

# Board members and the art of saying



# THANKS!

By Jay Blossom

**C**ALL IT “DEVELOPMENT,” “institutional support,” or “advancement.” Fundraising by any name still includes the sometimes-uncomfortable task of asking people for money. Few board members enjoy doing it, and a recent survey indicates that even fewer think they do it well.

Penelope Burk, a fundraising consultant and president of **Cygnus Applied Research**, is the author of *Donor Centered Leadership: What It Takes to Build a High Performance Fundraising Team*. She has spent her career studying the fine art of “the ask,” and she has good news to share. Burk and her colleagues have examined every aspect of philanthropy to learn what prospective donors like and don’t like about solicitation and what changes would cause them to reach for their checkbooks sooner and make their pledges larger. Burk’s findings include strategies that are painless, cost-free, and require little expertise.

Burk was a keynote presenter at this year’s DIAP Conference — the gathering of development professionals who serve theological schools — held in Scottsdale, Arizona. *In Trust* recently talked to her to learn more about fundraising strategies that include board members.

## Do you find that people who join boards of trustees are fully aware of the fundraising expectations that accompany board service?

They often have misperceptions and fears about fundraising. It’s very common for board members to recount stories in which they imagine themselves in the home or office of a donor. They’re supposed to ask for a very large gift but have no idea how to go about it. It scares them because they don’t understand that fundraising involves a wide spectrum of activities, only one of which is asking for a generous contribution in a nerve-wracking setting like the one I described.

## Does the fear factor diminish as board members gain experience and get a few successes under their belts?

In a study that we did last year, we asked a number of questions of people with extensive experience on boards of directors. One of our questions was this: “How would you rate your board’s overall performance in fundraising on a scale of 1 to 7, with 7 being excellent and 1 being very poor?” They rated their board at about a 3.6, which is low, and they rated their individual performance at something slightly lower than that.

Even while there is a general hesitation among board members about fundraising, leadership volunteers do gain confidence the more they become involved. Board members who can ask for major gifts with ease are a huge asset, of course, but being fearful of the task should not, in itself, be a reason to hold back. Donors are very gracious and will give someone who is nervous and fumbling through “the ask” all kinds of leeway. They know it takes courage to ask someone for a generous gift and many donors feel the same hesitation when the shoe is on the other foot.

## Does your research confirm that fundraising slows to a crawl in tough financial times, such as the recent recession? Is there any advantage to having board members approach donors when money is tight?

In the middle of 2009 we reached out to about 25,000 donors and asked how they would be handling their philanthropy during the severe economic turndown. A couple of the questions we asked were: “If you have to scale back your philanthropy because of the economy, how will you decide which recipients to cut? What would inspire you to keep giving to one nonprofit organization when you might let others go?”

# ¡GRACIAS!

Two things were statistically important in their response. First, they said if a board member were to ask them to give, they would find it difficult to say no. That's an example of how respect for an individual — in this case, a board member — translates into a huge influence. In good times or bad, board members have an ability unlike anybody else to sway donor opinion and convince them to give.

Second, we found that many board members are at a loss as to how to capitalize on the opportunities out there. They genuinely do not understand the level of influence they have with donors.

**Let's talk about how board members can capitalize on that influence. Could you mention a few activities they might participate in beside the obvious — approaching a major donor and asking for a jaw-dropping gift?**

There's a range of activities that boards do extremely well and don't give themselves credit for. One is simply augmenting information about current or former donors. Most nonprofit organizations have databases full of persons who've given once or twice, or several times, but very little is known about them. They are just names, addresses, dollar amounts, and dates of gifts. One thing they have in common is that at some point each of these donors chose to support this particular organization out of the thousands or tens of thousands of nonprofits that they could have supported.

When board members are given a list of these donors and asked if they know them, they begin to build an information base. Once a connection is recognized between a board member and a donor, then you have an entry point in building a relationship. But if board members are never asked to do this, it's an experience that is wasted.

**Can you give us an example?**

Yes, and it's from my own life. My mother is in her 90s, and when I visited her not long ago, she showed me a solicitation letter she had received from the local hospital. Our family has a great connection to that hospital because one of my sisters got her nursing training there, two of my siblings were born there, and my father was cared for in the last years of his life there. As a result, my mother has been a mid-level donor for a long time.

The correspondence Mom showed me was the annual solicitation letter attempting to renew her gift. At the bottom was the name of the chairman of the board of directors. He hadn't signed it personally, even though he is a good friend of our

family. Because he had never seen a list of donors, the letter went out without him realizing he was corresponding with someone he knew quite well.

I had to explain to my mother that these letters are mailed en masse and sometimes personal connections aren't made. "Are you going to give to the hospital anyway?" I asked her.

She said, "Oh, yes, I'll probably give the same amount I gave last year, because they really need the money."

Then I said, "What if it had happened differently? What if your friend, the board chair, had invited you out for lunch and renewed that connection? What would you have done then?"

She said, "I would have given him much more — probably four or five times the amount I gave."

