Yes, They DO Exist!
Attracting Affluent Donors to Invest in Your Cause

Nonprofit Leaders Conference for Coastal & Southwest Washington

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Helping You Move Your Organization Forward

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High Net Worth Donors: The Big Picture as of 2017*

- Annual household income > $200,000
- Net worth greater than $1,000,000
- Civic elders (17%); Boomers (51%); Gen X (14%); Millennials (19%)
- 90% gave (compared with 56% overall)
- Average giving ($29,269) (overall $2,514)
  - Women – 93%
  - African Americans – 92%

*2018 U.S. Trust® Study of High Net Worth Philanthropy

That's Fine, But …

DO WE HAVE ANY HERE?

Coastal & SW WA Households with Income > $200,000

COUNTY	# HOUSEHOLDS
Clallum	872
Clark	9,560
Cowlitz	935
Grays Harbor	561
Jefferson	501
Lewis	450

Source: U.S. Census Bureau, 2017 estimates

Coastal & SW WA Households with Income > $200,000

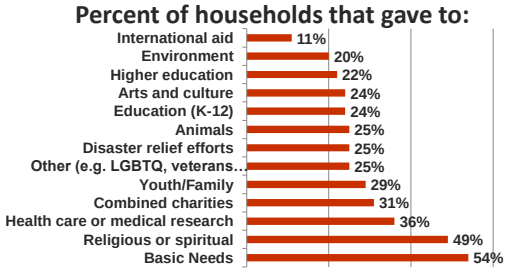
COUNTY	# HOUSEHOLDS
Mason	622
Pacific	105
Pierce	15,329
Skamania	113
Thurston	4780
Wahkiakum	44

Source: U.S. Census Bureau, 2017 estimates

Your Issues

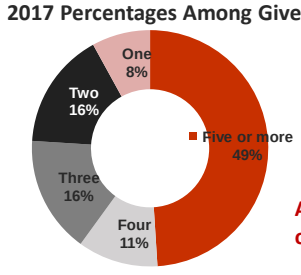
What concerns do you have when it comes to finding, attracting, engaging and soliciting high net worth donors?

Breakdown of HNW Household Giving by Charitable Category



Source: 2018 U.S. Trust ® Study of High Net Worth Philanthropy

Number of Organizations to Which HNW Households Give



Average # organizations

Source: 2018 U.S. Trust ® Study of High Net Worth Philanthropy

Wealthy Households Also Volunteer Generously

Percentage of HNW Households Who:	
Volunteer time and talents to charitable organizations	48%
Women	56%
Men	41%
Hispanic-Americans	60%

Type of Volunteer Activities Provided	
Give Time	71%
Provide skills / leadership	45%
Raise funds	27%
Other, or emergency relief	34%

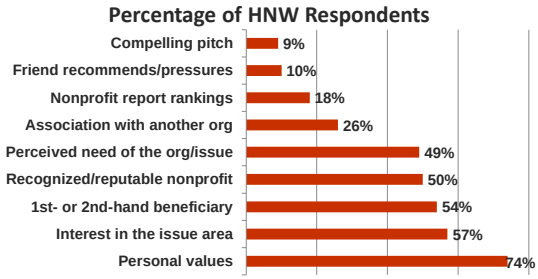
Broaden Your Concept About Where to Find HNW Donors

- Start with your list
- Review others' lists
- Do your research
  - Who has money?
  - Search software
  - Local news sources
  - Attend local/regional events
- Future HNW donors

Understand Your Prospects' Motivations for Giving

- Don't approach from organization or fundraiser's perspective
- Listen!
- Learn what's important to the prospect
- Getting a "No" is good (getting a pledge is better!)

Factors That Influence Decisions to Give to a Cause/Organization



Source: 2018 U.S. Trust® Study of High Net Worth Philanthropy

Use Appropriate (Perhaps Multiple) Avenues of Communication

- Ask
- Ensure you're asking the right person
- Use appropriate communication medium
- Make sure prospects understand your message
- What are you communicating non-verbally about your organization?

Take the Time Necessary to Build Trusting Relationships

- Have you laid the foundation for a large gift?
- Developing the relationship
- Asking too soon - story

Keep Your High Net Worth Donors Close

- Don't lose them through lack of appreciation/stewardship
- Get/keep them involved
- Don't burn them out

Why HNW Donors Stop Giving to Previously Supported Nonprofits

Top Reasons:

- Solicited too often/close together (41%)
- Change in personal giving priorities (25%)
- Change in personal circumstances (21%)
- Organization did not effectively/sufficiently communicate its effectiveness (16%)
- Organization changed leadership, mission, or activities in a way that donor did not want to support (13%)

Most HNW Donors Don't Know If Giving is Having Desired Impact

Is your charitable giving having the impact intended?

Yes	No	Don't know
42%	4%	54%

Source: 2018 U.S. Trust ® Study of High Net Worth Philanthropy

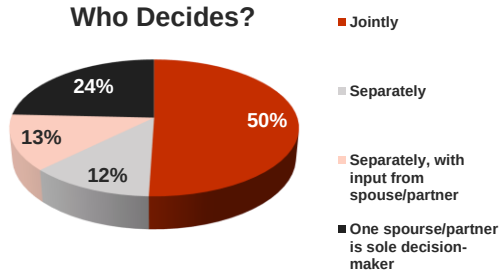
Case Studies: Your Recommendations and Questions

- Timber Company
- Family Foundation

Case Studies of Hard to Reach Donors/Prospects

- Timber Company
- Family Foundation
- Instructions:
  - Break into groups to discuss assigned case
  - What strategies would you recommend to attract, engage, and solicit this donor?
  - Choose someone to report

HNW Household Charitable Decision-Making Roles



Source: 2018 U.S. Trust ® Study of High Net Worth Philanthropy

Concluding Remarks

Thank You!

