



Mechanisms of Action

Three strategies to connect with your donors and inspire big gifts.

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Agenda

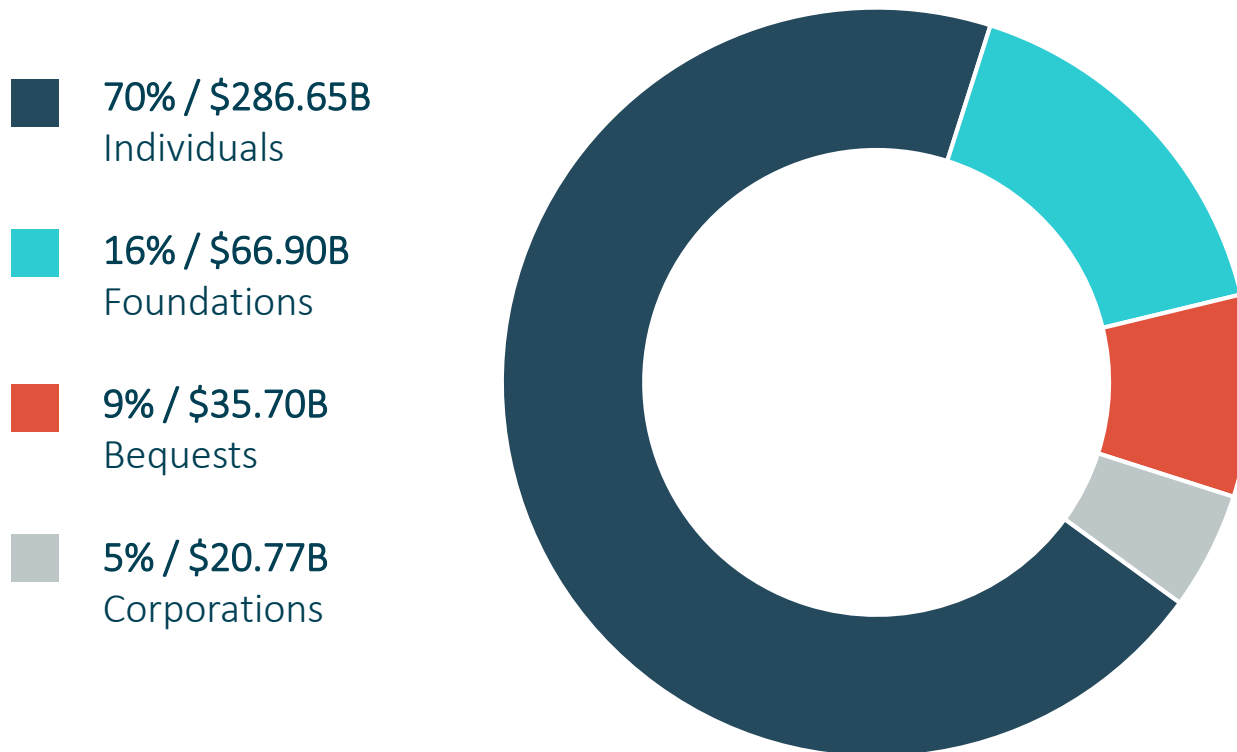
1. Current Trends
2. Why People Give
3. Strategies
4. Discussion

