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Establishing a Major Gifts Program at Mustard Seed School: Building Partnerships for Sustainability

Moving to the next level

Although Mustard Seed has worked with major individual donors for many years, there has been no cohesive strategy or systematic approach to soliciting major gifts. With a new strategic plan to grow the school to 280 students in four years, advance technology, increase salaries, and make capital improvements, it is clear that a more intentional major gift strategy is needed. This strategy will address stewardship of existing donors, cultivation of new donors, and training for staff and members of the Board of Trustees. Designing a successful major gift program will create long-term sustainability for the program at Mustard Seed School.

History

As a school that values diversity, Mustard Seed School has always relied on partnerships and the generosity of donors to fulfill its mission to serve students of all cultural and economic backgrounds. At all times, at least 50% of students receive need-based financial aid. Mustard Seed School has a full-time Director of Development, a part-time assistant, and a part-time communications coordinator on staff. In addition, the Head of School dedicates 50% of his time to development. The development strategy to raise these funds has moved beyond mail appeals to include individual donor meetings, cultivation events, an annual fundraising banquet, a holiday matching gift campaign for parents, and parent fundraisers that feature children's art. Through these efforts, Mustard Seed School has moved from raising \$300,000 (2005) to raising \$770,000 (2013). Despite this increase, the school awards far more financial aid each year than is raised. This year over 125 students received \$1.3 million in grant aid.

What I did

Each year the Director of Development, the chair of the Development Committee of the Board of Trustees, and the Head of School enumerates the year's development activities, identifies a specific strategy associated with the activity, estimates the

expenses associated with the activity, and the gross and net values of each activity. This becomes the core of the plan for the upcoming fiscal year. During the 2012-2013 year we continued with many of the development events that we had in place but explored new major donor strategies that were not necessarily included in original plan.

The Director of Development and I meet twice weekly to plan, assess, and strategize. These meetings are critical in the execution of the development plan. In addition, the Director of Development and Development Committee Chair meet regularly to evaluate the effectiveness of the plan and make necessary adjustments. Twice a year the chairs of the Board Development and Finance Committees meet with the Head of School, Director of Development, and Director of Finance to plan for the future, give input to the Finance Committee about the annual budget and (starting this year) make a 5-year strategic plan for development. These administrative elements require constant communication between the leaders of the development effort at Mustard Seed. Monthly conversations with our VanLunen consultant, Don Distelberg, were also helpful.

At the annual Board of Trustees retreat in the fall, we hired a consultant to train the board in development work. It was helpful to have an outside voice to inspire the board to become door openers for Mustard Seed. We saw the fruit of this at the annual banquet in the spring. We realized that recruiting new donors and recruiting new board members entailed a similar process. Already a responsibility of board members is to give a significant contribution to Mustard Seed. Of course, this varies with each board member's circumstances. Board members are also encouraged to bring in \$10,000 of additional support.

The most dramatic strategic change to an existing event was the table hosting strategy used at this year's annual banquet. The *Building Futures* banquet venue was upgraded to a highly desirable restaurant with a much larger venue (with amazing views of Manhattan). Changing to a table hosting strategy where board members, parents, and some donors purchased a table and brought guests was very effective. This helped us to nearly double the size of the banquet from 110 people last year to 193 people in attendance this year. Sixty-five of the guests were new prospects and donations from new sources at the banquet amounted to \$26,950. The table hosting system eased the burden on the Development Office because there were not as many people purchasing individual tickets. We also were able to target specific tables for specific audiences. For example, we had a board member invite people from his church, a church with which we had been working to building a relationship. He was able to fill two tables. We also had tables targeted for community members and alumni. The program was changed to be entirely about the school; in times past we have had a guest speaker on an educational topic. This year's speakers included an alumnae and current student as

well as the Head of School. A generous donor was again able to provide an incentive of a \$125,000 matching gift. We were able to match that at the banquet.

Smaller, targeted events were added to the annual plan as the year progressed. These events were not difficult to arrange and they were not expensive. The curator-led tour of the Richard Artschwager exhibit at the Whitney Museum followed by dinner at a local restaurant was very attractive to donors/prospective donors. Our original line-up of donors for the event scheduled in November was outstanding. Though we were thwarted by Hurricane Sandy, we were able to reschedule for a date in January. We were not able to secure as many large donors, but it was a great evening and a time for us to share about the school. It did show us that boutique events were appealing to donors and current donors were willing to fly in for the event and invite associates to come.

Many of Mustard Seed's donors live in Western Michigan and we hosted a small gathering at a the home of donors there. This was a time for me to connect with friends of the school as well as supporters in Grand Rapids. Again, the venue was very desirable – the beautiful home of a prominent person. It was the right venue for the supportive audience.

