A Researcher's Diary

Donor Cycle and Stages: Creating Plans that Include Psychological Well-Being Per Stage

Author

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Purpose

This is a strategic and intentional workplan that focuses on how frontline fundraisers (referred to here as gift officers) and prospect researchers, can apply specific concepts that drive the psychological concept of well-being of donors/prospects, per fundraising stages.

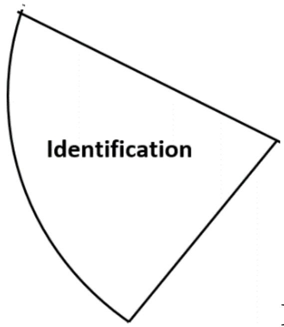
Let's consider how the fundraising stages and application of six elements of psychological well-being can affect a donor and in turn lead to an initial gift or an increase in giving. This plan will be analyzed through the lens and role of a gift officer and prospect researcher. It will also take into account what the reader should process (or think about), consider (or take note of), and put into action .

The reality hardly discussed or widely acknowledged, is the power held by a donor or prospect. In Development, there are fundraisers, prospect researchers, development communication professionals, copy writers, marketing professionals, social media analysts, database and client administrators, and many more roles filled by people who spend many hours trying to appease donors, prospects, constituents, and the overall community served. The desired outcome being funding - money raised to support a mission that changes lives, communities, and the world. From the micro to macro scale, impact is built – all from effort applied to appease those who have the means to make a difference. But with all the effort and hard work, how can one truly analyze a donor/prospect's psychological well-being and fulfillment? How does one know if a donor/prospect's fundamental needs are being satisfied as they are engaged, receive communication, and solicitated, for them to make an impact? How are they receiving our effort and messages?

This strategic and intentional plan will focus on how frontline fundraisers (referred to here as gift officers) and prospect researchers, can apply specific concepts of psychological well-being in regard to donors/prospects, per the fundraising stages. Within Development, a prospect/donor unknowingly goes through a strategic donor cycle in which they are placed in different fundraising stages: identification, qualification, cultivation, solicitation, and stewardship. The cycle begins with identification and ends with stewardship, in certain instances, an individual will be placed back into cultivation when they are being considered for a gift renewal. In other instances, donors continue in stewardship because the goal of continued appreciation should not be limited.

There are six elements of psychological well-being: competence, autonomy, connectedness, growth, purpose in life, and self-acceptance. Let's consider how the fundraising stages and application of these six elements can magnify a donor's psychological well-being and in-turn lead to an initial gift or an increase in giving. This plan will be analyzed through the lens and role of a gift officer and prospect researcher. It will also take into account what the reader should think about, take note of, and put into action.

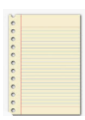
Throughout this plan there is a consistent thread that shows the power of rhetoric, how you enforce and validate emotions (ethos), centralize a prospect's state of mind (pathos), and maintain logical perspectives (logos). Identity is also explored during each fundraising stage, the ways in which the prospect may display how they identify themselves, and whether or not the fundraiser is noting and understanding how identity directs relationship and giving.



During the identification stage a prospect is identified through different avenues (exe: referral, online lists, database screenings, lists on philanthropic giving, annual reports, or a first-time gift to the organization that is flagged by an administrator).

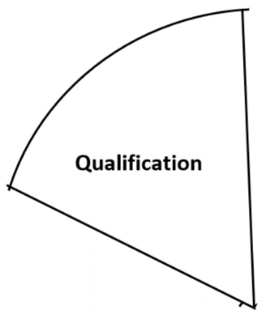
Prospect Researcher and Gift Officer: When a prospect is identified, the individual is quickly moved to the qualification stage.

Think about: To identify a prospect is to immediately consider them “a potential donor.” The mind races to qualify.



Take note: Look at what you already have – do you have contact information? If the answer is yes, then reach out to them. If the answer is no, then research can help. If contact information is tricky to find, then relationship map possible connectors to the identified prospect because someone you already know may be able to make an introduction.

Put into action: Step one, move on to qualifying – it is time to reach out to the prospect.



Gift Officer: Qualification warrants a meeting because this is the stage to learn whether or not the prospect is inclined to support the organization. You learn more about their background, and their personal and philanthropic interests. In lay-man's terms, this is when you and the prospect get to know more about one another, because he or she also learns about the organization.