Section 1

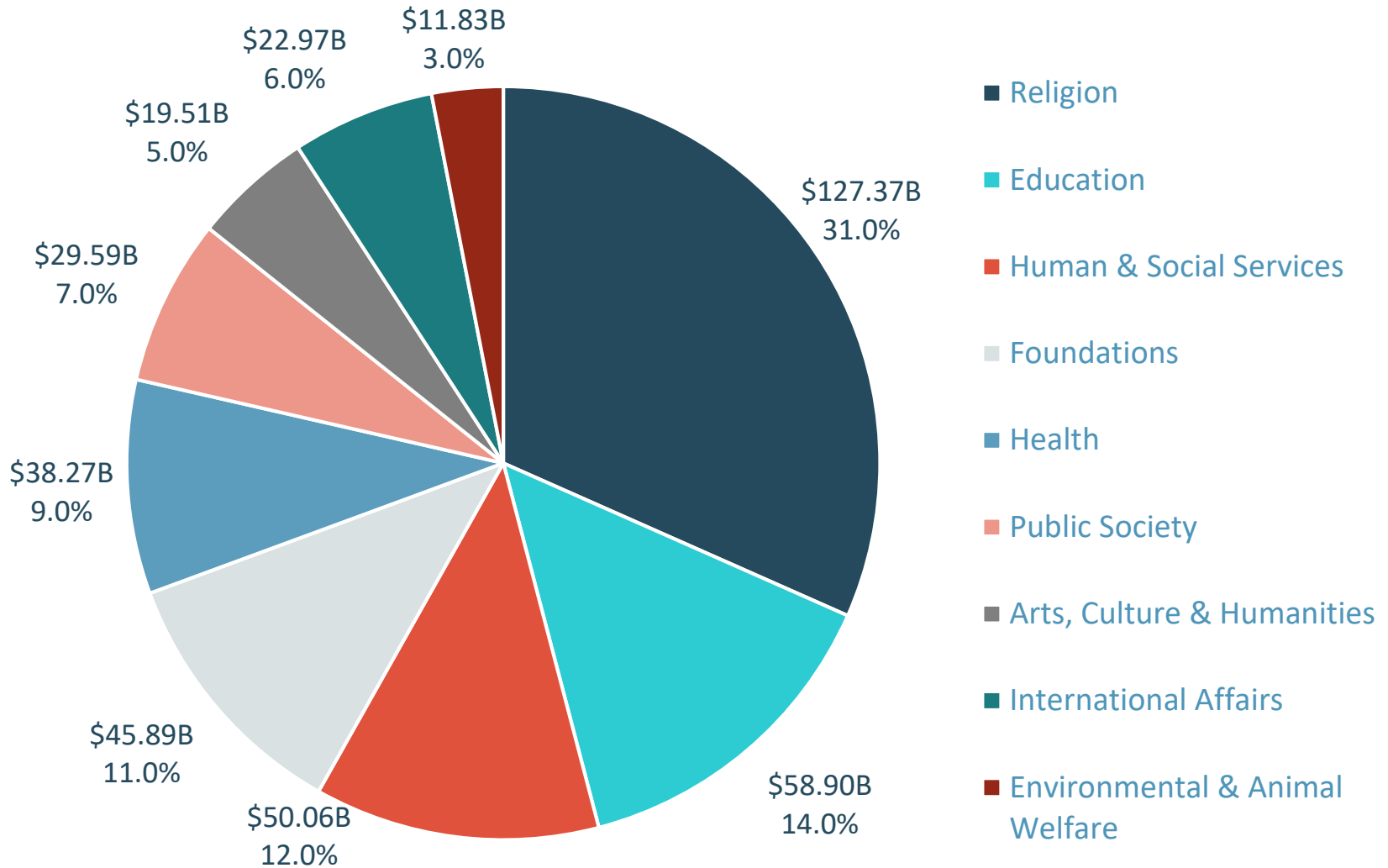
Current Trends

Last Year, Americans Gave \$410.02 Billion!*

*For the first time ever, charitable giving exceeded the \$400 billion mark!

