



Association of Fundraising Professionals Fairfield Chapter

Major and Principal Gifts: The “Balancing” Act!

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UCONN
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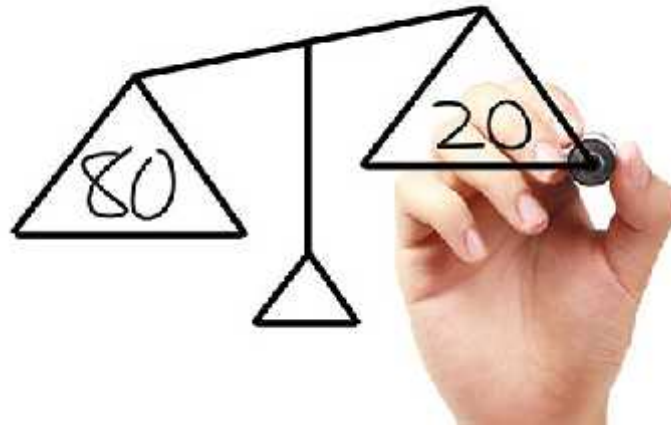
Introduction

If the 80/20 has become the 90/10, or for many of us the 95/5 (or dare I say 99/1), how do we spend our time? As leaders, how does one manage their organization? Where do we invest resources? How do we build an effective pipeline? While this discussion often has us thinking, and working, in circles, we will have a discussion regarding the importance of relationship building, thinking strategically and for the long term, and building a development operation that supports the entire operation, while focused on building a strong and robust major and principal gifts program.

The Rule of 80/20

The Pareto principle (also known as the 80–20 **rule**, the law of the vital few, and the principle of factor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes

In Fundraising, this means on average, 80% of gifts are raised from 20% of the total donors in any given year.



The Rule of 80/20 – AFP Study Findings

The Two Most Enlightening Findings

- The entire Fundraising Effectiveness Project (FEP) report is filled with marvelous insights taken from actual data from thousands of individual donor databases.

First, even stronger than the old 80/20 rule:

- *88% of Gifts Come From 12% of Donors*

Second, as if that was not enough, look what just 3% of the donors provide:

- 76% of Gifts Come From 3% of Donors*

What Can The Findings Mean?

- A single word is used over and over as these findings are discussed with fundraisers and fundraising consultants. The word is FOCUS.
- When so much in the way of revenue can be derived from either 3% or 12% of any donor database, extra focus on identifying and building relationships with both groups is time well spent.
- Just imagine the additional success forthcoming if even better relationships are in place with the 12% providing 88% of the funding already!



Bill Levis, Manager at
Fundraising Effectiveness

How Do We Spend Our Time

Board Members
Principal Gift Donors

Major Gift Donors

Are board members principal (or major) gift donors?
Who are you spending time with?
How big is your caseload?

How Do We Effectively Spend Time

Development is a Contact Sport

How to Choose Relevant Goals



Activity vs. Outcomes and Team vs. Individual



Activity Goals—Individual

- Prospects identified, qualified
- Contacts, visits, invited
- Prospects in each stage of pipeline
- Written strategies
- Solicitations
- Assists
- Dean, volunteer assisted
- Size of solicitations
- Stewardship contacts
- Trustee interactions

Outcome Goals—Individual



- Gifts closed
- Funds raised
- Average gift size
- Conversion rate



Activity Goals—Team

- Prospects identified, qualified
- Referrals
- Prospect pool coverage ratio
- Database entries, call reports
- Written proposals
- Stewardship contacts

Outcome Goals—Team



- Gifts closed
- Funds raised
- Annual fund upgrades
- Donor satisfaction

Establishing appropriate and proper goals for individuals and teams helps to drive activity, purpose, and caseloads

