

FundraisingMatters

We Share Your Passion!

RECENT NEWS

The February 23 issue of *The Chronicle of Philanthropy* featured a story on the fundraising efforts of *St. Jude Children's Research Hospital*.

In addition to the tremendous amount of funds raised annually (\$698 million in 2011), *St. Jude's* has a flourishing bequest program. **In less than two decades**, bequests have grown from less than \$3 million to \$100 million annually. According to Robert F. Sharpe, consultant, only the *Salvation Army* is raising more funds annually through bequests than *St. Jude's*.

An active bequest program that is constantly reaching out to your most frequent donors will pay dividends to your organization today and forever.

The return on this investment will be significant.



Association for Healthcare Philanthropy reported from a benchmark study from 120 hospitals/medical centers. The cost of raising money ranges from 28% to 30% (in other words, cents per dollar) with 35% maximum fundraising expenses allowed by the *BBB Wise Giving Alliance*.



Our first issue introduced Major Gifts (Rules of Thumb). We'd like to elaborate on Rule #1 – "Don't judge a donor by his or her appearance," with the following article on Oseola McCarty...

We hear this comment often. It was enhanced significantly by the outstanding book, *The Millionaire Next Door*, by Thomas J. Stanley, PhD. and William D. Danko, PhD.

Recently, I saw a reference to Osceola McCarty. If you don't remember, Ms. McCarty a lifetime laundress from Jackson, Mississippi, made an amazing gift to the *University of Southern Mississippi (USM)* in 1995 to support scholarship opportunities for African-American women. Her gift of \$150,000 set the world on edge. She was honored by President Clinton and received honorary doctorates including one from *Harvard University*. She was lauded by corporate CEOs across the country.

Her donation did more for the significance of philanthropy than gifts far greater than \$150,000. Her story was special as she donated much of what she had accumulated, and to a school that in her time did not allow African-Americans to attend.

This March will be the 15th anniversary of Ms. McCarty's visit as the guest of honor for the inaugural *Franciscan Philanthropy Day Celebration* of the *Franciscan Sisters of the Poor Health System of the Ohio Valley* (Cincinnati, Dayton and Hamilton, Ohio).

As their senior Vice President of Development, we established a special day to honor and recognize the hundreds of donors to all of our Franciscan organizations. Ms McCarty's story had just become public. Our planning committee felt that she would be an amazing example of philanthropy and certainly enhance our first celebration. I was able to track her down through the USM PR and Development department, which as I found out, began to handle the many requests across the country that she was now receiving.

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She traveled to our event with the Assistant to the USM President. When we announced her appearance, we were besieged by requests to attend the event as well as requests to honor her. Ultimately we set up meeting with *Proctor and Gamble* (creators of *Tide*, her detergent of choice). They gave her a behind the scenes tour of the factories, and she received a lifetime supply of the product.

We brought her into the hall (more than 500 people were in attendance) after everyone had been seated. As she walked in from the back, the guests rose and gave her a standing ovation that lasted for several minutes. Guests shared with us that just her presence made them feel special.

A variety of stories were told, many thank yous were shared and our *Franciscan Sisters* talked about how philanthropy makes a difference in their mission. After we presented a video, prepared by USM about the gift and her life, Ms McCarty, shared a few words. That was it. We knew that she was not comfortable in speaking to large groups. We just wanted her to be in our presence! **It was a great day. Ultimately her visit with us was her only one in Ohio.** Ms. McCarty passed away two years later in September 1999.

Unlike the *Philanthropy Day celebration* that many cities hold, we wanted to create our own event that shared our appreciation to all of our donors regardless of the size of their gift. The next year, our special guest was Cincinnati legend Oscar Robertson, NBA Hall of Fame Basketball Player who, was honored for many of his charitable works and for the courageous act of donating a kidney to his teenage daughter.



For more information or questions about creating your own Philanthropy Day event please contact us at (614) 238-3390. Ms. McCarty's book, *Simple Wisdom for Rich Living*, is available at www.amazon.com.

Connecting With Donors

In order to strengthen your relationship with your major donors, the following information highlights what we believe and what donors have told us is important to them. What do you think?

What donors want out of their relationship?

- Access to information about what you do/organization does
- Affirmation that their giving makes a difference
- Access to people/contact with boards, leadership
- Less talk about the organization and more about donor's impact on mission
- At time less direct contact but want to receive special information about your organization

Donor Motivations

- Donors want to feel appreciated
- Donors want to make a difference
- Donors want to belong, ask for their input

Grant Writing Update

A new study by the Association of Healthcare Philanthropy (AHP) reported that small and midsize private foundations gave on average a larger share of their assets in 2011 compared with their bigger counterparts. They also reported a marked increase in their 2011 grantmaking compared to their 2010 levels.

This information bodes well for local charities where funding from smaller foundations is often local or regional.

- Giving to health increased from 5.5 % to 6.2%
- Giving to arts and culture increased from 8.5% to 11.3%
- Giving to human services increased from 9.6% to 10.7%

These good signs point to increasing your grant activity and developing relationships with your local and regional foundations.

— Lisa Kaufman, Senior Consultant, DVA
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St. Joseph's Hospital Foundation Buckhannon, WV

Patricia Lake, Executive Director of the Foundation recently introduced her inaugural foundation newsletter, *Our Mission Matters*. It outlines important hospital initiatives and gives updates on St. Joseph's Foundation programs and fundraising events currently in the works for the Buckhannon community.

Major Gifts (Rules of Thumb)

Additional tips to those listed in our first issue

How much to ask for – To determine how much to ask of an individual who has given consistently over time, multiply his/her average annual gift size times four. Then multiply that amount by five to estimate the total possible pledge over a five-year period. **Increase that figure based on the interest and connection your donor may have with the project.**

It takes 100 or more prospects – In any major gift effort, at least 100 top prospects should be identified to build a strong program. The amount of each gift varies depending on the size of the organization and capabilities of donors.

Capital campaign gifts – As much as 90 percent of your capital campaign goal will come from as few as 10 percent of your major gift prospect pool. **As you know it used to be an 80/20 rule.**

Capital campaign breakdown – One long-held rule suggests that the first 10 gifts must produce one-third of the campaign goal, the next 100 gifts must produce another third of the goal and the remaining gifts the final third. **It is so important to secure these large gifts early in the campaign.**

Donors like running with a winner – Most major gift donors prefer being associated with a winning cause rather than bailing out one that may not survive. **Keep your key donors informed of exciting things occurring that you know interests them.**

— From "28 Major Gift Rules of Thumb" Stevenson Inc.

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