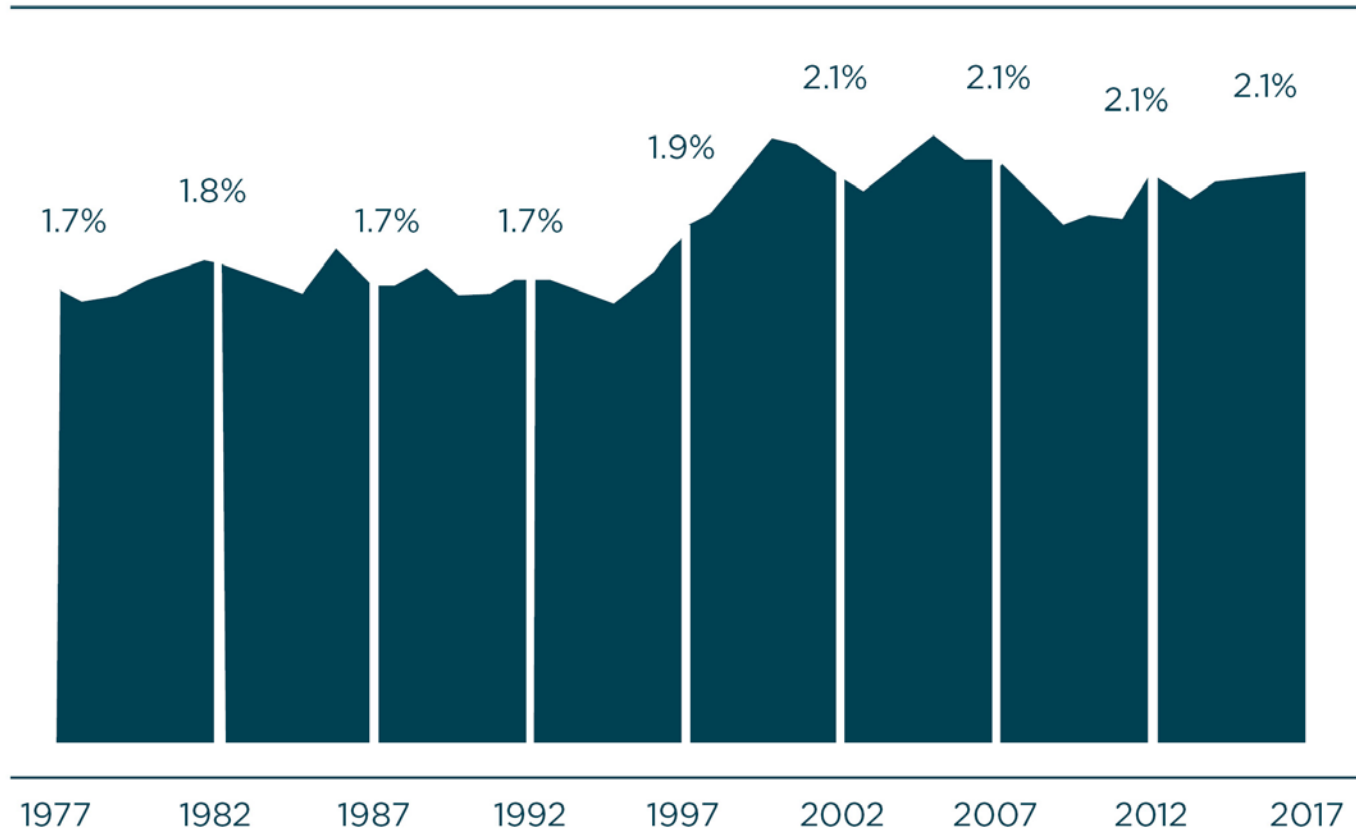


Overall Distribution Remains Steady

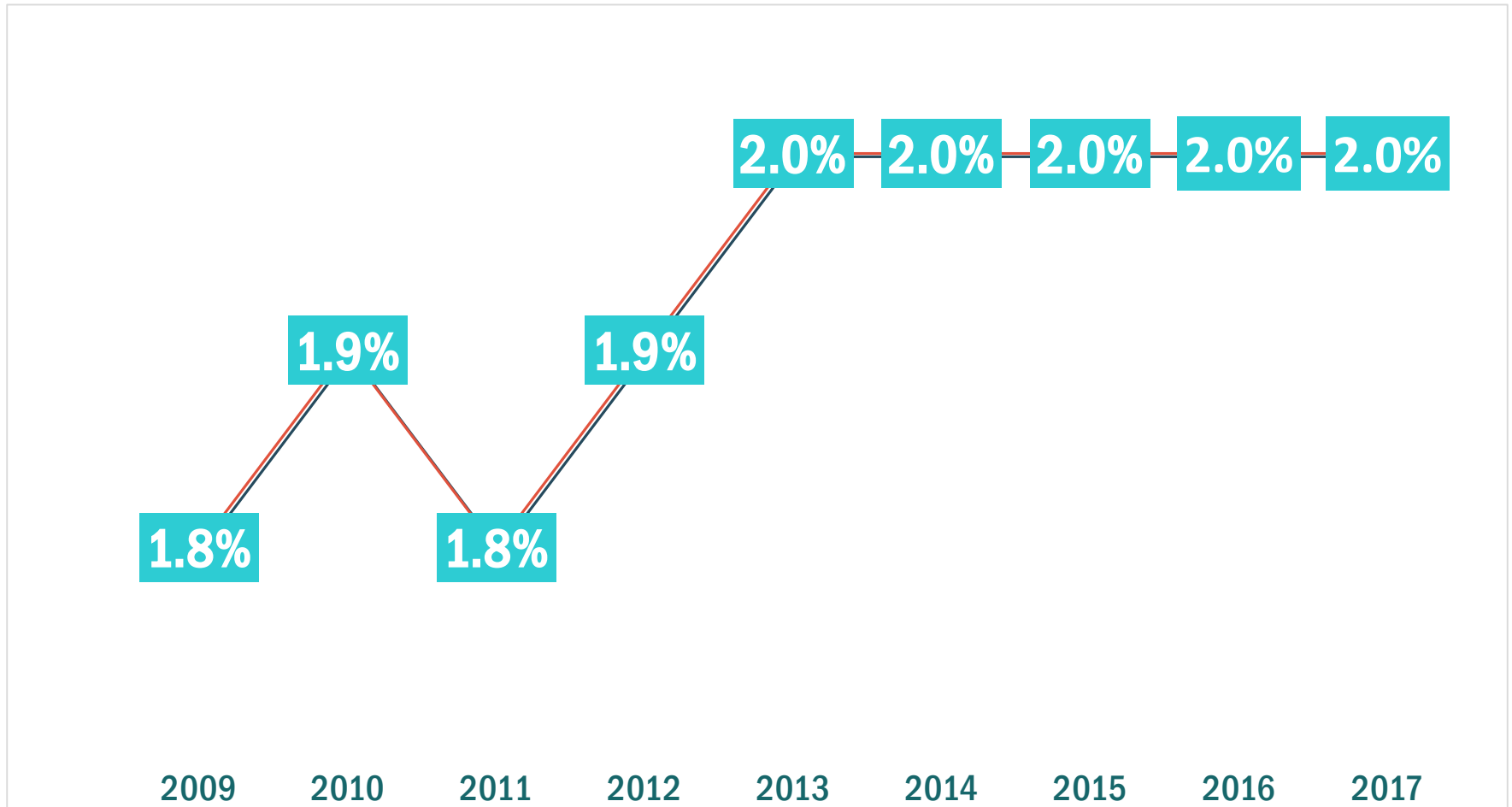


Total Giving as a Percentage of GDP Remains at 2.1% for Sixth Consecutive Year

TOTAL GIVING AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT, 1977-2017 (in inflation-adjusted dollars, 2017 = \$100)



