Major Gift Fundraising: Unlocking the Potential for Smaller Nonprofits

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Introduction

Major gift philanthropy plays a highly significant role in the United States' nonprofit sector and in many other countries around the world. In 2013, Coutts (2014) report that nearly $17bn was given in million dollar (or above) donations in the United States, the highest figure in five years, although there were fewer million dollar donors actively giving than had been the case in the previous year. Higher education continued to account for the highest proportion of major giving, with almost half of 2013's million dollar donations accruing to that cause. It was interesting to note that a significant percentage was also allocated to overseas development, due in no small measure to a grant of $1.8bn from the Gates Foundation to the World Health Organization.

While these figures are impressive, the focus of the majority of research work in this sector tends to focus on publicized giving by the ultra-wealthy to (usually) larger nonprofits. In many countries, for example, gifts of over $1m are now recorded and analysed to provide insight into patterns in such giving. Coutts has led the charge in such work. Academic interest, meanwhile, has largely been targeted at identifying the motives of high value supporters for their giving and determining how, if at all, their motives might vary from lower value supporters. Relatively little academic interest has focused on how gifts of this kind are solicited and the critical factors that should be managed in order to achieve superior performance. Some guidance is available from the excellent and burgeoning professional literature on major gift fundraising, but this is all too often based on individual experiences that may or may not be representative as the sector as a whole. As a consequence it can be difficult to generalize their conclusions and recommendations.

In this report we draw together these disparate strands of literature to identify what the critical success factors might be in the context of major gift fundraising and in particular, what they might be in smaller organizations reporting an income of $10 million or less. We then supplement this data with ten qualitative interviews of leading fundraisers or consultants with experience of smaller fundraising organizations. We employ the resultant data to conduct a survey of such nonprofits to identify their experience with major gifts and offer suggestions for how income from this source might best be developed.

Review of the Major Gift Literature

What Is a Major Gift?

From the outset of our review it was clear that there was no universally accepted definition of what constitutes a major gift. This is seen as a relative concept which is largely dependent on organizational size. Some nonprofits may consider a major gift to be $1000, while others will only accord donations worth $1 million (or more) the same status. Major gifts may take the form of substantial cash contributions, gifts of appreciated securities, art collections, allocations from an individual's estate, etc. Nonprofits may receive these gifts in a variety of forms including "cash," agreed payment plans or through planned giving vehicles such as bequests (Hodge, 2003). In the US, "planned giving" accounts for a significant proportion of major gifts received, particularly for endowments for cultural and educational institutions (Lincoln and Saxton, 2012).

Knowles and Gomes (2009) suggest that major gifts are significantly more than a non-profit's typical donation; representing 10%, 20%, 30% (or more) of the non-profit's annual budget. Determining an appropriate threshold for the label can be achieved by looking at the current donor database to see how many individuals are giving at specific levels (Holman and Sargent, 2006). If for instance, a charity has a significant number of donations at the $1000 level, a few at $2500, and none at $5000, it may be appropriate to set the criteria for a major gift at $5000 for the first three to five years of a program; but it will be important to review this threshold on a regular basis (see Holman and Sargent, 2006).

Eisenstein (2014) argues that major gifts don't have to be six figures to be considered "major. "Rather, she advocates considering the behavior of the top donors in the database (not including corporations and foundations) to determine an appropriate major gift level for a focal organization.

Who is a Major Donor?

A major donor is defined as an individual or family with the potential to make a gift which would have a significant impact on the work of a charitable organization. Unlike businesses and foundations, major donors are not regulated by time frames, restrictive giving policies or committee judgements. They can donate as much as they wish, with little or no bureaucratic strings attached (Sargeant et al., 2002). As major donors will have extensive networks in all walks of life (including in business, political and/or social circles), they can themselves be key to identifying new prospective donors and will have a lot of influence in soliciting these prospects to fund a particular cause. Major donor support can though, on occasion, have its drawbacks, as some philanthropists may wish to exert excessive influence on a charity's programs in a way that might compromise the mission of the organization (Sargeant et al., 2002).

Schervish and Havens (1995) have examined the connections between giving and wealth in the USA. One important contribution of their analysis was to correct the popular misconception that lower-income US households were relatively more generous than upper income households in terms of the percentage of their income given away. The research found that in fact lower and upper-income households were equally generous, whilst very high-income households were markedly more generous. Amongst the wealthy:

> *'virtually all the rich are contributors, they donate very large amounts to charity, and they give greater proportions of their income to charity than the poor or affluent. Fundraisers generally do not need to turn the rich into donors, usually that has already occurred.'*
>
> (Schervish and Havens, p87)

Individuals with major gift potential are likely to demonstrate some of the following factors: Over 55 years of age, married, religious, approaching retirement, have a history of giving and involvement, hold mixed assets, a family foundation, a business and/or inherited wealth (Williams 1991).

There are suggestions though that high value philanthropy has changed in the last few decades. Schervish (2005a) and Kanai (2012) report that a younger generation of wealthy donors are drawn to charitable giving and often take an entrepreneurial, proactive approach to their philanthropy, with more active and intellectual engagement in the causes they care about. Research carried out by the Center on Philanthropy (2010), for example, reported that self-made millionaires/entrepreneurs are more likely to donate major gifts than are those who have inherited wealth and this seems to hold true in times of economic growth. The study suggests that in 2009, the wealthy entrepreneur gave three times as much on average as those whose net worth came from equity in real estate holdings.

Why Do Major Donors Give? Some Research Evidence

Major donors run the spectrum from a person who wants all the grandeur and publicity that a gift can buy, to an anonymous donor who doesn't want their name to be associated with the donation (Fredricks, 2006, p.2). One of the most important factors in major giving is a donor's strong belief in the values and the mission of an organization (Fredricks, 2006; Panas, 2006); major donors are often somehow affiliated with the charity, either directly or through family members/acquaintances. Not of equal importance with the mission of the organization, but ranking high among the factors considered important to make a large donation is the management of the institution (Panas, 2006, p. 41). It seems that powerful (wealthy) individuals are more inclined to give to powerful institutions that they believe are effective and well run. It is interesting to note that Panas's work tells us that organizations are rarely aware of the critical role played by senior management, members of the Board and senior volunteer "peers". In his interviews he determined that nonprofits see the gift as being “all about the cause” when in fact being able to interact with people they respect and admire is a key issue cited by donors. In sum, Panas (2006) believes that donors tend to shy away from “needy” organizations (p.30).

Among many wealthy philanthropists, it appears there is a sense of obligation, responsibility or a sense of duty; they feel they have been lucky and blessed and they need to give away their wealth wisely. Other common reasons for giving by wealthy patrons are a genuine interest in a specific philanthropic program and a feeling that there is a real scope to make a difference. As a consequence Schervish (1997 and 2008) argues that the motives that generate philanthropic giving among the wealthy are for the most part what might prompt the everyday person to give.

> *“What motivates the wealthy is very much what motivates someone at any point along the economic spectrum. Identify any motive that might inspire concern – from heartfelt empathy to self-promotion, from religious obligation to business networking, from passion to prestige, from political philosophy to tax incentives – and some millionaires will make it the cornerstone of their giving.”*
> (Schervish 1997, p67)

Those who hold great wealth and direct it to social purposes also invariably want to shape rather than just support a charitable cause. This tendency is summarized by labelling wealthy big givers ‘hyperagents’ – people capable of establishing the institutional framework in which they and others live. Schervish has also looked at the spiritual foundations of giving by the wealthy, and at the associations and identifications which motivate giving by this group. It was found that the level of contribution depends on the frequency and intensity of participation, volunteering and being asked to contribute, that larger gifts are generated from those already making substantial gifts, and that generally, charitable giving amongst the wealthy derives from the forging of associational and psychological connections between donors and recipients (Ostrander and Schervish 1990.)

> *“Donors contribute the bulk of their charitable dollars to causes from whose services the donors directly benefit. It is not by coincidence that schools, health*

> *organizations and (especially) churches attract so much giving. It is here that donors, because they are also recipients, most identify with the individuals whose needs are being met by the contributions."*
> (Schervish 1993, p87)

Hyperagency does not mean that all wealthy major givers achieve major innovative philanthropic interventions, but they are more likely to than givers in general. Some become proactive producers of philanthropy rather than passive supporters of existing projects or causes and when a wealthy contributor provides a sizeable enough gift the whole agenda of a nonprofit may be changed and the giver can become the director or architect of the work.

Panas's (2006) findings suggest that giving is a habit and if an individual has given a large amount once, there is a good chance that s/he will give again. Panas (2006) also points out that fundraising materials aimed at attracting high value donors often make a reference to the tax deductibility of a major gift (p. 47), however this does not seem to be a significant factor in the decision-making process of a potential major donor and many others concur with that view (Foley 2010; Perry and Schreifels 2014).

In their research, Cermak et al (1994) find that there are four distinct major donor market segments: '*affiliators*' who look for social and business linkages through non-profit activities; '*pragmatists*' who see personal advantages through support of non-profits; '*dynasts*' who are heirs to family affluence and to the tradition of philanthropy; and '*repayers*' who want to reciprocate benefits they or someone close to them received from a non-profit. It is advisable for major gift fundraisers to try and establish which of these four segments a prospect falls into, as an understanding of a donor's motivation will help shape the donor-nonprofit relationship (Panas, 2006).

Further and more recent quantitative evidence on donor motivation is supplied by the collaboration between the Lilly Family School of Philanthropy at Indiana University and Bank of America. In the only large scale survey of high net worth individuals they identify that factors such as being able to make a difference, the desire to give back to the community and a volunteering link to the organization are all key. Table 1 reports the detail of their analysis.

Table 1: High Net Worth Donors Reporting Giving Based on Motivation

Motive	**% Reporting**
Being moved at how a gift can make a difference	74.0
Feeling financially secure	70.8
Support some organizations or causes annually	68.5
An organization is efficient	68.2
Give back to my community	62.0
Volunteering for the organization	53.4
Political/Philosophical beliefs	48.8
Remedy issues affecting me personally	41.7
Religious beliefs	40.3
A need (giving spontaneously)	36.8
Tax benefit	31.7
To set an example to young people	28.3
Being asked	23.0

Source: Bank of America (2014)

It is interesting to note that only 23% of individuals claim to have given because they were asked. Many fundraising practitioners believe that in reality that number may be much higher. Eisenstein (2014) for example, argues that while people do give for a large variety of reasons, including making a difference in the world and wanting to do their part, the most frequent reason they give is because they were asked. (Eisenstein 2014).

The Bank of America study also gathers data in respect of the factors deemed important by donors after a gift had been made. The detail of this analysis is reported in Table 2.