Prospect Researcher: During qualification, and most importantly post-qualification by the gift-officer, a researcher analyzes the individual's estimated capacity to give to the organization based on in-depth analysis of publicly available assets, philanthropy, and wealth indicators. In addition to the research, this information is reported to the gift officer in the form of a capacity rating that suggests the range in which the prospect could possibly give. The recap of the gift officer's qualification meeting can further add to the capacity range and analysis.

Knowing the previous organizations a prospect has supported is helpful information for the researcher and gift officer, it establishes the identity of a giver, and foresees the chances of them wanting to give in the future (even if it is not to your organization). This identity is obviously layered and multi-faceted because the prospect may support numerous causes which tie to how they identify themselves in philanthropy. This information is included in the analysis and helps pinpoint organizations in the prospect's philanthropic giving with similar missions or focus areas.

The prospect may also have no philanthropic giving history or may be new to philanthropy. This is an identity worth noting because someone new to giving is someone interested in guidance, especially when it is their first meaningful relationship with charity. This is when the gift officer can take the pivotal role of a philanthropic advisor and educator of what it means to give.

Note: During this stage of learning, there is a significant opportunity for the gift officer to bring the prospect into a mental space of simultaneous fulfillment through autonomy and connectedness. The prospect must feel that they are acting on their own initiative to meet, and at the same time feel the desire to connect with the organization's mission. A simple method for connectedness and autonomy can be set up in an email to a prospect. For example, when an email is sent to a prospect to meet for the first time, the first few sentences should consist of introductions, followed by the opportunity to meet, and then close with information that potentially connects the prospect to the organization. This additional information is very critical to how the prospect analyzes their own connection to the organization.

[Exe:] Good afternoon, Dr. James,

My name is Rebecca Smith, and I am the Fundraising Director at Olivers' Doctors Foundation. Thank you for your recent gift of $1,000 which will support our efforts to fund mentorship programs for our resident doctors. I would love to meet virtually to discuss what inspired this gift. Are you free in the coming weeks?

Given your medical background and professorship, I thought we could also discuss how the Foundation is designing its mentorship and tutor-ledge opportunities. I would love your insight and expertise on our strategies.

Hope to connect soon,

Rebecca

An email, as simple as many may presume, must allow a prospect to answer for themselves: Is there a legitimate connection here and do I want to meet? A handwritten note has also been greatly recorded as a form of connectedness for the recipient and sender.

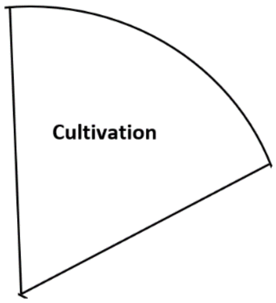
A prospect feels a great connection with a nonprofit that fits into their individual sense of self and fulfils their concern for others/the subject matter, as they move through the qualification stage and the gift officer learns about them.

Feeling part of the in-group, or connection with the organization is important and must be strengthened as the relationship is cultivated.

Think about: Is it clear that the prospect has an affinity (interest), inclination (likelihood) or propensity (capacity) to make an investment in the organization? The conversation may have gone well, but what was learned?

Take note: Within qualification you are not only learning someone but simultaneously fulfilling their understanding of who they believe themselves to be as decision-makers, as they question their connection to the organization.

Put into action: Time to set up cultivation plans for the prospect based on their interests. Time to be strategic.



Gift Officer: Cultivation is a stage that enhances the relationship between a prospect and an organization. There is consistent engagement through events, communication copies, social media, and phone calls. The cultivation process does not have a defined end, meaning it could last 3 months or 2 years. On the other hand, there can be a point in which an end has to be defined – if the cultivation methods cease to be fruitful or the prospect declines all efforts. It is best to take the cultivation process very seriously and strategically, time matters.

This period is also when connectedness is strengthened through all forms of engagement. The prospect must be familiarized with programming, their gift officer, and the mission – so to feel part of the inner circle of the organization, and different from others. Others are those not being engaged by the organization, which in turn makes the prospect feel special because they believe that they are the chosen ones in the in-group.

Prospect Researcher: This is a strategic gathering time of information. As the gift officer learns more about the prospect, the researcher stays informed on the progress of the relationship.