Individual Giving as a Percentage of DPI Remained Stable



*Disposable personal income (DPI)

Total Charitable Giving vs. S&P 500

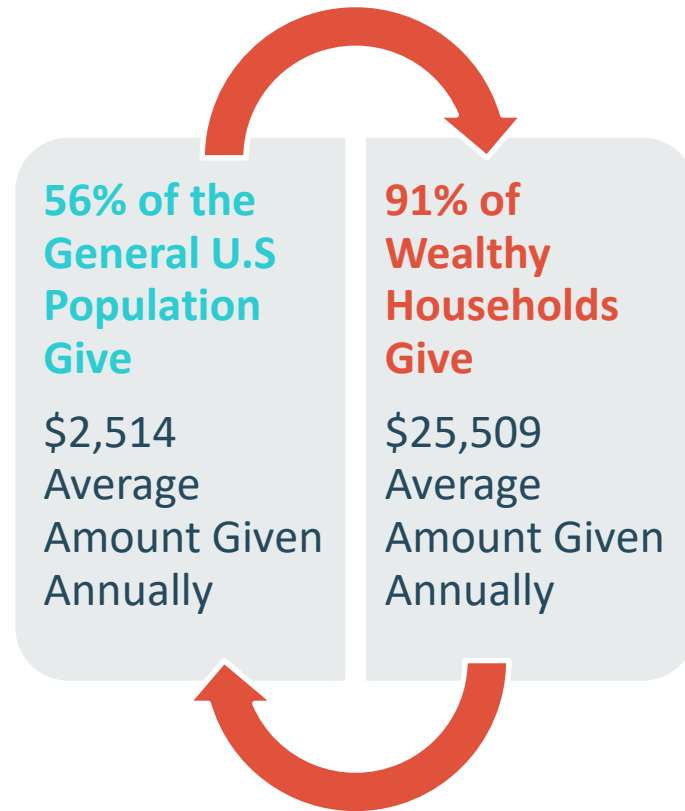
S & P 500
16.9%



Total Giving
3.0%



Americans are Generous



83% plan to give as much or more through 2018.