Table 2: Factors Ranked As Important to High Net Worth Households After Making A Charitable Gift

Factor	% Indicating
Spend only an appropriate amount of donation on administration and fundraising expenses.	81.6
Not distribute name to others	78.3
Demonstrate sound business/operational practices	76.2
Honor request for privacy/anonymity	74.9
Acknowledge donations appropriately	74.0
Honor your request for how your gift is used.	62.8
Not ask for more than you can give	45.0
Provide detailed information about organizational effectiveness	36.9
Provide nothing in return	34.8
Provide ongoing communications	32.3
Demonstrate/communicate the specific impact of your gift	29.0
Offer board membership/other volunteer involvement	7.6

Source: Bank of America Study (2014)

Finally the Bank of America (2012) study tells us that philanthropists are prepared to take less risk with their philanthropic investments than they are with their other financial investments. Sargeant and Shang (2012) argue that the competitive advantage of such philanthropy should be that it is capable of assuming risk, where businesses and governments cannot. As a consequence they study the philanthropic risk taking behaviors of 20 elite philanthropists.

It appeared that philanthropists were concerned with their own financial risk, but more concerned with not having the desired impact on the beneficiary group (impact risk). In respect of impact risks, philanthropists tended to term the following types of projects high-risk projects; circumstances where:

a) Outcomes are *hard* to measure
b) Accurate measurements are *hard* to obtain
c) Positive measurements may only show up in a *long*-term time horizon.
d) Outcome measures are not endorsed *homogeneously* by all relevant parties.

In respect of financial risk they consider the following factors in determining the level of risk:

a) How *risk-diverse* is their philanthropic portfolio
b) Where does a particular philanthropic investment lie in their philanthropic profile
c) How *big* is a particular philanthropic investment?

The obvious thing to note from this list is that if philanthropists could be encouraged to view their giving as a portfolio of activities, just as one might one's financial investments, some potentially riskier projects could be included.

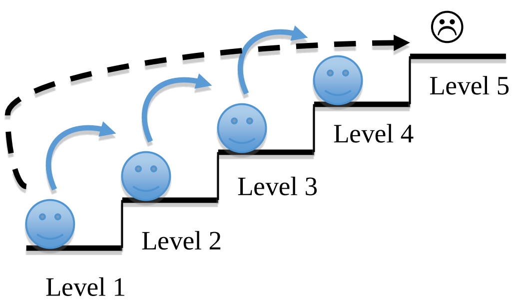
Sargeant and Shang (2012) also found that philanthropists take decisions in part about the risk they are prepared to tolerate by drawing on other life experiences or anchors, even if these are drawn from other contexts where the circumstances and rules of the game are very different. For someone who has been engaged in the world of venture capital in medical research, for example, they will be used to making large investments over significant time horizons where the outcomes may not be known for many years and where the side effects of any new drugs may be hard to quantify. The likely outcomes from their philanthropy may be similarly hard to quantify, and they thus see the impact risk as moderate, but if the size of the investment is significantly smaller and the time horizon shorter than they are used to, they will be inclined to see less financial risk in their giving.

For individuals to improve their philanthropic decision making study participants indicated that they have to be encouraged to step out of their former mindset and to consider philanthropic decisions afresh. Individuals need to be given (or develop) new anchor points appropriate to the sector they will now be working in. This might be achieved through education, but it could also be achieved informally through the establishment of networks that allow philanthropists and development professionals to share experiences and communicate norms.

An alternative approach would be to encourage philanthropists to engage in a greater degree of reflection. The goal here isn't to change the anchor, rather to ensure that the individual *adjusts* correctly. Individuals need to be helped to realize how their (sometimes irrelevant) past experience influences their risk assessment in philanthropy, so they may adjust properly and arrive at a more 'accurate' assessment of the risk at hand.

A third potential approach would to be help philanthropists identify projects that have a better fit with the levels of risk they are comfortably used to taking. Philanthropists can match themselves to the right causes, or the right causes can seek out the right philanthropists. The individual can then be encouraged to take rational small steps out of their comfort zone, rather than immediately jump to something higher. The idea is presented graphically in Figure 1.

Figure 1: An Incremental Approach to the Acceptance of Risk.



Source: Sargeant and Shang (2012)

A more nuanced approach is also possible, by teasing apart impact and financial risk and tackling just one dimension at a time. In most cases it will be difficult to find philanthropists who have worked in domains where the impact risk is higher than would be the case in development philanthropy. In this scenario the best strategy might be to lower the financial risk, keeping the budget well within the donor's comfort zone and then to stretch out the impact risk one step at a time, taking into account how comfortable philanthropists are at each stage.

We earlier suggested that a portfolio approach to individual philanthropy might be helpful. How the elements of that portfolio are framed is also an issue. In their Nobel prize winning work Kahneman and Tversky (1979) tell us that people are most sensitive to changes in probability near the natural boundaries of 0 (impossible) and 1 (certain). Thus, a 0.1 increase in the probability of making a social impact has a greater impact on decisions when it changes the probability of making an impact from zero to 0.1 (from impossibility to a slight chance of making an impact) or from achieving a definite impact to a slight chance of something going wrong (i.e. from 1.0 to 0.9).

Consider the following philanthropic examples. In our first scenario a philanthropist believes there is a 70% chance of an organization achieving a social impact without their help and an 80% chance if she offers it. She will be much less likely to offer her support than in a second scenario where there is a 10% chance of success with her help and none without it.

There was a sense in the study interviews that many new philanthropists were taking decisions in the realm of 0.9 to 1.0 where with the proper metrics they could approach certainty in respect of the outcome they desired to achieve. In other words as we noted earlier some philanthropists engage only when the outcome is certain. There would therefore seem to be an opportunity to focus on the other end of the scale, where there is zero probability of achieving a social impact without a philanthropist's involvement but a small chance of success with it.

To illustrate - one interviewee explained that each and every one of his program ideas had been tried by other organizations before and met with failure. What attracted him was the ability to combine these ideas and have them tackled by a single entity. In aggregate the risk was therefore substantial, but he believed that a multi-faceted approach might work. He was in a unique position to be able to try that approach and thus create something from nothing. That is what ultimately drew him to the project. Theory explains this behavior and suggests that this philanthropist would have been less likely to invest if the previous interventions by other organizations had been met with mixed success.

Finally, Sargeant and Shang argue that to encourage risk, philanthropists should be encouraged to explicitly articulate what would constitute gains and losses in terms of their resources. These resources may include financial, time and/or network resources. Interestingly, they found that the philanthropists in their sample were typically 1) very good at articulating potential loses or gains for their beneficiaries, but not for themselves and 2) very good at articulating potential losses, but not as good at articulating all the potential gains.

In evaluating philanthropic impact, our philanthropists consciously considered social impact as a gain, and the nature of this gain is what concerns them most in their philanthropic involvement. What was less obvious to some philanthropists was that personal impact (i.e. impact on them as an individual) might also be a gain. Most felt that personal gain was not why they entered philanthropy and they stopped their reflection at that point without necessarily asking themselves what utility their philanthropy might bring to them. As selfish as this reflection might seem, the interviews revealed that those who had considered personal gains found much more depth and personal value in their philanthropy, typically reflecting on the meaning of their life as articulated through their giving, the intellectual stimulation of trying to solve difficult and often intractable social problems, and/or the sustained enjoyment derived from developing their competence to contribute to social change.

As obvious as this might sound, the authors found that if philanthropists did not focus consciously on what their giving achieved for them, their potential losses could begin to outweigh their gains. As a consequence they could experience negative emotions and be less accepting of risk in their philanthropy. .

The Role of the Nonprofit Organization

Major gift fundraising is about people and building relationships; it should thus be an organization-wide process that fully involves the leadership of the organization and sees donors as partners in achieving a mission (Cluff, 2009). Many textbooks and reports on major gift fundraising emphasise the importance of the board directors, trustees and senior staff engaging in the entire process (Williams, 1991; Smith, 1997; Institute of Fundraising, 2013). The senior members of a non-profit organization are seen as vital to the identification, cultivation and solicitation of high-level prospects (Sargeant et al., 2002). The creation of a major gift committee is widely recommended where committee members agree to represent the charity to the community, contribute a personal leadership donation and cultivate potential major donor contacts. Such a committee may also be responsible for identifying and researching project ideas for major gift fundraising (Maude, 1997).

A huge part of successfully creating a culture of philanthropy at your organization depends on having engaged and effective board members, who are advocates and leaders for your organization. (Eisenstein, 2014). According to Eisenstein, the Executive Director (or CEO), Development Director, and Board Members each have distinct, yet equally important roles in the fundraising process and should be utilized as such.

Fredricks (2006) warns that it is essential that major gift fundraising be an integral part of the entire fundraising program. It must be closely linked with the direct mail/annual, prospect research, membership, corporation and foundation planned giving, stewardship and volunteer fundraising components. Fredricks provides a useful checklist as to how major gift fundraising can be successfully integrated with the entire development program:

1. *Create and implement a three-to-five year fundraising strategic plan that includes prospect lists, tasks, timelines and goals for each fundraising division.*

2. *Have everyone responsible for fundraising from staff to board members be aware of the strategic plan.*
3. *Revisit the plan and evaluate all components on a yearly basis.*
4. *Have a top official of the development office make decisions regarding proposed assignments.*
5. *Meet twice a month with all fundraising staff to review the progress of each department and to exchange information and ideas about assigned prospects.*
6. *Encourage fundraisers to learn the roles and responsibilities of their co-workers.*
7. *Emphasise teamwork and overall goals, not individual fundraiser's goals.*
8. *Reward fundraising staff for creative fundraising ideas.*
9. *Be flexible to new developments and new projects that take place within your organization.*
10. *Praise everyone when a gift is received.*

(Source: Fredricks, 2006).

The Major Gift Fundraising Process

According to the Institute of Fundraising (2013) there isn't a 'typical' major donor acquisition journey. The Institute suggests that this should be recognized as an important characteristic of major gift fundraising. Although there may not be a magic step-by-step guide to major gift fundraising, the literature indicates that prospect research, cultivation, solicitation strategies and stewardship feature heavily in most major gift fundraising processes. These core elements are reviewed below.

The first point to note is that most authors agree that nascent major gift programs will not produce an overnight return (e.g. Greenfield, 1996). Nonprofits and even smaller nonprofits must be in it for the longer haul. Even when the right projects are designed with a strong fit with donor desires the decision making process can be slow and deliberative. As many major gift donors expect a high return on their investment, they will often seek advice from lawyers, advisory institutions and family before making a final decision as to where their money should go. A common mistake charities make is to stop their cultivation efforts if a donor decision seems to be taking too long (Fredricks, 2006).