Building the Right Caseload

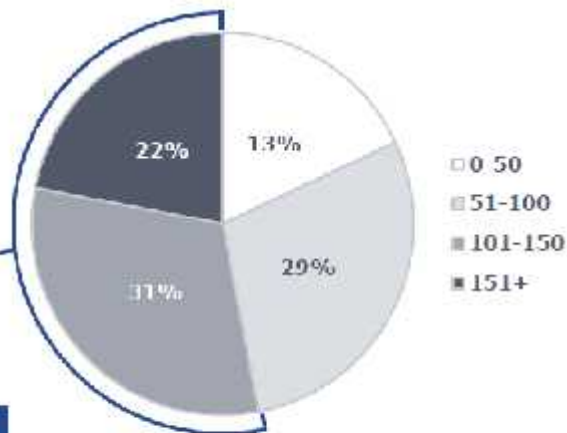
Portfolios Have Become Large and Unmanageable

Dunbar's Number

150

Oxford anthropologist Robin Dunbar determined based on the size of an average human brain that we can maintain stable social relationships with 150 other people

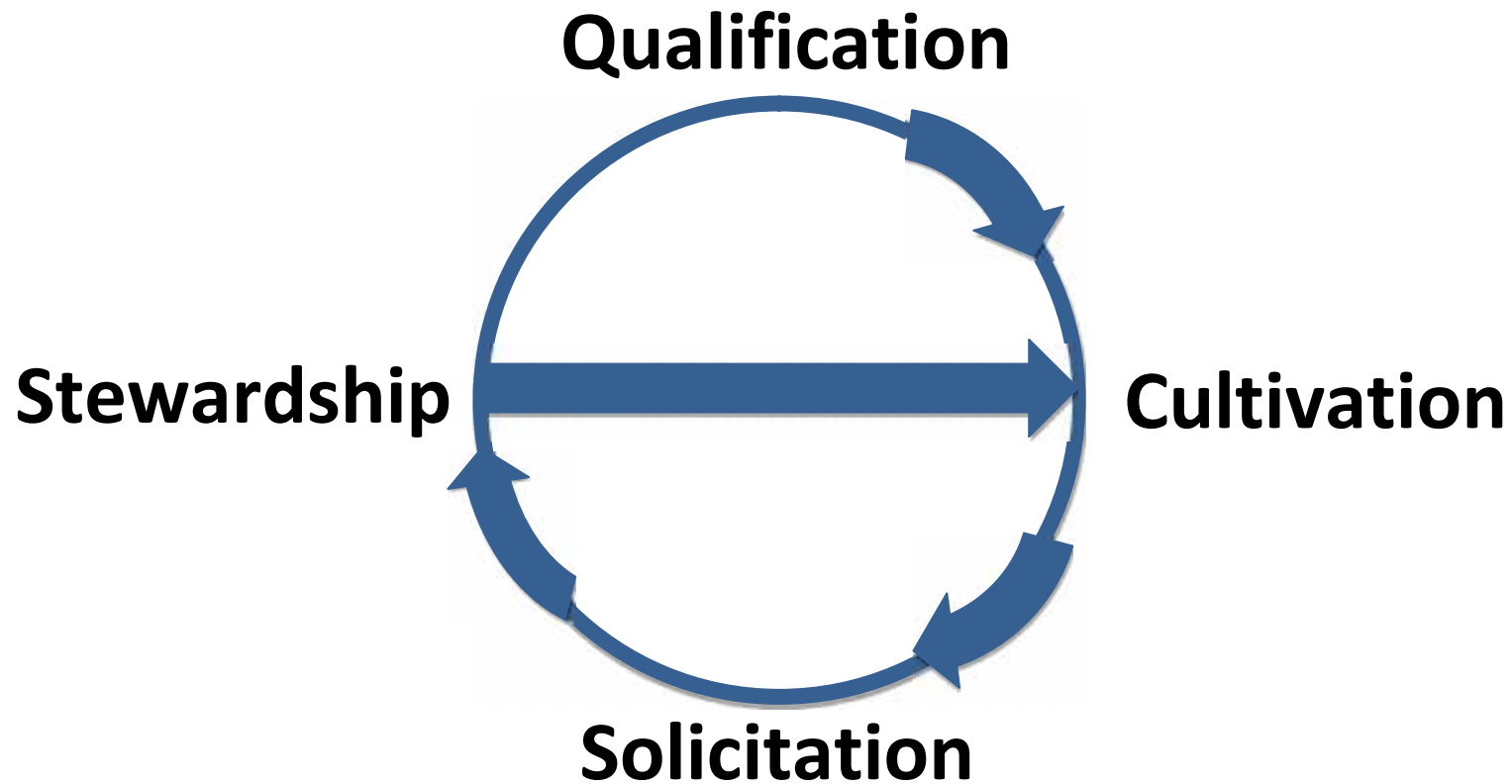
Approximately how many prospective donors are in your fundraising portfolio?
2014 EAB MGO Survey (n = 1,217)