Additional Sources:

IUPUI Lilly Family School of Philanthropy: Overview of Overall Giving, 2017

Bank of America U.S. Trust Study of High Net Worth Philanthropy 2016

Section 2

Why People Give

Why people give



- People give because they are asked
- People give to people, most often their peers
- People respond to a meaningful mission
- People give to create lasting impact
- People respond to specific requests
- People respond to successful programs
- Most people want, and all deserve, recognition for their gifts

Why people give: CCS Insights



Motivation	% all respondents
Impact of my gift	89%
Because I can	79%
Religious practice or moral belief	69%
I owe it to my community	66%
The person who asks	61%
Tax deduction	37%

Why people give: US Trust Insights



Section 3

Strategies

Strategy 1

The Feasibility Study

Arc of a campaign



Strategy 1



The Feasibility Study

The Process



“Draft” Case



Strategic Interviews



Plan

The Feasibility Study

Results

Neutral conversations

Education

Address concerns and questions

Engage New Leadership

Co-creation of solutions

Instill ownership



The Feasibility Study

Examples

- Orchestra
- Opera
- Independent School

Strategy 2



The Challenge Match

Underlying Principles

- Context
- Joint ownership
- Financial and Activity Objectives

Structure

- Develop in partnership with Board member or major donor
- Challenge can be to reach a dollar amount, number of donors, number of new donors, planned gifts, etc.
- Periodically share progress to goal