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Case Studies Featuring
"Hard to Reach" Donors and Prospects

Prepared for the
2019 Nonprofit Leaders Conference for
Coastal & Southwest Washington

CASE #1: Northwest Timber Company

You run a local nonprofit organization that provides a wide range of mental health services, including counseling and treatment for addictions to alcohol, opioids, and other substances. Many of your clients used to work in the timber industry and are now struggling to find employment or to keep their jobs.

You know that the timber industry was "big" in this region a generation or two ago. But, in recent times, many of the jobs have disappeared. Still, you see billboards for a few timber companies as you drive around the county. Northwest Timber Company's billboards claim that they own and sustainably manage large tracks of the land in your county. So, they must have substantial resources, right? At this point, you have no idea.

You have tried several times to contact Northwest Timber Company to learn whether it makes sense for you to pursue a grant from the company. You've been unable to get through to anyone at Northwest Timber who knows about the company's giving priorities. You wonder if it makes sense to contact the company's executives or owners. Yet, you're having trouble finding out who they are. Where can you get the information you need to determine who to pursue, how much to ask for, and whether it's worth your efforts? What are some strategies you might use to find, attract, engage, and solicit the right decision-makers at Northwest Timber?

Case #2 is on the back of this page

CASE #2: Local Family Foundation

You run a food bank that serves families from within a three-county area. Located in an economically depressed area, your food bank is struggling to keep up with the growing need, especially for fresh vegetables, fruit, and dairy products that children need in order to grow and flourish.

Your current building is way too small, and your refrigeration equipment has far-exceeded its life expectancy. You would need to raise at least $2 million to expand your space and equip it with a new, larger cold storage area.

There's only one family in town that you know has the resources necessary to make a gift of that size. They have a large family foundation, with three generations represented on the board of trustees. Over the years, you've seen one of the foundation's trustees (a local realtor) arrange multi-million grants to support a private school and a hospital in the area. His wife is the principal at a local public school.

You have met with the realtor a couple of times to explain the food bank's situation and to ask for his support. Both times, he insisted that his family's foundation focuses on education and health care, and that they do not support social services and "handouts to the unemployed."

At this point, what might you do to attract and successfully solicit a grant from this realtor's family foundation?

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SOME HELPFUL RESOURCES

RESEARCH AND RECOMMENDATIONS

Ahern, Tom, ***What Your Donors Want … and Why!***, Emerson & Church Publishers, First edition (2017), available from amazon.com.

Bank of America, ***The 2018 U.S. Trust Study of High Net-Worth Philanthropy: Portraits of Generosity***, conducted in partnership with the Indiana University Lilly Family School of Philanthropy, https://ustrustaem.fs.ml.com/content/dam/ust/articles/pdf/2018-HNW-Philanthropy-Study-Full-Report.pdf

Bloomerang, online summary of Adrian Sargeant's 7 Principles of Donor Loyalty, https://bloomerang.co/blog/dr-adrian-sargeants-7-principles-of-donor-loyalty/

Burk, Penelope, ***Donor-Centered Fundraising, Second Edition***, Cygnus Applied Research, Inc. (2018), available from amazon.com.

Dilenschneider, Colleen, What Ultra Wealthy Donors Consider Before Supporting a Nonprofit (DATA) (2019), https://www.colleendilen.com/2015/12/16/what-ultra-wealthy-donors-consider-before-supporting-a-nonprofit-data/

Di Mento, Maria, 5 Smart Fundraising Tips From Wealthy Donors, The Chronicle of Philanthropy (2017), https://www.philanthropy.com/article/5-Smart-Fundraising-Tips-From/241115

Garecht, Joe, 4 Keys to Building Relationships with Major Donors, The Fundraising Authority (2016), http://www.thefundraisingauthority.com/donor-cultivation/building-relationships-major-donors/

Perry, Gail, 5 Ways to Get a Meeting With Your Major Donors, Fired Up Fundraising (2019), https://www.gailperry.com/16-ways-get-meeting-major-gift-prospect/

Perry, Richard and Jeff Schreifels, Small Organizations: Where Do You Find Major Donors?, Veritus Group (2019), https://veritusgroup.com/small-organizations-where-do-you-find-major-donors-part-1-of-2/

Sargeant, Adrian and Elaine Jay, ***Building Donor Loyalty: The Fundraiser's Guide to Increasing Lifetime Value***, Jossey-Bass (2007), available from amazon.com.

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PLACES TO FIND HIGH NET WORTH DONORS AND PROSPECTS

Your own mailing list! For a great overview about developing prospect profiles from your own list using wealth screening tools and publicly available information, see Marc A. Pitman's (The Fundraising Coach) article: https://fundraisingcoach.com/2014/03/11/donor-research-7-tools-creating-prospect-profile/

Local business groups/associations (e.g. Chambers of Commerce, economic development associations, industry-specific associations); service Clubs (e.g. Rotary, Junior League, Kiwanis, Lions, Soroptomist, etc.); yacht clubs; special interest associations (e.g. historical societies, chess clubs, health clubs, etc.). Speak or join: better yet, get involved!

Foundation Directory Online

Other organization's donor recognition displays, newsletters, and events.

DONOR/CUSTOMER RELATIONS MANAGEMENT SYSTEMS

Why you need one: https://www.thebalancesmb.com/donor-management-technology-and-fundraising-2502031

For a comparison of all available systems: https://www.capterra.com/sem-compare/fundraising-software?utm_source=bing&utm_medium=cpc

For excellent advice in choosing: https://trust.guidestar.org/five-top-nonprofit-crm-software-features-and-how-to-use-them

Additional advice: https://nonprofithub.org/volunteer-management/finding-right-donor-database-nonprofit/

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