has been a very helpful resource, providing strategies for identifying wealth and cultivating donors.

In addition I have gathered ideas and information from the sessions (both formal and informal) during the weeks at Van Lunen Fellowship. In particular, I learned a tremendous amount during the sessions of Week One dealing with development (especially the time with the philanthropists) and the individual session with the Development Consultant. Also, I was able to use information gleaned from the book, *The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors* by Russ Alan Prince and Karen Maru File.

Mostly, the project has been completed by practical, hands on implementation of different strategies. Some strategies have proven to be very effective, some moderately effective, and some ineffective. Although information from training sessions, consultants and books has been valuable, the most valuable method for completing this project was simply trying different ideas and strategies.

It would be safe to say that identifying major donors is the most important task of the development office. Before efficient cultivation or an accurate ask can occur the process of donor and wealth identification must take place. If the process of identification is not completed first, the development office may spend time cultivating or even asking someone who does not have the ability to contribute financially. The development office

must engage in the process of wealth identification to be effective and efficient. This process is often very time consuming but, if done correctly and thoroughly, saves significant time in the long run.

Identifying donors is a combination of art and science. There are definitely specific tasks that can be carried out, but much of the process is intuitive. The most important thing in this entire process is having a development office that always has their eyes and ears tuned to the potential of wealth. Everyone tasked with development must be constantly watching, listening, and evaluating any clues that will tip them off to the wealth of a potential donor. This is probably the most underrated strategy of the process. Many development efforts fail because they do not have people involved who understand the importance of this and who can do it effectively.

Because there is so much “art” involved in the process of identifying major donors the order of activities beyond the first is not incredibly important. It is essential, however, that the first thing the development office does is to gather a comprehensive list of all people connected to the school. The best method for doing this is identifying the different constituent groups and then gathering all names in each group. For most schools the constituent groups are parents, grandparents, students, alumni, family of alumni, vendors, friends, employees, previous employees, and community leaders. This activity will give the development office a data base from which to begin the process of identification. The rest of the process is essentially filtering the list to discover wealth. There are three different phases to the process of the tedious task of discovery.

The first phase is simply hiring a wealth screening company such as Wealth Engine or Wealth Point to screen the list of potential donors for any identifying factors or useful information. This is an important first step but is very limited as to what it will uncover. Because it does not discover a potential donor’s wealth does not mean that the donor is not wealthy. A service like this should be used to discover wealth and not used to eliminate potential donors. This distinction is very important.

The second phase of discovery consists of a number of filtering questions that can be carried out by an assistant in the development office. This is basically a major research project that can be accomplished by a diligent worker. The task is to look at the master list of potential donors and filter each by using the following questions:

1. What is the value of their home? (Zillo.com or a local tax assessor can be helpful in finding this information)
2. Do they own a second home?
3. What is their occupation? (Is it high paying?)
4. What is their income?
5. Do they own their own business?
6. Do they pay full tuition? For multiple students?
7. Do they pay the entire tuition at once at the beginning of the year?
8. What type of car do they drive?
9. Do they serve on a board of a not-for-profit?
10. Do they have a giving history of the school? At what level?
11. Has their giving level to the school increased?
12. Are they giving to other not-for-profits? (Look at other institution’s annual reports.)
13. Do they serve on the board of a foundation?

14. Do they own real estate?
15. Is their family wealthy?
16. Do they vacation regularly? Where?
17. Are their friends wealthy?

The third phase consists of putting together a group of trusted insiders who understand development and have personal knowledge of the list of potential donors. This group (and for efficiency there actually may be more than one group depending on the list) meets together, looking at the information gathered from phase one and two, and discusses the list of potential donors. This is truly an art as a comment from one group member may trigger a memory from another which may trigger a thought from another and so on and so forth. The process is really never finished as each discussion leads to more information which then leads to more research which leads to more discussion. This is an incredibly valuable exercise and produces information that cannot be discovered in any other way except for a discussion between those with intimate knowledge of those on the list.

Each of these phases will be very valuable in the process of identifying the potential major donors to a school. After the data is collected and the constituent groups are sorted and ranked, the process of efficient cultivation can begin. (Cultivation has actually already begun during the previous phases but now, with wealth discovered, the development office can focus its resources on the targeted cultivation of major donors.)

Cultivation is basically the process of connecting people to the school for the purpose of preparing them to give to the school. Some say that effective cultivation requires that the donor be connected to the school at least seven times before they are asked for a donation. It is the role of all who are involved in development to connect potential major donors to the school. It is rare that without cultivation a donor will give what they are capable of giving.

Donors fall in to a number of different categories. In other words, donors give for a variety of different reasons. As described in the book, *The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors*, donors typically are represented by “The Communitarian: Doing good makes sense, The Devout: Doing good is God’s will, The Investor: Doing good is good business, The Socialite: Doing good is fun, The Altruist: Doing good feels right, The Repayer: Doing good in return, and the Dynast: Doing good is a family tradition.” Because of this there is not one universal cultivation strategy. In fact, the most effective development offices have a different strategy for each of its potential major donors. The development office must spend time getting to know its potential major donors and discovering the cultivation method that best fits each one. There are a number of strategies from which to choose and decide whether or not they fit a particular donor:

1. Regularly take them out for a meal and update them about the school (and if appropriate about the campaign.)
2. Visit them at their home or office to give updates.
3. Invite them to school events (meet and greet them when they arrive and be aware of them until they leave.)
4. Send them regular updates about the school and the campaigns via the mail and e-mail.

5. Include them on any mailing list that they will let you. (Getting them information is essential.)
6. Thank them regularly for their gifts, their attendance at school events, and meeting with the development office. (And whatever else you can find to thank them for.)
7. Give them meaningful tokens of thanks. (Pictures, notes, student artwork, etc.)
8. Introduce them to impressive students.
9. Send them thank-you-notes and school updates from students.
10. Invite them to special events or trips outside of the school to thank them and get time alone with them.
11. Find out what aspect of the school “pushes their buttons,” and make sure they interact with it. (Sports, Arts, students, programs, etc.)
12. Give them Christmas gifts and recognize their birthday.

It is essential to remember, however, that not every strategy is appropriate for each potential major donor and any cultivation plan must be tailored to each potential major donor. The important thing is that a plan is in place for each donor and multiple cultivation activities occur between asks for a donation.

I pursued this as my project because my school, like most, has significant financial needs (both capital and annual) and significant untapped development potential. Currently my school is in a capital campaign with a goal of \$13 million and has an annual fund goal of \$400,000. These are both extremely aggressive goals for a school of 500 students (only 80 of them have been attending the school for more than 2 years) in a small rural community. For these campaigns to be successful, I knew that I would need to learn how to thoroughly identify and cultivate major donors. Many of the ideas described here were discovered through the time consuming task of trial and error. Our development office has implemented these strategies and we are much farther along in the process of identifying wealth and cultivating our potential major donors than we were at the beginning of this project. Hopefully this project will benefit others by providing them with some ideas for identifying and cultivating major donors.