Note: Consciously or unconsciously, the individual is defining his or her identity to the gift officer, throughout the relationship. The third psychological element, competence, is a need that people have for fulfillment, as they clarify their identity and differentiate themselves from others. Competence is always a preferred reaction and reinforced as a positive, for example, “I am smart” and “I am respectful” – this is an effort to prove one’s self-esteem. Therefore, how you cultivate a relationship (through the previously mentioned engagement methods) with a prospect matters, because they need to feel competent, and validated. There is validity of identity and importance once in the in-group that is within an inner monologue – “I belong here. I should be here and deserve to be a member because I am adding to the organization and my community.” The prospect’s trust in their relationship with the organization and the gift officer reinsures longevity.

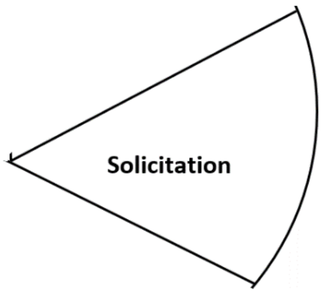
The specific language used matters because it must maximize the prospect’s sense of autonomy, competence, and connectedness all at the same time. For example, “Mr. Pine, thank you for being a reliable citizen, accountable for strengthening youth development through this organization, and choosing to be a significant partner in our efforts for change on a monthly basis.” This language reinforces that they are reliable and give on a monthly basis to the organization by their own will. So, proofread emails, marketing materials that are hard copy and digital, social media, and be aware of words spoken person to person.

Consider the prospect who decides to volunteer at an event or become a mentor and has not yet made a gift. They are choosing to invest their time, because it reinforces the fact that they identify as a “helpful subject expert” and feel like they are part of the in-group. The power of providing feedback and feeling important and valuable is not only a normal desire by humans but a heightened need in someone who recognizes their influence, affluence/wealth, and privilege, and is therefore seeking this need to be met when approached by a fundraiser.

Think about: What does it mean to build a relationship with someone, and in turn they choose to invest their time and money into the organization’s goals and work?

Take note: Have I (and the organization) strategically considered how we are fostering a relationship with this prospect? Does the prospect identify themselves as being part of the in-group, or do they still feel like they don’t know the organization?

Put into action: As the relationship has progressed, it’s time to make intentions clear. It’s time to ask for a financial investment in the organization. Seriously note how the relationship has progressed and write out what is next in the mid-term and long-term. What does it mean to make an Ask now? What does it mean to wait and make an ask in 3-6 months? What will help you?



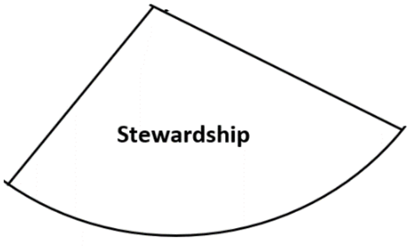
<u>Gift Officer and Prospect Researcher:</u> Solicitation is the stage in which a prospect is asked to make a gift or to invest in a mission/program. In terms of a major gift, they are asked to make a pledge that would be paid in installments for 3-5 years (industry standard). The capacity range and research provided by the prospect researcher helps to inform the specific ask amount. Also, based on engagement with the prospect, a gift officer tends to gather valuable cues that can help with landing on a specific amount. Valuable cues include recent stories in the media about the prospect's giving, or company events such as hiring, company growth and financials; recent personal and familial situations that can sway the focus of a prospect; and social and economic situations such as politics. Societal issues can impact a prospect's interest in an organization and the way they identify themselves as philanthropists. Valuable cues and researched capacity pinpoint the ask amount that a prospect can either agree to or set the bar and suggest an alternative number that fits their giving at the moment.

<u>Note:</u> Autonomously agreeing to invest in an organization is an individual's journey from prospect to donor - a donor has learned and connected with a mission and wants to make a difference that is bigger than themselves. Psychologists have found that people are more satisfied with the decisions *they* make and can experience higher psychological well-being when they think they know more about who they truly are (Shang, 2020). Therefore, this act of charity is driven by how a donor identifies themselves, and who they feel they truly are and are meant to be based on their decision.

Think about: Who and how your prospect has identified themselves in reaction to being asked for a major gift.

Take note: List the ways in which you can reinforce their identity based on whether or not they have agreed or declined the ask amount.

Put into action: Communicate (and ensure) to the prospect that solicitation does not end the relationship, nor does it change it. Being solicited connects intention, relationship and sacrifice together for growth of goals and mission.