It is important to note that major gifts are often associated with capital campaigns, especially by small nonprofits. However, it is important for all nonprofits to incorporate major gifts into their annual fund program, long before contemplating a capital campaign effort. (Eisenstein 2014)

Prospect Research

The purpose of prospect research within major gift fundraising is to maximise the potential of a major donor by collating and managing a variety of information which the fundraiser can use to make their relationship with the major donor as rewarding as possible to both the major donor and the organization (Hart and Greenfield 2006). Major gift fundraising prospects may be identified from a charity's database of existing supporters, from media reports of philanthropists making large gifts to other organizations; from contacts supplied by a charity's governing board and other personal networks and connections; politicians, from expressions of interest by wealthy individuals; or from 'cold' speculative investigations (Bennett, 2011). Fundraisers often don't need to look too far afield for prospective donors, as experience suggests that they tend to be individuals who are already affiliated with the organization or similar organizations (e.g. volunteers, individuals serving on a governing body or charity committees, etc.) (Hodge, 2003).

It is important to start the research process with the people in the focal organization's database. In other words, the search should begin with those people who are already supporters (Eisenstein 2014). Sargeant and Jay (2014) recommend that staff undertaking prospect research should understand the different motives behind charitable giving, recognise wealth indicators and be skilled at locating and analysing relevant, up-to-date, sources of data. Wealth screening from a third party supplier may also be commissioned. Saionz (2012) identifies three things charities need to know about their prospects before cultivating and soliciting them for donations: their passion and priorities, their capacity to give and their affinity and commitment to the organization. There are echoes here of the wider practitioner literature which talks of linkage, ability and interest.

- Linkage – a strong connection between the prospect and the organization
- Ability – the financial wherewithal to contribute a sizeable gift
- Interest – belief in and passion for the cause or project

(Source: Irwin-Wells 2002)

Hodge (2003) believes that the most crucial information is to determine a donor's capacity to give, i.e. both the financial capacity of prospective major donors and the inclination those benefactors may have to make a larger gift to a specific charitable organization. To do this successfully, the development officer needs to carry out extensive research on the prospective benefactor (via public records, direct and indirect interviews with and about the benefactor).

Two asset-related factors that are regularly and positively associated with giving are total wealth and homeownership. However, James and Baker (2012) argue, that the impact of homeownership (when the home represents a relatively large share of net wealth) is sometimes overlooked. Using evidence from the USA and Australia, the authors demonstrate that, among otherwise similar homeowners, as the share of total wealth held in homeownership rises, the likelihood and amount of charitable giving falls. James and Baker (2012) suggest that this result may be driven by issues of liquidity as well as 'mental accounting'. Liquidity relates to the difficulty of converting housing wealth to cash. Mental accounting refers to the idea that people treat different kinds of wealth differently. The authors suggest that individuals may be more willing to donate out of certain types of wealth than others, even where there are no differences in liquidity.

Prospect research models incorporating asset type, in particular housing wealth, may better predict donor potential (James and Baker, 2012). The emotional attachment to one's home could also contribute to explaining why certain tax incentives on charitable donations in the US have failed to attract significant interest. The housing crash in the USA has generated negative effects on charitable donations because of loss of wealth and resulting financial hardships. As people become accustomed to the idea that housing will not always increase in value, there may be less investment in property and a gradual shift in asset allocation may result in increased charitable giving over time (James and Baker, 2012).

Bennett's (2012) research reveals a powerful link between the amount of research completed into a prospects' financial circumstances, attitudes and values and major gift fundraising success, confirming the utility of prospect research. In her work, Cluff (2009) also acknowledges the importance of prospect research, but warns charities that sometimes the most effective way to find out more about a donor and build strong relationships is by getting out and meeting prospects.

Cultivation

Once a prospect has been identified, it is important to cultivate a genuine relationship with that individual so that he or she feels involved and engaged in the life of the organization. In order to engage them successfully, fundraisers need to know the donor's interests and motivations and the role philanthropy plays in their lives (Fredricks, 2006). Cultivation includes educating prospects through information, building awareness of your programs and involving them in the charity. For current donors, cultivation entails building on existing relationships, focusing on programs already of interest or introducing the prospects to other projects (Calhoun and Miller, 2004). During the cultivation process, Calhoun and Miller (2004) recommend that charities encourage prospects to volunteer. This is because volunteering leads to interaction with clients, staff and other volunteers and paves the way for building a stronger bond with the mission of the organization and those it serves.

Major donor status usually means the donor is handled on an individual, personal basis by an “account” manager. Resources need to be focused on those prospects that can be persuaded to make major contributions (Cluff, 2009).

Fredricks (2006) has a useful checklist of common questions major gift donors may ask about a beneficiary:

1. How will their gift be used?
2. How is the project/program being funded currently?
3. Who else is being asked for the gift?
4. Why does the gift have to be made now?
5. Will the project be completed or the program started if the fundraising goal is not met?
6. Have your board members contributed to your organization?
7. How much does the organization spend on fundraising?
8. What percentage of their gift will be spent on the program versus administrative expenses?
9. Have corporations, foundations and government entities been asked to give?
10. Why do you work for the organization?

(Source: Fredricks, 2006)

Fredricks (2006) also warns that major gift fundraisers needs to be prepared to answer all the donor’s questions, address their concerns, be patient, and, yet persistent. The author believes the best major gift fundraisers anticipate the donor’s questions and are ready with answers on meeting or speaking with the prospect donor.

Eisenstein (2014) emphasizes the need for relationship building with prospective donors, and provides a list of questions to ask donors in order to get to know them better, as well as gain a better sense for what they might be interested in giving.

- How did they get involved with your organization originally?

- Why did they decide to start giving, and why do they continue to give?
- Why do they feel your mission is important?
- What do they love about your organization, and what would they like to see improved?
- If they could fix or improve one thing about your community or world, what would it be?

(Source: Eisenstein 2014)

It is often the case that major donors want to fund new work and they want to know exactly how their money is going to be spent. Some of them even want to be involved in shaping the solutions (Cluff, 2009). Charities need to articulate very specifically how major donors' investment in the charity is going to be used and outline what will happen if the money is not raised (Cluff, 2009).

Major donors, especially those with an emerging sense of philanthropy, often want to make "trial" gifts to try out the relationship they might have with the organization. It is possible to build on these first gifts, even within a single campaign (Cluff, 2009). But fundraisers need to be aware that not every wealthy individual has the desire to become a philanthropist. Schervish (2005b) suggests that gift planners are able to recognise whether somebody is a philanthropist by the language they use; those who are more likely to donate will speak of "making a difference" in the lives of others.

The Institute of Fundraising (2013) offers good practice guidelines on its website and advocates informing the prospect donor clearly of the organization's name, identity, legal status, its mission, and purpose at the early stages of the cultivation process. The fundraiser needs to have sufficient material about the organization's work and its impact to give to the prospective donor. Major donor prospects must not be led to believe that their donations will only be used for particular projects where this may not be the case. Similarly, the fundraising materials need to be accurate and correctly reflect the cause and how the solicited funds will be used.

Solicitation

Calhoun and Miller (2004) argue that having a solid case for support and clearly presenting this in fundraising materials, is a chief component of cultivating donors and key to a successful solicitation. How enthusiastic and well prepared the team is will be another deciding factor in how well the solicitation goes. The solicitation process will vary from prospect to prospect and it is recommended that nonprofits decide on a personalised plan for each prospect by reviewing the following questions:

Who is the best person to solicit this prospect?
Is this prospect ready, or is more time needed to cultivate interest?
How much could the prospect give, if properly motivated?
What would motivate the prospect?
Is there something we have in our case that might be especially appealing to this prospect?

(Source: Calhoun and Miller, 2004)

Eisenstein (2014) talks about “the ask” as the most intimidating part of the process for many development directors. She recommends rehearsing and role play prior to making an ask visit and notes that it is important to know, in advance, who will actually make the ask. The solicitation team must also be prepared to respond to the donor regardless of their answer – which will be some version of “yes,” “no,” or “maybe” (Eisenstein 2014).

The Institute of Fundraising (2013) reports that many of those delivering successful major gift fundraising programs do consistently draw up a bespoke development plan for each individual, including detailed personal information, wealth and assets, interests, guidance on how they should be communicated with and cultivated, and potential financial goals. When setting the stage for the solicitation, a charity should prepare a personalised pledge card and an information kit tailored to the individual prospect (Calhoun and Miller, 2004).

Stewardship

Once a donation has been received, charities need to be mindful of how they handle the funds and maintain the donor relationship (Calhoun and Miller, 2004). Good stewardship of funds and donors will affect the amount and frequency of future gifts. Sargeant and Jay (2014) remind charities of the need to ensure that major gift contributions are used to support the cause in accordance with the donor's stipulations. Changing any part of an agreement without the other party's explicit consent would require legal advice as it may go against donor intent. Effective stewardship of a major gift includes a timely report on the use and management of funds. Keeping major donors in the loop if there are potentially serious problems with the cause (for example, the likelihood of significant delays to timetables or real risk of failure to complete), will also be important. The donor should be given an option as to the level and format of communication, and the range of available benefits they wish to receive. (McLaughlin 2006; Greenhoe 2013)

Board Involvement

Major gift fundraising is unique in the degree to which the involvement of senior staff, trustees, high-level volunteers and executive board members is required at every stage of the process we delineate above. The board of directors, trustees and the CEO are key in researching and providing links to high-level prospects, and in the solicitation and cultivation of their peers as both donors and volunteers. The creation of a major gift committee is widely recommended where committee members agree to represent the charity to the community, contribute a personal leadership gift and work to provide and cultivate potential major donor contacts. Such a committee may also be responsible for identifying and researching projects for big gift funding:

> ‘Studies show that strong, committed, informed boards that are involved in resource building make for financially healthy and respected organizations. Weak, inactive boards make for financially troubled and short-lived organizations.’
> (Maude 1997, p24)

Recognizing the pivotal role played by boards Kay Sprinkel Grace (2009) advises organizations to encourage board members to take on one or more of three key roles and that (ideally) a commitment to take on these roles should be sought during an individual’s induction. Board members may become:

Ambassadors – individuals who agree to meet with potential donors or engage in stewardship activities. This may take the form of hosting a dinner, providing a tour of a facility to a prospect and so forth. They are expected to have a strong understanding of the mission, so that they can represent the organization in these social contexts.

Advocates – are individuals who agree (as the label suggests) to advocate for the nonprofit. They may agree to make speeches or presentations to other groups to appraise them of the nonprofit’s work and its impact. They may also advocate to institutional funders and possibly government to seek further support for their organization’s work.

