

The Case for Ongoing Donor Recognition

Planned Giving Today

Vol. 22, No. 5 (May 2011) pp. 1, 8-10

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Long ago I happened to run into a planned giving officer who had succeeded me at an institution where I had worked early on in my career. While there I had, of course, established a number of relationships with key donors to that institution, and, naturally inquired about some of them. One of the leaders of a particularly philanthropic class had recently died and my successor was musing about whether to attend the funeral. At length, he decided not to go. After all, he had not known the donor all that well and, besides, “his giving is over, the funeral is in a distant locale, and why should the charity spend the money (and he the time) just to attend a ceremony that would have no further benefit for the institution.”

Even at the time, this reasoning, logical as it appeared at first blush, struck me as flawed. As I have since talked with countless other planned giving officers and had occasion to ask a similar question of myself on far too many occasions, I find that reasoning even more off-base.

What does it mean to provide ongoing recognition to our donors? And why should we do it? Is there any time when the logic that says: “The donor finally made a major gift, so I should now move on to the next prospect and do not need to spend any more time on the one who already gave”?

I believe there are at least four major reasons for providing ongoing recognition to our major donors, including the ultimate recognition of showing up if we can at their memorial service.

Rightness

First, it is just the right thing to do. Our donors give in large part because they believe it to be the right thing to do, because they believe in the mission of the organizations to which they donate. Our gratitude should be similarly motivated. In saying that, however, I want to emphasize that gratitude should be *appropriate* to each donor.

Some donors appreciate public recognition; some are embarrassed by a public show of thanks. Some are pleased by a celebratory lunch with the president; some would just as soon have tea in the privacy of their own home. Some would like to meet the people whose lives are changed by the donor's gifts; some would rather hear stories about and see photographs of the people the organization serves. And some *say* they would not like public recognition but in fact would like the "right" people to know—the CEO, the chair of the board, a personal friend of the donor. Many are the donors who appeared as "Anonymous" in the Annual Report but who loved being taken aside at the annual recognition dinner by the board chair, who conveyed how much the gift has meant to the institution and to the people it served. Thanks, when genuinely expressed in appropriate settings, rarely is rejected.

Our focus in providing recognition is to make sure that the donor "hears" gratitude in what we say and do. And different donors hear expressions of thanks in their own ways. Our job is to listen enough to the donor to appreciate how that expression of gratitude will be heard.

Reinforcement

The second reason for providing ongoing recognition is to reinforce to the donor that the gift continues to benefit the organization over time. Increasingly, donors expect a tangible and

definitive “return on their investment” in a charitable enterprise. That is, they expect their gifts to *make a difference* in the ability of the charity to fulfill its mission.

It is not enough simply to believe in a cause and trust that the administrators of the charity will act as wise stewards of their gifts. Donors want to know the results. And they want to know that their gifts contribute to the organization’s mission in a way that is important to them and that their contribution lasts.

Continuing recognition, perhaps by continuing to invite the donors back for annual celebrations, perhaps by including them in special recognition societies, perhaps by a regular lunch or dinner at the charity’s expense — all give the representatives of the charity ongoing opportunities to tell the donors how much their gifts have meant. And the more our donors truly understand the impact of their gifts, the more likely they are to make another gift.

Involvement

Finally, ongoing recognition allows the donor to become involved in the dynamic life of the charity. Charities change and grow. Presidents and directors come and go and boards turn over with time. Missions — or at least the ways missions are put into practice — morph with changing times and with the needs of society. Through continuing contact and continuing stories about the impact of the donors’ gifts, charities can reinforce how much the life of the charity is changed as a result. The donor feels that she or he has changed the direction of the charity for the better. And the donor has an opportunity to have an impact on the future of the charity, not just the past.

Philanthropy

Most experienced fundraisers understand that the best prospect is a past donor. People who have been involved with a charity, who have “invested” in that charity through their previous philanthropy, and who have seen the impact of their gifts on the mission of the charity, are highly likely—given that they have further resources—to respond to new requests for gifts. Several decades ago, many annual fund managers believed that a strong planned giving program that tried to “sign people up” for the charity’s heritage society would detract from those donors’ annual gifts. After all, why should a person relinquish immediate real cash now if he or she could get equal recognition for simply putting the charity in his or her will? In fact, the data demonstrate otherwise. Donors who put a charity in their will are significantly *more* likely to make larger current gifts—both to the annual fund and to a major capital or endowment project—than they would have been before their bequest was enacted. Not in every case, of course—but in many. And the logic actually makes perfect sense. If I have made a decision to make the ultimate “investment” in a charity by leaving it a share of my estate, I have already declared—regardless of the revocability of my decision—that I have a long term stake in the financial and organizational viability of that charity. How much more likely, then, am I to want to ensure that the short term needs of the charity will also be met. And how much more will I open my home and my heart to messages about the short—as well as the long—term health of the institution.

Conclusion

Back to the reasoning of my early planned giving acquaintance: was he right that there was no practical reason for attending his donor’s funeral? Even viewed in the crassest of financial terms, my answer would still be “no.”

Donors rarely move in isolation. Friends and family attend memorials, and often friends and family are either as directly tied to the same charities as the person being memorialized or are in a position to make gifts to those charities in memory of their friend or family member. And they certainly will notice the presence (or absence) of a charity at the memorial service. In fact, in the particular case to which I refer, the donor's widow was still living and was even wealthier than the donor himself, even though he had tended to arrogate to himself all the glory for their joint philanthropy. I can only imagine the gift that did not come because the charity never showed up.

So, as we have noted, one of the cardinal tenets of good fundraising is that the best donor is a previous donor. Individuals who have already “invested” in a charity have a stake in the continuing financial well-being of that charity. They are therefore much more likely to respond to a new request for support than someone new to the process.

What better way to cultivate the next gift than by continuing to recognize — always in appropriate ways — the gifts already made. And what better method of fulfilling our own professional responsibilities, both to our charities and to our donors, than by looking for new ways to express our gratitude and appreciation during and even after the end of their lives.

— *Bruce Bigelow*