Note: Ideally, during the stewardship stage a donor has made a pledge to give to the organization. The donor has been thanked for their gift and should then feel at one with the organization and their decision to give. The prospect turned donor has taken the supporter identity, and until someone has taken this meaningful role and action to associate themselves with an organization, they have not yet built a sense of loyalty. To protect the supporter identity, the prospect must have continued stewardship, which means continued involvement with the organization. This is how loyalty is strengthened. Humans feel like they are being loyal to an organization when they are continuously shown that they are not only in the in-group but a respected member who receives up-to-date communication on the organization's programs and initiatives and are invited to events and exclusive opportunities. Therefore, communication and engagement are affirming acts that can only increase the ways a donor decides to continue their relationship, this may be through an increase or renewal in giving or committed volunteerism.

The donor's role as a supporter must be central to how they see their purpose in life being fulfilled.

Think about: How can I better steward my donors?

Take note: What are the current stewardship methods that need to be revisited and enhanced? As a fundraiser, who are the prospects that I have not spoken to in 3-6 months? Who are the donors (supporters) that I have not checked in on, in 3-6 months?

Put into action: Set up tools and mechanisms that can help you steward donors effectively.

To summarize, the elements of psychological well-being and stages in the fundraising cycle are applied in this hypothetical scenario (based on a major gift solicitation).

> At the beginning of 2018, gift officer Matthew reached out to prospect Gabrielle, who was slightly familiar with the organization and decided to meet with him because she was interested in learning more. Gabrielle left the meeting feeling like she really understood the mission and could relate to the stories of impact. She enjoyed talking to Matthew about her own giving interests, and where she noted alignment; this meeting also allowed Gabrielle to reflect on where she was in her life, her philanthropy, and how she wanted to move forward.
>
> For the rest of the year, Gabrielle attended multiple events with her husband, and joined some volunteer opportunities at the organization. She talked with Matthew once a month to hear new stories and helped with fundraising efforts since she had a large network. By being a connector, Gabrielle believed she was actively showing people that she was a kind and helpful person. She also felt like she was part of the internal team at the organization – the relationship was building between Gabrielle (as a prospect and connector) and Matthew and the organization (as stewards and motivators).
>
> Towards the end of the year, Gabrielle and her husband sat down with Matthew and accepted his ask amount that was presented to the couple several months prior. Gabrielle and her husband wanted to take their time to consider the ask amount. And in the interim, she continued to talk with Matthew about where their investment (if they were to accept) would truly make a difference. Finally, on December 31st, 2018, the couple made a multi-year pledge. Gabrielle was overjoyed with her decision because she was familiar with the mission, enjoyed philanthropy, and felt it was meant to be. For her, after a year of consistent communication and events that met and reinforced her needs as a giver, she felt comfortable. Her identity as a donor was reflecting at her, she could see her impact enhanced, and she felt that her role had evolved as the year progressed. Not only was the timing right, but Gabrielle felt like Matthew and the development team recognized what mattered to her and were communicating with her.

This is a plan that paints a picture of how strategy and intent can develop a prospect into a donor. It can lead to the fulfillment of a donor's psychological well-being and in turn lead to an initial gift or an increase in giving when it is time for a second or third gift. Prospects and donors always remember the connection, their ability to make decisions for themselves, the ways in which they have been engaged, how it feels to be part of the organization (in-group), who they are consistently communicating with, and how their identity as a supporter has evolved. Therefore, intentionally plan to give people something to remember and share with others.

References

Shang, J. (2020). *Philanthropic Psychology Modules Weeks 6-7*.

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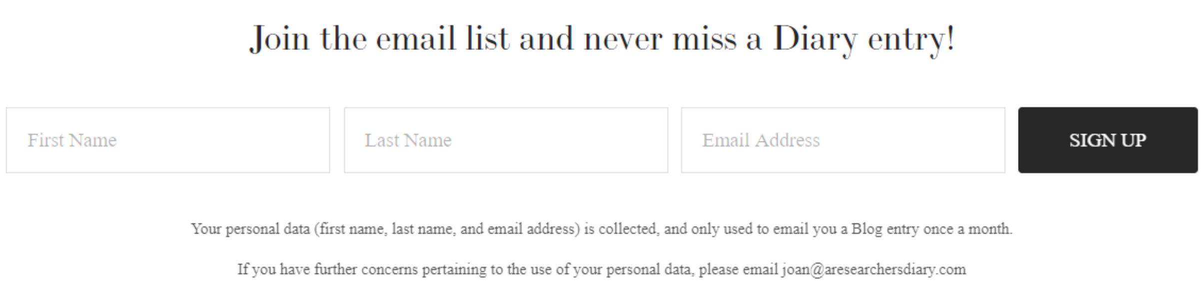

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