So here's the lesson: The chairman wasn't at fault, but somebody dropped the ball by not exploring possible connections that are extraordinarily meaningful to donors.

**What about follow-up activities? Is a thank-you note in order after a donor sends a contribution?**

Yes, or better yet, if board members are kept up to date on who makes gifts, the ideal situation would be for the chair to say, "I know Mrs. Burk really well; I'll give her a call and thank her for the gift." That sets up a future relationship with my mother. It would take her out of the realm of giving that she was in and put her in a whole new category.

**If board members review the donor list but see no connections, is there any way they can reach out and establish a relationship?**

We wondered about that, so in one of our surveys we asked this hypothetical question: "What would you think if you made a gift to an organization, and within a few days, a member of that organization's board called just to say thanks?" The response was phenomenal from donors in the study. Ninety-five percent of them said that would be amazing and would have a strong impact on what they did next. As a matter of fact, 90 percent said they'd give the next time they were asked. Some said they would give right away, before they were asked, which is a rare situation. Two out of three said they'd make a larger gift, and about the same number said they'd continue to give indefinitely.

To give you an idea as to how phenomenal those responses are, here's what we know about typical donor patterns: Over 90 percent of donors who make a gift are not giving five campaigns later. Early donor attrition between the first gift and the

second request for a gift is very high. It's now up to 65 percent. So when donors said a phone call saying thank you from a board member would turn that around, I thought this is too good to be true.

### Have you tested this strategy to see if it is too good to be true? Do donors actually follow through and give more if they're contacted by a board member?

Yes, we tested it with a paraplegic association that was doing a direct mail donor acquisition program. As the gifts started coming in the door, every tenth donor was put in a test group and was phoned by a member of the board who, in 45 seconds or less, said something like this: "I'm Sally, a board member of the paraplegic association, and I wanted to call you to say how very much we appreciate your recent support." That was the whole content of the call!

Then we waited until the next solicitation when all the test donors and the control group who didn't get the call were asked for their second gift. The test donors returned gifts that were valued at 39 percent higher than the control group, plus their retention was much better.

We watched what happened with donors for two years, over six subsequent campaigns. They were never phoned again, but even by the end of the second year, the test group was still performing much higher — an average gift 42 percent higher than the control group — and they had a 70 percent retention rate from the first time they gave right through to the end of the sixth request. In contrast, the control group had an 80 percent drop-off rate.

### That's amazing; just a personal phone call —

Yes, and sometimes the board member couldn't reach the donor and just left a voice mail message. Still, the positive response was the same.

### As boards begin to experiment with fundraising tactics, is there a way — without incurring a lot of expense — for them to determine what works and what doesn't?

Absolutely. They can conduct their own research and their own tests. Here's an example: If they're wondering whether the content of one letter is more inspiring to their donors than the content of another letter, they can test both letters with two groups of donors.

The results will tell them three things: which approach causes more donors to give; which approach causes donors to give at a higher level; and which approach causes donors to give again and again over time.

All fundraising success is built on retaining donors longer and increasing their generosity. What is reiterated in every study we do is the fact that donors enjoy giving; philanthropy adds to their quality of life. That said, they like their gifts to be acknowledged, but in a quiet way. If a nonprofit organization can occasionally compose a beautiful thank-you letter, or if a board member can pick up the phone and say, "We appreciate your loyalty," the donors are likely to keep giving indefinitely.

### You build a strong case. Has your research convinced more board members to get involved in the fundraising process, or are they still reticent?

It's a challenge to get people to change how they think about fundraising and then to engage them in an activity — even one as pleasant as picking up the phone and saying "thank you."

They worry: Will donors be irritated by my call? Will they hang up on me? Will they think I'm going to ask them for another gift? The entire concept is looked upon with fear and trepidation by people who've never done it. The key is to show them the data that prove to them that board involvement works. The research is undeniable. Donors give more money and they give more often.

Look at it this way: A school recruits certain people to their boards because these people are successful, are engaged in the community, and have leadership qualities. Typically they also are the busiest people on the planet. When you ask them to take on the additional task of contacting donors, you want them to know the investment of their time is going to pay off. I strongly recommend that schools conduct conclusive research that shows a personal contact is the differentiating characteristic between responses from one test group of donors and the next. This gives schools the irrefutable proof they need to secure board participation. **IT**

### To learn more

Penelope Burk blogs at [www.cygresearch.com/burksblog](http://www.cygresearch.com/burksblog) and is on Twitter at [@PenelopeBurk](https://twitter.com/PenelopeBurk). For more information about Cygnus Applied Research, visit [www.cygresearch.com](http://www.cygresearch.com).

*This interview was condensed and edited by Holly G. Miller.*

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## DONOR CENTERED LEADERSHIP

What it takes to build a high performance fundraising team

Donor Centered Leadership: What It Takes to Build a High Performance Fundraising Team by Penelope Burk (Cygnus Applied Research, 2013, 376 pp., \$75).

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