Askers – Individuals who agree to be part of a solicitation team and (usually) to ask a particular prospect for a gift. These individuals will typically be a ‘peer’ to the potential prospect and entirely comfortable in asking for money to support their cause. This tends to be the role that most Boards associate with fundraising, when for Sprinkel Grace it is merely one of the roles that individuals can play in supporting the fundraising function.

The author suggests that Board members should agree to take specific actions, rather than signing up to a category of role per se. Thus if a Board member believes they could make a contribution as an ambassador they would be asked to specify how many dinners they will host, how many meetings, how many tours, etc. The author notes that while Board members may initially sign up for just one role, as they gain confidence they will typically sign up for others. The tool is thus a useful way of framing and developing Board engagement.

The Role of Market Orientation

In our extensive review of the literature we could find no studies that have previously examined the drivers of success in major gift fundraising. We did, however, identify an important body of work on the drivers of aggregated fundraising success. It appears that the level of so called "market orientation" obtained by an organization can have a highly significant impact on performance. We therefore review this literature below.

A market-oriented organization is in essence one that has embraced the marketing concept and successfully operationalized it. Kotler and Clarke (1987) define marketing orientation as follows:

"A marketing orientation holds that the main task of the organization is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing and delivery of appropriate and competitively viable products and services."
Kotler and Clarke (1987, p12)

While this definition makes it clear what market orientation is, it offers little insight into how it might be achieved. Kohli and Jaworski (1990) thus prefer to define it as:

"The generation of appropriate market intelligence pertaining to current and future customer needs, and the relative abilities of competitive entities to satisfy these needs; the integration and dissemination of such intelligence across departments; and the

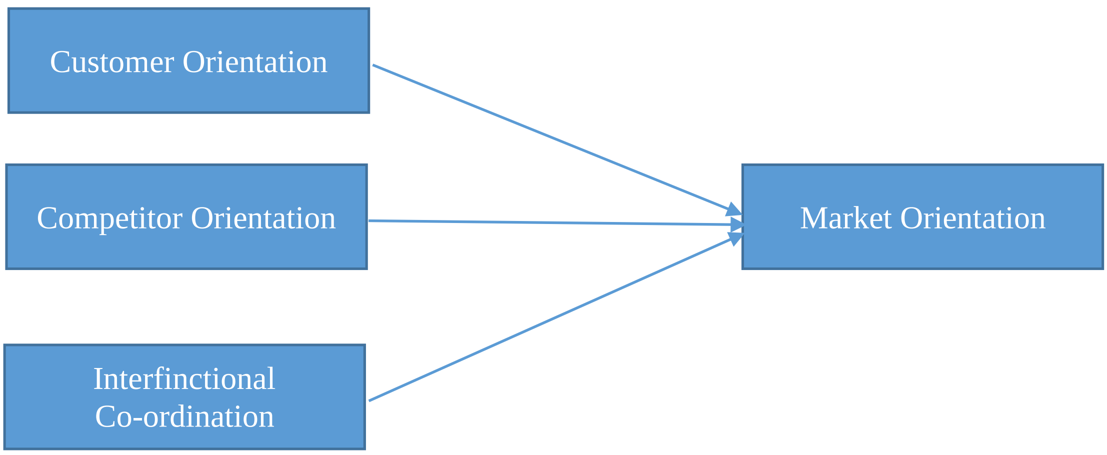
coordinated design and execution of the organization's strategic response to market opportunities."
(Kohli and Jaworski 1990, p1)

Kohli and Jaworski (1990) argue that the marketing concept is mainly a philosophy, an ideal or a policy base. A market-oriented enterprise is therefore seen as one where:

1) A system of garnering market information exists that facilitates knowing actual and future customer needs
2) Diffusion of this market knowledge is made available to all departments
3) The whole organization is receptive to this knowledge and its influence shows in the actions that are taken as a consequence.

Narver and Slater (1990), take an alternative and behavioral perspective. They argue that market orientation consists of three behavior components: as illustrated in Figure 2. We discuss each of these components below.

Figure 2: A Model of Market Orientation



Source: developed from Narver and Slater (1990)

1) Customer orientation

Customer orientation involves the organization in achieving a sufficient understanding of its target markets to be able to create superior value for them. Since in a service environment the creation of value is often highly dependent on the quality of customer interactions with staff, the achievement of a market orientation involves the development of an appropriate set of cultural attitudes that should ultimately permeate the whole organization (Deshpande and Webster 1989). In the context of major gift fundraising this work suggests that all stakeholders should be cognizant of the impact and value of gifts of this nature and be fully aware (and accepting of) the role that they might play in the identification, cultivation and stewardship processes.

A key to sustainability is good management of and relationship building with stakeholders. Most organizations now recognize the need to manage a larger set of stakeholders rather than attending to the needs of owners as perhaps their sole responsibility (Freeman 1984; Freeman et al 2010). Frequently, the marketing team will adopt 'customers' as its most important stakeholder group, but the linkage between stakeholder management and performance is critical and strategically managing relationships with multiple stakeholders is therefore important (Donaldson and Preston 1995). In the major giving context, relationships with donors will be important, but so too will relationships with volunteers, Board members, members of the program team and the wider community in which the nonprofit is based (Panas 2006).

Extant research has shown that higher levels of market orientation lead to higher perceptions among stakeholders of delivered service quality, higher customer satisfaction and higher customer loyalty (Becker and Homburg 1999; Homburg and Pflesser 2000, Kirca et al 2005). It also has a positive influence on job satisfaction, trust in organizational leadership and organization commitment (Kirca et al 2005). All these appear key to the domain of major gifts.

2) Competitor Orientation

In the market orientation literature, developing an understanding of the short-term strengths/weaknesses and long-term capabilities/strategies of competitors is seen as important. This is regarded as essential if the organization is to avoid being overtaken by competitive innovation (Porter 1985). Many wealthy donors elect to support a portfolio of causes and thus in the prospecting stage a rounded picture must be painted of a donor's interests. Campaign planning can then take account of those interests, but also the campaigns of other organizations with whom the focal organization may be in competition with for the donor's attention (Pitman 2004).

Having gathered information about other providers in the market, or key competitors for funding, the next stage is to use it to the organization's own advantage. Profiling competitor strengths and weaknesses can allow an organization to see where its performance lags behind the competition, but it can also highlight areas where it either outperforms the competition, *or has the capacity to do so*. These areas are key, because they could represent a major source of competitive advantage that an organization has over its rivals. For example, if an organization by virtue of its extensive network of volunteers has the potential to be the lowest-cost provider in a given market, this fact needs to be communicated strongly to all potential funders who will undoubtedly be looking for the organization that can make the most effective use of their resources. Similarly, if an organization has the leading researchers working in a particular field on its payroll, this fact should be emphasized to both recipients and funders alike because it has the clear capacity to identify the organization as a market leader and therefore position it as being the most worthy of support.

There are a number of bases that can be used to develop a competitive advantage. These include:

- *Low cost.* The key to the competitive advantage here is the fact that the organization can provide goods/services at a lower cost than their major competitors.

- *Service quality/content.* Some organizations may elect to differentiate the standard of care they provide to donors and/or their recipient groups. They may strive to make the service in some way unique in areas *that are important* to their customers. To be truly sustainable, however, these distinctions in service quality/content should be difficult for competitors to emulate.

- *Access to resources.* As in the example quoted above, many nonprofits possess specialist expertise. This expertise in itself can serve to differentiate the organization from potential competitors in the minds of funders and recipients.

- *Access to recipients.* The channels used to deliver some services may be long and complex. Many organizations working in international development, for example, have developed complex infrastructures which enable them to reach the most needy societies at comparatively short notice if disaster strikes. This flexibility of response can in itself form the basis of a competitive advantage, as speed may be of primary importance to funders and recipients alike.

Of course this list is not exhaustive but it does serve to illustrate one key point. If an organization is not clear about why it is distinctive, neither will its potential funders or the recipients of the goods and services provided.

3) Interfunctional Co-ordination

Interfunctional coordination refers to how the organization utilizes its internal resources in the creation of superior value for its stakeholders. It is important, for example, for opportunities for synergy to be exploited across traditional departmental boundaries and for market intelligence to be shared constructively between all those who stand to benefit. Kohli and Jaworski (1990) suggest that organizations having a high degree of interfunctional co-ordination can be characterized as having:

- a close integration of the marketing function into the organizational structure and strategic planning process;

- a primary identification with the organization as a whole rather than individual departments;

- inter-departmental relations based on cooperation rather than rivalry.

Again, to relate this to the nonprofit domain, it seems clear that success in major giving may be determined at least in part by the willingness of individuals working in other functional departments to engage with the fundraising process. Individuals directly involved in service provision and passionate about their work can be immensely inspiring to potential donors and can make the difference in securing a gift (Joyaux 2011). Success in major gifts is therefore only likely to occur where it is an expectation that fundraising is everyone's responsibility and that all have a role to play in building donor relationships

Market Orientation and Performance

It is important to recognize that the preceding discussion is of more than simply theoretical interest. A succession of studies have now demonstrated links between the extent to which an organization has successfully operationalized the marketing concept (i.e. its degree of market orientation) and its performance relative to others operating in the same sector. It is also important to note that while the majority of these have been conducted in the for-profit context, there is now an emerging body of literature that suggests it is equally well related to many facets of the performance of nonprofit organizations including fundraising performance (Bennett 1998, Raju et al 1995, Kumar et al 1997, Voss and Voss, 2000, Vasquez et al 2001, Padanyi and Gainer 2002).

Antecedents of a Market Orientation

Given its utility, many authors have examined what drives the degree of market orientation attained by an organization. Ruekert (1992), for example saw success as determined by recruiting and selecting customer focused individuals, training those individuals on market orientation and its significance and orienting reward and compensation systems to encourage its development.

In their now classic article, Jaworski and Kohli (1993) posit 8 antecedents:

1) A top management emphasis on achieving a market orientation. Kennedy et al (2002) talk of the need to ensure an unbroken circuit of passionate, sincere, unified and committed leadership 'walking the walk' of customer orientation.*
2) Top management risk aversion, in the sense that they would become more accepting of new approaches
3) The reduction of interdepartmental conflict.
4) The increase of feelings of inter-departmental connectedness*
5) The degree of degree of formalization. Market oriented organizations need greater flexibility to orient themselves around stakeholder needs and wants.
6) The degree of centralization. Market oriented organizations empower staff to manage relationships with stakeholders without the need for being "second-guessed" by management.
7) The degree of departmentalization. Organizations who insist in working in departmental silos will find it impossible to achieve a high degree of market orientation.
8) Reliance on market-based factors for evaluations and rewards (see also Becker and Homburg 1992). Additional interventions include revising job descriptions and revising educational and communication programs to reflect the new approach.*

A recent met-analysis (a statistical analysis of all previous findings on the issue) conducted by Kirca et al (2005) confirms the top three factors as those indicated with asterisks in the list above.