Over half of MGOs have 101+ prospects in their portfolios

All prospects in the portfolio must have a strategy and stage of development, with any planned asks accurately entered in the database pipeline

The Right Mix of Donors



Building the Right Caseload

Staff Type	Rating	Caseload	Qualified	Engagement	Solicitation (RTBA) ¹	Stewardship ³
VP/AVP	\$500K+	50-75	10%	40%	20%	30%
Senior Director	\$100K+	75-100	15%	40%	20%	25%
Director (Constituent)	\$100K+	100-125	15%	40%	20%	25%
Assistant/Associate Director (Constituent) ²	\$25K+	125-150	25%	40%	20%	15%
Director (Regional)	\$100K+	150-175	50%	35%	10%	5%
Assistant/Associate (Regional) ²	\$25K+	175-200	75%	15%	5%	5%

Building Relationships with Donors and Prospects

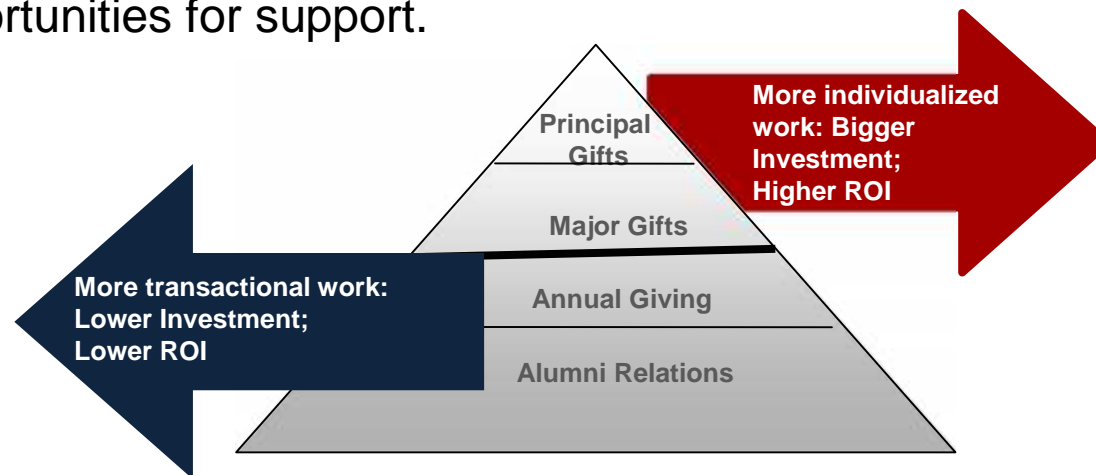


Moving the Fundraising Efforts Forward

- Increase Alumni and Donor Engagement
 - Strengthen Engagement
 - Deepen Relationships
 - Build Connectivity
- Align Fundraising With University Priorities
- Increase Operational Efficiencies
- Enhance External and Internal Communications

A Balanced Approach

Principal and Major Gifts rely on life-long relationships with donors; connecting individual passions to the institution's opportunities for support.



Did You Know... It takes an average of 18.1 “touches” over 2 years to cultivate a first time major gift (of \$25K).

Questions and Answers

Other topics?

Ideas for further discussion?