One of our goals was to build and strengthen relationships with local churches. One school family offered to host a dinner for leaders at their church to get to know the school. Teaching staff as well as the board chair and I spoke about the school.

A final small targeted event was a technology event at school: *Imagine the Future*. A generous family donated money to the school for a new school information system and wanted to find a way to encourage other parents to give. We worked with them to leverage their gift for technology. The targeted audience was parents of students currently at Mustard Seed. We sat with the original donors and constructed a guest list. We worked together to invite people and at the event the donor challenged the others to match his family's gift. Some of these parents significantly increased their giving since they were asked for a specific purpose.

During the year we were more intentional about researching donor prospects and crafting strategies that would fit each prospect. Early in the year we used the wealth identification service, WealthEngine, to help us evaluate our donors in a new way. We moved some people off our prospect list and some people onto the list based on data provided by WealthEngine. This allowed us to use our prospect list more effectively. At least weekly, we examined the list and set deadlines for meeting, contacting, or

otherwise working with a given person on the list. This strategy gave shape to my calendar of events each month as I connected with donors and prospective donors.

Two new systems were added in the last two years. In 2011-2012, we started mailing quarterly newsletters. This has given us a way to report back to donors. It also gave us a quick vehicle to reach donors immediately following Hurricane Sandy. We had a newsletter at the print house and were able to add an insert. It has also given us a way to report on how donations for hurricane relief had helped the school. This year we changed our online giving platform to *Donation Pay*. The platform is much easier and classier than the old PayPal system we were using. It also syncs to social media and allows donors to make recurring gifts. The view of the page looks more like the Mustard Seed website and not a generic donation page.

Part of my time is also spent in maintaining relationships with donors. I call donors who have given a gift of over \$500 to thank them personally. I also call new donors as appropriate. In addition, we have had board members making thank you calls at board meetings. I often email and call major donors to set up meetings and give them recent news about what is happening at school or send them an article or photograph from school that might interest them. We have seen increased giving from the targeted events and the follow up.

What I learned

The most significant thing I learned is that the parent community has been underused in the past. Parents have not been tapped for full donation potential. We found that parents who are enthusiastic about the mission and willing to make large donations are very good spokespeople for the school. At the rescheduled Whitney Museum event in January, the parent donors were articulate about the school and the impact that Mustard Seed has had on their own children and also on the larger community. Some of these parents were also interested in using their gifts to inspire other parents to give. We found that leveraging gifts is a good way to multiply the gift, it honors the donor, and allows for increased parent involvement in the development effort. Smaller, targeted boutique events appeal to major donors and should be part of the ongoing plan. Building these kinds of events into the annual development plan is necessary to expand major giving.

Throughout the annual budgeting process, many parameters that help build the budget are analyzed fairly precisely. We look at enrollment trends and projections. We analyze tuition and staffing needs and salaries. The one aspect of the budget that has not had close scrutiny by the Board is the donations line item in the budget. This year conversations between the Directors of Finance and Development and me have

produced a commitment to putting together a 5-year strategic development plan. In preparing for the development of this plan, we have realized that moving donors from the \$5-\$10,000 donation category into the major donor category of \$15-\$25,000 will be necessary, and this will not happen without personal and strategic attention to these donors.

What has changed and what was challenging

Mustard Seed is an intentional place. At the beginning of this year we established the intention to try new strategies that focused on major gifts. We were bold to ask. We are stewarding and leveraging the gifts. In the future there will be a more intentional strategy to allow parents to become significant donors. Many are willing to give and are waiting for the right moment to be asked. Using the prospect list as a weekly tool for donor strategy is now our practice. The challenge is to faithfully use it, update it along the way, and keep the information on it current.

The biggest challenge this year was the hurricane in the fall. It sidetracked many plans that we had laid at the end of last year. Disaster often produces unexpected blessings and that was the case with Hurricane Sandy. Though the school did not sustain any major damage, families in the community lost much and consequently the request for emergency financial aid increased. Because our newsletter was at the mailhouse and ready to go, we were able to send an extra appeal for funds for financial aid. Overall, this major campaign netted over \$50,000 in unexpected funds--an unintentional major gift effort. Though we certainly do not want a repeat of this event and will not plan on it, the disaster did point out that we have good systems in place to cope with a disaster. We have good writers on staff who were able to put together an appeal very quickly even when communication was difficult. The leadership team was able to communicate effectively with each other and this helped the school to continue to run smoothly. The development plans laid out at the beginning of the year did not suffer because of the storm.

What difference it made

We were able to raise \$90,000 in funds that might not have been raised without a major donor effort this year. We had a successful year for donations and surpassed budgeted donations by \$130,000. The emphasis on development at the board level with the Board of Trustees embracing development as its responsibility was the greatest success of the year. This will have lasting effects on the development planning that Mustard Seed School does in the future.