In aggregate we can conclude that senior managers must communicate their commitment to a market orientation to others through behaviors and resource allocations that reflect that commitment. Next, inter-departmental dynamics need to be managed, connectedness needs to be improved and interdepartmental conflict reduced. The third category of interventions is aimed at organization wide systems. Changing structures (less formalization and centralization) and developing more market based reward systems should facilitate the implementation of a market orientation. (Kohli and Jaworski 1990).

Factors Driving Success in Major Gifts

We have now summarized the literature that may be relevant to the domain of major gifts drawing directly on extant research and the burgeoning body of professional literature on the topic. We have also explored the literature around market orientation as our review suggested that this construct might offer some utility in predicting the kind of culture that might be necessary to support all forms of fundraising, but in particular major gifts.

Aside from generic guidance in the professional literature we could find no previous studies that have explicitly explored the determinants of success in major gift fundraising. We therefore decided to supplement our review with a series of ten interviews with experts in major gift fundraising in the domain of small shops. We interviewed a mix of consultants and Directors of Development.

The following broad themes emerged from our discussions.

Clearly Articulated Mission and Case for Support

The professional literature makes much of the need for a strong, clearly identified and differentiated mission that makes the nonprofit stand out in its community. This was echoed in our interviews. Several of our respondents talked about the need for clarity over the need that would be met and gathering data that would inform a series of challenging but tangible goals. The following quotes are illustrative of that discussion

"I would go to more of a marketing perspective. If you're not clear about your mission, then people can't find you. In a sense, the fact that I'm Splash, our whole thing is clean water for kids. Clean water for kids. People can find us because of that."

"If we're serving 10% of the need in our community, I want the board to go on record … that 5 years from now, what is our goal? Is it that we'll be serving 100% of the need, or 25% of the need or something in between?"

"We needed to be able to get people, funders, volunteers, staff, to believe in the dream, and tap into something deeper and bigger than just the mechanics of what we'll be doing today. There has to be a grander vision, but a vision that is measurable too so that everyone understands where we are headed."

The interviews revealed differing perspectives on how to get to that point suggesting that as a fundraising leader or consultant there was a need to encourage Boards to reconnect with the passion that first bought them to the organization and reignite their belief and enthusiasm for what might be achieved. Others highlighted the significance of the issue of achieving consensus between various stakeholders over medium term goals, the direction of travel that would take them there and the case for support that would be used to acquire the requisite resources.

"For me, there's this huge issue of the alignment of our mission case and our business case and how those two things come together, and I think that if those two things that come together, we'd find success with major gifts."

"In fact, one of the things that I often do very intentionally is to affirm our history. The fact that we've served 250 kids, that's good news that demonstrates our capacity to serve and to meet needs. In fact, it's the confidence that we do know what to do that allows us to scale it up."

“Many people have forgotten why they are there. They joined because they felt something, but now it’s become a routine, a duty, almost a chore. If we can get them to feel something again we can transform the vision.”

Donor Centricity

The market orientation literature has already highlighted the need for a focus on the needs of different stakeholder groups. Our interviewees all highlighted the importance of listening to what donors had to say and their vision for what they would like to achieve, rather than what they could help the organization achieve.

“People wind up making choices that reflect their personal values, their deep trust in where the money is going to go, and I think patience is one of the key pieces to that. That's why I say we need to listen people to a place. I want to help listen people down the path of to where suddenly, their deepest belief matches up with this great need in the world.”

“This one other donor turned to her and she said, "You know, I don't give because of your mission. I give because of my mission. What I'm really looking for is a group that can help me meet my mission." I'm telling you, I will never forget that she said that.”

One consultant explicitly talked of the need to look at the experience of giving through the donor’s eyes and to actively reflect on the experiences that the organization might create for them. In the context of major gifts these would by definition be highly personalized ‘extraordinary experiences’ that would accrue in the alignment between what the donor wanted to accomplish and what the nonprofit could reasonably make possible.

Coordination across the Organization

A further key strand of the market orientation literature suggested that successful organizations break down silos to share information between departments and teams. In the domain of major gifts this was felt to be helpful to flag additional individuals who might potentially consider making a gift, but it was also considered essential in identifying appropriate gift opportunities. High performing organizations were seen as those that had an inventory of gift opportunities that could potentially prove attractive to specific high value donors. The point for our interviewees was that the organization needed to be primed to think in this way, so that need could be packaged and presented to donors in a meaningful and appropriate way

“Donors want to feel that they can make a difference to something that they care about, but we’re all different and our passions are all slightly different. We need to do what we can to recognize that and be constantly alerted to projects that may align with donor needs and preferences.”

“Again, it's breaking the solution down into these manageable parts. What we do is on step one is to build a gift chart so that we know what we're looking for. In the example that we're using, if we've got a $5 million problem, we'll say, ‘It's not a million people each giving $50 dollars and it's not 5 people each giving a million dollars.’ We've got to build a gift chart that shows exactly how many gifts of exactly what size are necessary and are possible from this constituency so that we know the biggest gift that we're looking for. Is it $100,000? Is it half a million dollars? Or is it a billion? That becomes a really key part of the process. Again, it's clarity around the size and numbers of gifts and what each gift can meaningfully achieve.”

“Most of the schools where we've been successful originally struggled. For example, most of the staff didn't sign up to be fundraisers. It's only now that heads are starting to build that in to instructor job descriptions.. That does make a difference. Any school essentially now, certainly in half of our schools, any new staff that come on board, that's part of their description, development. Any new board members that come on board, part of their job description is development. That makes a difference.”

“Fund raising can’t be in a silo. Every single staff person including all the program staff have to respect and understand and talk with donors and all that sort of stuff so systems thinking is very much required.”

Leadership

Leadership was a theme that pervaded our interviews. Participants felt that leaders who genuinely understood the needs of their donor (or who were interested in acquiring that knowledge) were essential. It was considered essential that the chief executive would be willing to spend time, energy and resources to make the case for investment in the organization. It was also regarded as essential that s/he would have a knowledge of the process of fundraising and the timescales and returns that were likely to be involved.

While staff were seen as critical to the process, so too were volunteers. Strong volunteer leadership and leadership from individuals who would be considered the peers of donors were similarly regarded as essential.

"The most important thing is the leadership. I think if leadership problems are involved it makes life very, very difficult. I think the importance of leadership and their understanding of the role they need to play in order to make that whole process work would be my primary concern. I think it also ties into leadership, the development of a culture that creates the environment for major gifts to thrive I think would be probably number two."

"I think in the first instance there needs to be an understanding of the process and the time scales which are involved in that process. If you're embarking on a major gifts campaign or even any ... let's talk about a capital campaign. That leader, whether it's a CEO or head teacher or dean or vice principal or whatever it might be, they need to understand that there is a pace of things. That pace could be anything from turning a gift around in three months, depending on the quality of relationship, or it could take 18 months and that within that there is a kind of donor development phasing that takes place and they (have to) lean into it."

"That for me is a key role in leadership because if they don't understand that link, they then become very weak advocates to, first of all, our internal stakeholders, because that's a really important part of leadership. They need to be able to convince staff who may not necessarily understand development. They need to begin to engage with, say, volunteer leadership. They need to also explain that link of the value of development to that group. Then, of course, beyond them they need to be able to articulate that need or the needs that they are meeting to potential donors."

The wider role of the Board was also highlighted as an issue and while it wasn't deemed essential for every Board member to be actively involved in fundraising, it was regarded as essential that everyone played a role in supporting fundraising. The following quotes are illustrative:

"Once we get gratitude right, and this is what I mean about getting board members started on thank you's and such. That's a given, you're expected to be good at gratitude. When you're good at gratitude, lesson number two in my mind, or pillar

number two, is hospitality. That's a warm welcome into your organization or your community or you mission. How you welcome people in.

The third one is integrity, which is; are we doing, are we saying, are we believing these things that are in alignment. Are we transparent with donors, are we honest with donors, who are we as board members, are we always telling the truth?

The fourth one is community, which is kind of bringing all that together - if people are moved through regular experiences of gratitude, this culture of hospitality, if we have integrity, then we're already, these donors start meeting each other and they become excited to be part of a community together that's having these experiences of gratitude of hospitality and integrity. You really just start emanating out from that board of directors. They're the heart of that, right?

I can't picture in my mind a major gifts circle without the board being at the center of that. That culture just kind of permeates, emanates out from that circle. They're right there in the heart of it because they helped grow that culture. Then it makes sense to everybody, as people join the team, join the circle. It all makes sense. There's a hunger and experience of our mission, of our integrity, of our welcome, of our gratitude.

The board's just absolutely the center of it for me."

"In fact we're just about to have our first board meeting of the New Year and I've got some new people coming on, so I'm going to give them the talk in the board meeting next Monday night about expectations for board members. My big belief is that we want people to be on this board and because they're willing to make a stretch. They're willing to make a personal stretch. The kind of thing they have to talk to their partner or their spouse about.

This isn't just something you can write in your checkbook that's a quick choice. If you're going to be on this board of directors, you're going to make some kind of a personal stretch that you need to kind of talk to your family about, and that's both financial but it's also with your social capitol. It's with your time and your personal connections."

Although as we have noted, not everyone need be directly involved in fundraising many of our respondents highlighted the need for at least one, but ideally two fundraising champions on the Board. This was felt particularly necessary when a Board needed help to adjust to more of a development orientation. If this cultural shift could be led by, or championed by a respected individual it was perceived as being much more likely to succeed.

“I think you don't need everybody on your board to be behind fundraising. You just need a couple of people. You don't need every single person in the organization to be supporting what you do, you just need a few champions.”

“I had a couple of champions, if you will, that were helping. That made it a lot easier for me to get people on board to talk about making a bigger gift or talk about including us in their estate. That sort of thing.”

Learning

A final consistent theme to emerge from our interviews was the notion of learning. Successful organizations were those that were seen as willing to learn from others in the sector and willing to invest in the training and development of their professional fundraising staff. In the case of the latter is wasn’t seen as essential that a formal program of learning be undertaken, merely that the individuals take advantage of appropriate opportunities to learn from others in the fundraising community.

“I don’t care if they have no knowledge of fund raising. If they were just put in that job with no knowledge but if they are going to learn, if they are excited about learning. I am working with an organization right now where a young woman is the executive director and she has one or two staff people, that’s it. She is like a dream come true. Anything that I suggest to her, she reads it. She takes notes on everything. She now suggests books to me. She works on the weekends and in the evenings learning.”