The Challenge Match

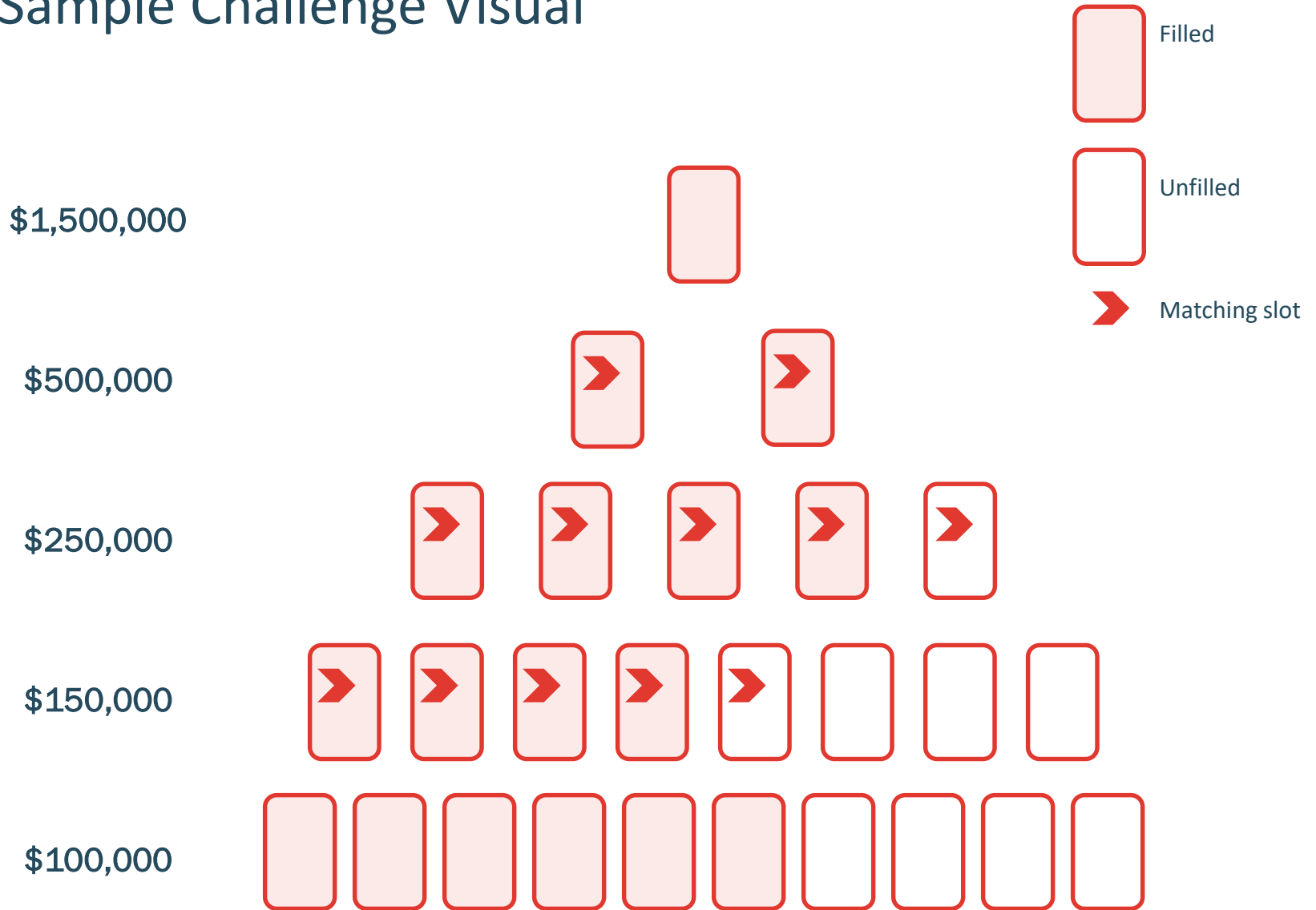
Options

- Cornerstone gifts to be matched 2:1 by leadership gifts
- 1:1 match for each new gift
- Community support to match institutional giving
- Current-use gifts “unlock” planned gifts

Sample Challenge Gift Strategy

		<i>Jump Start Funding</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>Total</i>
Donor A		\$500,000				\$2,500,000
Donor B		\$500,000				\$2,500,000
<i>Total</i>		\$1,000,000				\$5,000,000
RSCC Challenge Donors			<i>2009</i>	<i>2010</i>	<i>2011</i>	
Year One	Donor # 1		\$1,000,000			\$1,000,000
	Donor # 2		\$1,000,000			\$1,000,000
	Donor # 3		\$500,000			\$500,000
	Donor # 4		\$500,000			\$500,000
	Donor # 5		\$250,000			\$250,000
	Donor # 6		\$250,000			\$250,000
	Donor # 7		\$250,000			\$250,000
	Donor # 8		\$250,000			\$250,000
	<i>Subtotal</i>		\$4,000,000			\$4,000,000
Year Two	Donor # 9			\$1,000,000		\$1,000,000
	Donor #10			\$1,000,000		\$1,000,000
	Donor #11			\$500,000		\$500,000
	Donor #12			\$500,000		\$500,000
	Donor #13			\$250,000		\$250,000
	Donor #14			\$250,000		\$250,000
	Donor #15			\$250,000		\$250,000
	Donor #16			\$250,000		\$250,000
	<i>Subtotal</i>			\$4,000,000		\$4,000,000
Year Three	Donor #17				\$1,000,000	\$1,000,000
	Donor #18				\$1,000,000	\$1,000,000
	Donor #19				\$500,000	\$500,000
	Donor #20				\$500,000	\$500,000
	Donor #21				\$250,000	\$250,000
	Donor #22				\$250,000	\$250,000
	Donor #23				\$250,000	\$250,000
	Donor #24				\$250,000	\$250,000
	<i>Subtotal</i>				\$4,000,000	\$4,000,000
<i>Challenge Donors Total, 24 Donors</i>			\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000
Grand Total						\$17,000,000

Sample Challenge Visual



Strategy 3



The Planned Giving Program

Why Planned Giving?

- Donor loyalty is highly correlated to planned giving (if you ask)
- Planned gift amounts are generally higher than annual individual gifts
- Programs offer opportunity for cultivation and stewardship
- Provides consistent income and future income for your orchestra



The Planned Giving Program

Quick Tips to Get Started

- Partner with a qualified financial advisor
- Review your database for prospects: consistent donors aged 60+
- Develop educational materials and programming to share planned giving options with your constituency

Inspiring Big Gifts – Planned Giving Examples



New Jersey Symphony

\$2.5M Donor

3 Ingredients to their gift:

- \$1.5M cash pledge over 5 years
- \$1M bequest intention
- “Rockefeller model” payout of \$50K/annually



Orchestra of St. Luke's

\$18M Campaign

- \$6M cash for debt reduction
- \$12M for endowment via planned giving

\$5M cash and \$7M in planned giving commitments to date



Cleveland Orchestra

Legacy challenge

- Donor provides cash gifts (up to certain amount) to match every planned giving commitment
- Almost 500 planned gifts committed in last campaign
- Estimated value known for about 350 of those commitments

Section 4

Discussion

Thank you

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