“They have to have an enormous appetite for learning. They can’t say what I hear so many fund raisers say. I don’t have time to read. I realize you have children at home but you can’t not read.”

“I mean, I think having been an active member of AFP, I have a built-in community of fund-raisers that, if I have an issue or if I have a question, I have somebody to reach out to. So there's someone who usually will have ... the answer to my question.”

Survey Methodology

The findings from our review of the literature and our qualitative interviews were then integrated into the design of a quantitative survey. The survey was also reviewed by our interviewees and modified in the light of their feedback.

The resulting instrument was administered to the house lists of leading consultants and suppliers to the nonprofit sector. Participants on their lists were invited to participate in the survey and to share the link with others who might have an interest in the findings. The survey was administered digitally over a period of five weeks using the Qualtrics platform

Survey Results

Profile of Respondents

A total of 662 completed questionnaires, from organizations that generated income of under $10 million were received. A breakdown of the size of the organizations in our sample (by income) is provided at Table 3.

Table 3: Profile of Respondents by Income

	Frequency	**Percent**
$5m - $10m	93	14.0
$1m - $4.9m	233	35.2
Under $1m	336	50.8

More than 50 percent of our respondents were working in organizations with budgets under $1 Million.

Table 4 provides a breakdown of the percentage of respondents that were drawn from different categories of nonprofit.

Table 4: Profile of Respondents by Category of Cause

Category	Percent
Human Service	27.8
Education	17.9
Arts and Culture	10.5
Health Services/Medical Research	10.5
Nature/Environmental protection	4.6
Religious and Spiritual	4.3
Public Society – Advocacy Group	2.8
Animal Rights / Animal Welfare	2.5
Sports and recreation	2.5
International development / Emergency relief	1.2
Human Rights	1.1
Other	14.4

Table 5 indicates that the majority of the completed surveys were returned from Directors of Development or Fundraising Officers.

Table 5: Profile of Respondents by Job Role

Title	Percent of Sample
Head of Fundraising / Director of development	44.9
Fundraising Officer / Assistant	11.7
CEO	20.4
Board Chair	2.5
Other	20.6

Respondents were found to have been in their current post for a mean of 5.23 years (median 4 years).

Fundraising Performance

The mean amount of fundraising income generated by these organizations was $1m (standard deviation $1.5m) while the median was $500K. The sources of this donated income are reported in Table 6.

Table 6: Mean Contribution of Each Form of Fundraising to Total Donated Income

Category of Fundraising	Mean %*
Fundraising Events	18.8
Direct Response Fundraising (e.g. direct mail, advertising)	18.7
Grants from Foundations	18.0
Major Gift Fundraising	13.9
Grants from Government	8.5
Corporate Fundraising	7.3
Digital Fundraising (internet, email, social media)	4.6
Bequests and Planned Giving	3.2
United Way	1.8
Other	5.2

* nb – column will not sum to 100% as mean percentages for each item are cited.

It is interesting to note that Giving USA reports corporate donations contributing 5% of the overall income to the nonprofit sector, foundations 15% and bequests 8%; the balance being contributed by individual donors. Our results indicate that smaller nonprofits appear to have a very similar income profile to the sector as a whole, with the notable exception of the contribution of planned and bequest giving, where the percentage is significantly lower.

We then asked respondents how many FTEs were employed in their fundraising team as a whole (not including their ED or CEO). A mean of 2.4 individuals were employed, although this varied significantly by the size of the nonprofit (F = 35.616, Sig .000). The detail of this analysis is presented in Table 7.

Table 7: Number of FTE's Employed in Fundraising

	Mean FTEs
$5m - $10m	5.5
$1m - $4.9m	2.8
Under $1m	1.2

Approximately 59% of the sample (N = 391) were found to be engaged in major gift fundraising although we also found that smaller organizations (of income under $1m) were significantly less likely to engage in major gift fundraising than were the larger organizations in our sample (F = 7.858, Sig .000)

The balance of our analysis now focuses exclusively on those organizations actively involved in major gift fundraising.

These respondents were then asked to indicate what level of gift would be considered a major gift in their organization. The mean donation that would be considered in this way was $24,555, while the median was $5000 and the modal gift $1000. We found that organizations of income greater than $5m reported numbers that were significantly higher than the smaller nonprofits in our sample – $107,000 versus $7,500, respectively.

Respondents were asked how they decided on the value of gift that would categorize it as a major gift. Table 8 indicates that it is usually a function of the judgement of the Director of Development or Head of Fundraising.

Table 8: How $ Value of a Major Gift is Decided

	Number of Organizations	Percent
Professional Judgement of the Director of Development	215	55.6
A Fixed Amount Agreed with our Board	65	16.8
A Multiple of our Average Gift Size	58	15.0
A Percentage of our Overall Charitable Income	9	2.3
Other	40	10.3

Given the high number of 'others' in the above table it is instructive to examine the additional criteria supplied by our respondents. As the reader will appreciate from the list below, a wide variety of criteria are applied.

The wow factor – we are so happy to receive this gift

Guidance from the University foundation

90/10 rule

A percentage of our total budget

Amount agreed between DD and ED

Amount necessary to fund one musician for one concert week;

"Stretch" amount in relation to distribution of donations from non-board donors.

Based on donor giving history

Based on Past History

Based on the average of our gifts over $1000

Based on the current number of "major donors"

Donor analysis and history of giving

ED's experience

Estimated from historical giving

Judgement of CEO

Judgement of Executive Director and manageable portfolio of top donors

Level at which we have capacity to reach out individually
Minimum fund size
Minimum fund size (community foundation)
Our 'high roller" level
Our national office has asked all chapters to set it at this level
President of the organization
Professional judgement of a consultant

The survey then focused on how many fundraisers were engaged in the domain of major gift solicitation. It began by asking how many individuals were employed (at least in part) to work on major gifts. The mean was 2.5, the median 2 and the mode 2. Smaller nonprofits were employing significantly lower numbers of major gift fundraisers than the larger organizations in the sample (F = 25.360, Sig .000). The detail of this analysis is reported in Table 9.

We also gathered data on the proportion of each individual's time that was allocated specifically to work on major gifts. This analysis revealed a rather different picture of the level of commitment to major gift fundraising. Again, smaller organizations were found to be allocating less staff time than larger organizations (F = 61.196, Sig .000)

In interpreting the table it seems, for example, that small organizations with donated income of under $1m have an average of two members of staff engaged in some way with major gifts. When we analyzed the time spent by these individuals though, in aggregate it equated with only 30% of one full time role. When looking at organizations earning $5m – 10m around three members of the team were involved in major gift fundraising, but in aggregate the time spent equated to a little under one FTE.

Table 9: Number of Fundraisers Employed to Work on Major Gifts

	Mean	Mean Total FTEs
$5m - $10m	3.2	0.9
$1m - $4.9m	2.5	0.5
Under $1m	2.1	0.3

We then conducted a similar analysis of volunteers, counting first the number of volunteers who played a role in fundraising and then again the number of FTE's that the time allocated represented. The detail of this analysis is reported in Table 10. No significant differences could be found by size of organization.

Table 10: Number of Volunteers Engaged to Work on Major Gifts

	Mean	Mean Total FTEs
$5m - $10m	5.3	0.4
$1m - $4.9m	4.5	0.3
Under $1m	4.6	0.3

In interpreting the data in Table 10 it appears that around five volunteers are engaged to work in some way on major gift fundraising. Collectively the time spent by these individuals equates to around one third of a full-time role. The results are a little surprising in that they suggest volunteers are only involved in the periphery or perhaps only utilised for specific tasks which don't take up large amounts of time.

Respondents were then asked how many major gift prospects were currently being cultivated by their team as a whole for their first gift. The mean number cited was 24.2, the median was 10 and the mode, 5. Smaller nonprofits were found to be cultivating significantly lower numbers of potential donors than the larger organizations in our sample (F = 9.871, Sig .000). The details of this analysis are presented in Table 11.

Table 11: Number of Donors in Each Stage of Cultivation

	Mean Cultivated for 1st Gift	Mean Stewarded for 2nd and subsequent gift.
$5m - $10m	30.7	52.5
$1m - $4.9m	33.2	45.0
Under $1m	14.0	17.0

The mean number of donors being stewarded and cultivated towards a second and subsequent gift was 33.7, but again significant differences were found between larger and smaller nonprofits (F = 8.786, Sig .000) with smaller nonprofits stewarding an average of only 17 individuals.

We then analysed the workload of members of the fundraising team employed (at least in part) to work on major gifts. It appears that paid members of staff with responsibility for participation in major gift fundraising appear to have a mean of around 20 donors in their portfolio.

We also asked respondents to rate their major gift prospect pipeline – from
1 = we have very few potential prospects, to
10 = we have a great many potential prospects

The mean scores for each income group are reported in Table 12. There were no significant differences in the rating by size of organization. Given the scores are all around the mid-point of the scale fundraisers are clearly ambivalent about this issue.

Table 12: Rating of Major Gift Pipeline

	Mean Rating
$5m - $10m	5.2

$1m - $4.9m	5.5
Under $1m	6.0

We then gathered data on the performance of the major gift fundraising function at each organization. We captured information on the total amount of revenue accruing to the major gift function (in the past financial year), the costs of obtaining these gifts and the number of gifts received. We could then calculate the net revenue and revenue per staff member. The detail of this analysis is reported in Table 13. All measures of performance exhibit significant differences by the size of the nonprofit.

Table 13: Major Gift Fundraising Performance

	Mean Total of Major Gift Revenue	**Mean Number of Gifts**	**Mean Net Revenue**	**Mean Net Revenue per Staff Member**
$5m - $10m	1,183,718	146	1,024,400	406,997
$1m - $4.9m	406,792	43	354,768	155,569
Under $1m	93,934	25	69,964	45,030

Recalling our earlier analysis the median amount classified as a major gift by each category is $5K. If the value of gifts were only $5K at organizations raising $5m-$10m this category would be raising only $730K and not the $1.2m indicated in the table. It seems clear that this category of nonprofit attracts a significant number of gifts higher than the 'standard' definition of a major gift at $5k.

By contrast, when looking at organizations with donated income of under $1m, if the value of all gifts were at the level of the median they would be raising $125K, substantively more than the $94K indicated in the table. It therefore seems clear that this category of nonprofit attracts many major gifts below the 'standard value of $5K.

In aggregate our results suggest that the pattern of major giving varies between the higher and lower end of our sample (by size). They also suggest that smaller organizations may employ a degree of ‘flexibility’ over what will, or will not be, considered as a major gift.

Fundraising Metrics

Table 14 indicates that a wide range of metrics are currently employed to assess the major gift function, although dollars raised and numbers of gifts predominate. It is interesting to note that around one third of organizations claim to be measuring donor satisfaction, either with the quality of service provided to them, or with their perception of the quality of their impact on the cause.

Table 14: Major Gift Fundraising Metrics

Metric	Percent
Dollars raised in revenue	83.0
Number of new gifts	52.9
Donor engagement or commitment	41.3
Gifts size or average gift size	39.1
Success rate in solicitations	31.7
Number of meetings attended with prospects	31.7
Donor satisfaction with the quality of service we provide them with	28.5
Number of solicitations made	27.6
Donor satisfaction with the impact of their gift on the cause	27.2
Return on investment (in past year)	17.6
Number of personalized gift proposals made	17.6

We could find no evidence of a link between the use of particular fundraising metrics and overall fundraising performance.

Fundraising Training and Development

Table 15 paints an encouraging portrait of the state of fundraising training and development in small fundraising shops. Ad hoc, occasional training and online training predominates, but almost half of our respondents claim to have been facilitated to attend local conferences or events. Almost a quarter have attended major fundraising conferences such as the AFP International. Only around 10% have opted for a formal course of study or certification as a CFRE, ACFRE or FAHP.

Table 15: Fundraising Staff Development

Development Activity	**Percent**
Online training tools/webinars	56.4
Ad hoc or occasional training	54.5
Attendance at local conferences	47.4
Mentoring by a member of your organization's team	25.3
Attendance at a major conference (e.g. AFP International)	23.7
Mentoring by an external consultant or fundraiser at another organization	22.4
Support to certify as CFRE, ACFRE or FAHP	11.2
Support to study a formal course on fundraising (e.g. from a local university)	10.6

We explored the correlation between the measures of fundraising performance outlined in our previous section and participation in training and development activities. The items most strongly correlated with fundraising performance measures were as follows:

a) Attendance at a major conference (e.g. AFP International)
b) Support to study a formal course on fundraising
c) Support to certify as CFRE, ACFRE or FAHP

It is interesting to note that these were also forms of training and development less likely to be undertaken.

Fundraising Culture

Respondents were then asked to indicate the degree to which they agreed or disagreed with a series of attitudinal statements, reflecting the earlier interviews we conducted with our sample of fundraising consultants. In the case of each statement respondents were asked to indicate their agreement using a ten point scale where

1 = strongly disagree, and
10 = strongly agree

The results of the analysis are reported in Table 16

It is interesting to note that few respondents claim to have volunteers actively involved in the process of major gift fundraising, a finding which is echoed by our previous calculations of the amount of volunteer time that is currently being applied to the function.

It is also clear that many Boards do not play an active role in fundraising and that the various departments of organizations do not work together as well as they might to facilitate fundraising and/or share information. The mean scores for the implementation of effective IT and the consideration of appropriate gift opportunities are also disappointingly low.

Table 16: Attitudinal Statements

	Mean	SD
We have a clearly articulated mission	8.37	2.71
I feel we have a strong and compelling case for support	7.98	2.24
We have a Chief Executive willing to spend time, energy and resources to make the case for investment in fundraising	7.49	2.75
All our Board members have made gifts in the past year to support the work of the organization	7.27	3.35
We deliver a high quality of service to our supporters	7.10	2.19
Our fundraising team members are empowered to be responsive to donor needs	7.04	2.63
All our members of staff in our organization could clearly articulate our case for support	6.85	2.45
All our stakeholders have a clear understanding of our mission	6.84	2.23
I have one or more fundraising champions (or advocates) I can rely on, on the Board	6.30	2.78
We are always seeking opportunities for meaningful donor involvement (e.g. volunteer opportunities, service on committees, invitations to events).	6.17	2.48
My CEO and Board have a firm grasp of how the process of fundraising works	6.09	2.56
We have dedicated software to assist us in major gift fundraising (e.g. Bloomerang)	6.06	3.24
All members of our board could clearly articulate our case for support	6.03	2.46
I regularly liaise with my peers in other functions to discuss how we can work together to ensure success in fundraising	6.02	2.32
In our organization we take a longer term view on fundraising	6.01	2.58
We have good IT systems in place for managing donor relationships	5.91	2.71
In my organization, everyone understands the concepts of donor loyalty, lifetime value and donor centrism.	5.15	2.73
Organization planning regularly includes consideration of the creation of appropriate gift opportunities	5.11	2.69
The interests and aspirations of our donors (or potential donors is a topic regularly discussed by our senior management and board	5.07	2.83
In our Organization donor stewardship is seen as everyone's responsibility	5.03	2.70
Everyone in my organization understands the key role that they can play in supporting our fundraising	4.90	2.35
Members of our Board are actively involved in fundraising	4.87	2.56
Members of our Board all play a role in facilitating success in our fundraising	4.71	2.65
In our organization we have an inventory of major gift opportunities at each gift level	4.50	2.56
I regularly receive information on potential donors from others in the organization	4.28	2.42
Volunteers are actively involved in the cultivation, solicitation and/or stewardship of major gift prospects	4.21	2.49

What Determines Major Gift Performance?

We then applied the statistical technique of factor analysis to reduce down the list of attitudinal statements to a number of underlying dimensions, or factors. Statements clustered together that were associated with donor centricity, board engagement, the strength and dissemination of the case for support and the provision of effective IT systems to facilitate the management of donor relationships. These underlying factors were then input to a regression analysis with other possible determinants of performance in major gift fundraising. We modelled their impact on the total amount raised from major gifts, the total number of major gifts received, net major gift income, the amount raised per staff member and the amount raised per volunteer. The detail of our models is reported in Tables 17a and 17b.

Table 17a: Regression Models

	Total Income from Major Gifts	Number of Gifts	Net Income
Constant	241131.33**	54.54	216772.88**
	(86112.20)	*(50.43)*	*(85111.26)*
Cultural Factors			
Donor Centricity	6665.54	.09	13443.856
	(7881.47)	*(14.11)*	*(23258.25)*
Strong Case	-8653.78	2.336	-7096.853
	(22991.31)	*(13.362)*	*(22814.761)*
Board Engagement	-531.75	3.431	-63.233
	(24009.39)	*(14.162)*	*(24514.063)*
Good IT	-8908.48	28.221*	-11824.035
	(24009.04	*(13.876)*	*(16375.306)*
Fundraising Management			
Training	37008.35*	-6.826	36656.040*
	(16396.59)	*(9.561)*	*(16375.306)*
Number of FTEs	5420.28**	2.079	2413.53
	(1878.45)	*(1.742)*	*(2848.33)*
Number of Volunteers	-1837.92	.506	-2170.595
	(5340.46)	*(3.150)*	*(5325.001)*
Tenure	-4828.19	6.547*	-1599.730
	(5504.71)	*(3.200)*	*(5536.537)*
Number of Major Gifts Prospects for First Gift	-297.74**	-.130**	-189.189**
	(65.618)	*(.038)*	*(62.288)*
Number of Major Gift Prospects Stewarded after First Gift	2232.30**	.994**	1310.73**
	(388.43)	*(.226)*	*(370.980)*
Rating of Major Gift Pipeline	-13390.81	-6.374	-15284.052
	(9577.67)	*(5.566)*	*(9345.141)*
N	364	364	364
R-Squared	0.181	0.119	0.100
** p<.01			
* p<.05			

Table 17b: Regression Models

	Income per staff member	Income per Volunteer
Constant	122772.74**	204196.811**
	(30512.172)	*(57870.928)*
Cultural Factors		
Donor Centricity	-2212.483	17071.255
	(78495.281)	*(16112.580)*
Strong Case	2978.800	-16692.572
	(8146.52)	*(15451.107)*
Board Engagement	-276.240	9793.047
	(8507.133)	*(16135.059)*
Good IT	976.118	-20715.106
	(8430.600)	*(11019.178)*
Fundraising Management		
Training	9399.871	27015.138**
	(5809.809)	*(11019.178)*
Number of FTEs	-552.441	1145.995
	(665.593)	*(1262.397)*
Number of Volunteers	-717.057	-19216.071**
	(1892.289)	*(3589.012)*
Tenure	-794.875	-6653.752
	(1950.486)	*(3699.390)*
Number of Major Gifts Prospects for First Gift	-89.138**	-76.070
	(23.250)	*(44.098)*
Number of Major Gift Prospects Stewarded after First Gift	649.971**	704.345**
	(137.632)	*(261.040)*
Rating of Major Gift Pipeline	-7041.520*	-4429.628
	(3393.660)	*(6436.588)*
N	364	364
R-Squared	.111	0.141
** p<.01		
* p<.05		

What is immediately striking from the tables is the critical role played by training/education. Training is highlighted as a significant issue in half of the models we ran. We constructed that variable by counting the number of different training/educational opportunities afforded by each organization. In the context of total income from major gifts we found a significant and positive association between training and total income. Each additional form of training is associated with an additional $37K of income.

Other variables impacting the total amount raised would appear to be the number of FTEs employed in the major gift function and the number of major donors being stewarded for a second or subsequent gift. It is interesting to note that the number of prospects being solicited for a first gift has a negative impact on performance, with each additional prospect included in the process reducing the amount of income by $298. This suggests that too great a focus on acquiring new donors can impact negatively on performance, at least in the short term. It is also interesting to note that none of our attitudinal factors were significant drivers of performance, although it is possible that the impact of some of these dimensions may only be felt into the longer term. The degree of donor centricity achieved today, may pay off for the nonprofit in the coming year or years and it may thus not be reflective of past giving.

The regression model for the number of gifts received highlights good IT provision as being a significant factor. The impact of the number of prospects for a first gift and the number of prospects for a second (or subsequent) gift was found to be identical to the earlier model.

Turning then to the regression model explaining the level of net income achieved we can see that training is once again a highly significant factor. So too are the two pipeline variables (i.e. the number of prospects being cultivated for a first gift and the number of donors being cultivated for a second or subsequent gift). Net income is pushed down by having too many individuals in the cultivation process for a first gift, although again, one imagines that in subsequent years this investment might pay off handsomely.

When we modelled the income generated per staff member a similar pattern emerged, although this model also included the fundraiser's rating of their pipeline.

As this too is acquisition focused it reinforces the message that too much of an emphasis on pipeline can be detrimental to short term performance.

In our final model we focused on income per fundraising volunteer and in this case training and development opportunities were again found to be a significant factor. As we would by now expect, the number of donors being stewarded for a second (or subsequent) gift was a significant factor, but so too in this model was the number of volunteers. The involvement of one additional volunteer appears associated with a reduction in ‘income per volunteer’ of $19,000. We believe (from our earlier analysis) that this is merely a function of the small amount of time that each volunteer typically assigns to fundraising. We are looking here at the addition of individuals rather than FTEs per se.

Given that our attitudinal factors were found not to be significant drivers of performance we conducted an additional analysis looking at the correlation between specific items and various measures of performance. In Table 18, for example, we explore correlation with the total income achieved from major gifts

Table 18: Correlation of Attitudinal Statements with Total Income from Major Gifts

	Correlation Co-efficient
Organizational planning regularly includes consideration of the creation of appropriate gift opportunities	.212**
How long have you been working in your current role	.150**
In our organization we have an inventory of major gift opportunities at each gift level	.150**
I regularly liaise with my peers in other functions to discuss how we can work together to secure success in fundraising	.144**
The interests and aspirations of our donors is a topic regularly discussed by our senior management team and Board	.129
Volunteers are actively involved in the cultivation, solicitation and/or stewardship of major gift prospects	.123*
We are always seeking meaningful donor involvement activities	.119*

** p<.01 * p<.05

It appears that individuals who have been in their current role for longer periods are more successful in generating major gift income. The analysis also highlights the importance of planning for major gifts and notably the creation of appropriate gift and involvement opportunities. There also appears to be a correlation between the extent to which volunteers are involved in the major gift process and fundraising success. Given that our earlier analysis highlighted that few organizations had significant numbers of volunteers engaged meaningfully in the process, this represents a significant opportunity for nonprofits to improve their performance.

In Table 19 we conduct a similar analysis in respect of the correlates of net income. While there are many parallels with the analysis in Table 18 it is interesting that issues of empowerment and stewardship are now highlighted. Fundraisers highlighting that they have one or more fundraising champions on the Board also seem to garner higher levels of net income from major gifts.

Table 19: Correlation of Attitudinal Statements with Net Income from Major Gifts

	Correlation Co-efficient
Organizational planning regularly includes consideration of the creation of appropriate gift opportunities	.236**
I regularly liaise with my peers in other functions to discuss how we can work together to secure success in fundraising	.181**
In our organization we have an inventory of major gift opportunities at each gift level	.176**
Volunteers are actively involved in the cultivation, solicitation and/or stewardship of major gift prospects	.167**
How long have you been working in your current role	.164**
I have one or more fundraising Champions (or advocates) I can rely on, on our Board	.157**
How long have you been working in your current role	.150**
The interests and aspirations of our donors is a topic regularly discussed by our senior management team and Board	.145**
In our organization donor stewardship is seen as everyone's responsibility	.131*
Our fundraising team members are empowered to be responsive to donor needs	.120*

** p<.01 * p<.05

A smaller number of variables were found to correlate with the number of major gifts received. As one might expect given the complexity of handling higher numbers of gifts, having good IT systems in place to track and steward relationships appears a significant issue. So too is the notion of 'interfunctional co-ordination' in the sense that organizations who routinely share information and share a responsibility for stewardship across functions, tend to generate a higher number of gifts.

Table 20: Correlation of Attitudinal Statements with Number of Major Gifts Received

	Correlation Co-efficient
We have good It systems in place for managing donor relationships	.133*
We have dedicated software to assist us in major gift fundraising (e.g. Bloomerang)	.123*
In our organization donor stewardship is seen as everyone's responsibility	.119*
I regularly receive information on potential donors from others in the organization	.116*

** p<.01 * p<.05

We then explored the correlates of income per member of (major gift) staff. Individuals who had been in post for longer periods tended to fare better in this regard. Issues of organizational planning are once again highlighted, as is the use of volunteers in various aspects of the major gift process. The results of this analysis are reported in Table 21.

Table 21: Correlation of Attitudinal Statements with Major Gift Income per Staff Member

	Correlation Co-efficient
Organizational planning regularly includes consideration of the creation of appropriate gift opportunities	.179**
I regularly liaise with my peers in other functions to discuss how we can work together to secure success in fundraising	.130*
We are always seeking opportunities for meaningful donor involvement	.115*
Volunteers are actively involved in the cultivation, solicitation and/or stewardship of major gift prospects	.114*
How long have you been working in your current role	.111*
In our organization we have an inventory of major gift opportunities at each gift level	.109*

** p<.01 * p<.05

Finally we conducted a similar analysis of the correlates of income per volunteer. Our results are provided in Table 22. In this case many of the statements that are associated with donor centricity would appear to be correlated with performance. It is also striking that the items relating to planning and the creation of meaningful gift opportunities have pervaded this section of our analysis.

Table 22: Correlation of Attitudinal Statements with Major Gift Income per Volunteer

	Correlation Co-efficient
Organizational planning regularly includes consideration of the creation of appropriate gift opportunities	.161**
In our organization we have an inventory of major gift opportunities at each gift level	.148**
The interests and aspirations of our donors is a topic regularly discussed by our senior management team and Board	.123*
I regularly liaise with my peers in other functions to discuss how we can work together to secure success in fundraising	.115*
In our organization donor stewardship is seen as everyone's responsibility	.114*
In our organization everyone understand the concepts of donor loyalty, lifetime value and donor centrism.	.108*
We are always seeking opportunities for meaningful donor involvement	.104*

** $p<.01$ * $p<.05$

Conclusions and Recommendations

There are number of issues highlighted by our results. Although the wider literature posits that donor centricity, board engagement and a strong case for support will all be significant drivers of performance we can find no quantitative evidence of their impact. Few attitudinal statements and only one of our attitudinal factors appeared correlated with any of our measures of performance.

It is important to stress that there may be a number of reasons for this finding. Firstly, smaller nonprofits seem only to be working with relatively small numbers of donors (a maximum of around 30 in cultivation and 53 in stewardship for a second or subsequent gift). As a consequence they may be drawing on a natural constituency of supporters and have to work less hard at garnering wider community support. It may be that some of the factors we find insignificant in organizations of our focal size become significant when larger donor constituencies are required. Indeed, we found some evidence that the notion of donor centricity was taken more seriously by the larger organizations in our sample. We split the file equally, isolating better performing organizations (by major gift revenue) from organizations with lower patterns of performance and found that the former scored significantly more highly on donor centricity.

It may also be that issues of culture have a longer term impact on the major gift function and are not a good indicator of past giving. Boost donor centricity today, for example, and the gifts associated with that action may not be made for a further 18-24 months. There may thus be a lagged effect. There is some support for this in the market orientation literature where that construct too has been linked with longer term success.

Of the factors that do seem significant, the notion of training and development was key. Our interviewees had highlighted that they felt that learning was an important issue and our quantitative results certainly seem to support that. It is striking that engaging in one additional form of training is associated with an increase in revenue of $37,000. It is also striking that the least widely adopted forms of training and development have the strongest association with performance. Formal educational programmes and certification schemes such as CFRE or ACFRE seem associated with the largest increases in performance. As a caveat, we must be careful here not to imply causality, because it may be that only the better fundraisers are drawn to education and development, but there certainly seems a prima facia case here for greater investment in the development of key personnel. Anecdotally, too many boards of particularly smaller nonprofits worry about the risk of investing in someone who then subsequently decides to leave. Our results suggest that they may do better to worry about the risk of not investing in someone who subsequently decides to stay.

The other big drivers of performance all seem related to issues of pipeline. It seems clear that nonprofits that focus on new donor acquisition will achieve significantly poorer performance in the shorter term than nonprofits who focus on donor renewal and stewardship. In the domain of direct response fundraising this has long been recognized with nonprofits achieving only a return of 50 cents on every dollar invested in media such as direct mail. It makes intuitive sense that the same might hold true in the context of major gifts, but ours is (to our knowledge) the first study to quantify this relationship. Perhaps the greatest learning from this analysis is that Boards need to be sensitive to the balance of activity undertaken and manage their expectations of performance accordingly.

The R^2 results for each of our regressions were relatively low, each model typically explaining between 10 and 20% of the variation in the dependent variable. While respectable models, our results do highlight that a range of other, perhaps organizational specific factors, may be in play.

As a consequence of the lack of significance of our attitudinal factors, we conducted an additional analysis of the correlation between our dependent variables (our measures of performance) and specific attitudinal statements. It was interesting to note here that many of the same variables were highlighted as significant in each case. The issue of tenure is particularly noteworthy here. It appears as though individuals who stay longer in the jobs achieve a higher level of performance on a variety of different measures. Given that turnover rates in the profession of fundraising are known to be high, this suggests that organizations need to do more to retain and develop key staff. This may in part require a reflection on packages of remuneration. While increments to an additional salary may be perceived as a cost, the impact on the major gift fundraising function of losing someone will be noteworthy.

Both our interviews and our quantitative analysis revealed that planning meaningful gift opportunities and donor engagement opportunities was a critical driver of success. It would appear that while donor cultivation is important success will only be garnered by developing the organization's capacity to respond to identified donor interests. Working on 'institutional readiness' for major gifts would therefore seem a smart thing for the Boards of smaller nonprofits to adequately think through.

Having appropriate IT systems in place seems another highly relevant component of institutional readiness. While this did not seem correlated with the absolute amounts raised, it was clearly linked to the number of gifts received. Again, we must be careful not to imply causality. It may be that organizations with better IT facilities fare better in fundraising, or it may be that success in fundraising and the complexity that might generate creates a need for an appropriate IT system to manage it. That said, we suspect that the former scenario is the most likely with an investment in database technology making it much easier to identify prospects and steward relationships with those individuals. Such technology can also play a role in creating an 'institutional memory' that safeguards the nonprofit against the loss of key personnel.

As we look at the results in aggregate we were struck too by the low level of volunteer engagement, both in terms of the absolute number of volunteers involved in some way with the fundraising process and the aggregate amount of time that these individuals contributed to the fundraising function as a whole. Both our interviewees and the results from our correlation analysis suggested that the involvement of volunteers in the fundraising process is essential. Our results suggest that in seeking to improve fundraising performance it would be helpful for nonprofit Boards with a low level of engagement to consider taking part in some form of Board development activity. Many Board members could play a role in facilitating fundraising, but they might also know others in the community whose association with the cause could prove very compelling to other potential supporters.

As we close it should be noted that our findings relate only to smaller nonprofits with income of $10 million or less. It is impossible to speculate on the determinants of success in major gifts in larger nonprofits although our literature review may be instructive. Many of the factors that we find insignificant in our quantitative survey may well play out in other contexts or countries. It would be interesting to extend this work into these different domains and to conduct quantitative comparisons to determine whether different patterns of factors may be at issue.

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