THE IRREFUTABLE CANONS OF FUNDRAISING

78 TENETS THAT WILL PROPEL YOU TO AMAZING FUNDRAISING



JEROLD PANAS

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– Jerry Panas

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I am often asked how I chose fundraising as a career. Actually, I didn't choose fundraising. Fundraising chose me.

Here's the brief version. I was slated for medical school. I needed some money for tuition. I was in Pittsburgh when I took a job at the YMCA.

The Y put me in charge of fundraising and their campaign. What courage they exhibited. What confidence. What lunacy! I knew nothing about fundraising.

After three months on the job, I thought, "Fundraising— this is really the life." I was completely enamored. By the time the medical school acceptance letter arrived, I was in love with my new-found calling.

Bye-bye, medicine. Hello to a meaningful, engaging, and fulfilling fundraising career. I went on to start a consultancy that's advised more than 3,800 nonprofits around the globe.

In the course of doing this, I saved humanity from what would have been the worst doctor in the world. I can't even stand the sight of blood.

I am convinced that to excel in fundraising, you must view it as a rewarding privilege to help others support a great cause. You must bring tremendous energy to work each day as you meet high lofty goals for yourself and the institution. It takes dogged persistence, commitment, and fervor.

Indeed, there must be zeal for the work and the organization. The difference between having passion and not having passion is the difference between flying and just flapping your wings.

I'm about to tell you what I learned in 40+ years of fundraising about donor motivation, the characteristics of effective gift officers, timeless strategies for securing gifts, and leveraging trustee support.

(Actually, it's been 50 years, not 40. I don't, however, count the first 10. That's because I knew everything the first 10 years and didn't have anything to learn!)

I call this my IRREFUTABLE CANONS OF FUNDRAISING. There are 78 tenets.

1 **People don't want to give money away.** They want to give to an organization that is doing exciting things and making a lasting difference. They give to audacious dreams.

One thing more. Have you noted that donors more and more are now calling their gifts "investments." They feel they are making an investment in the institution. And when you make an investment, you want to know about the results. What are the dividends? What am I getting for my investment? Is it paying off?

Make certain you let your investors know the results of their investment.

2 Don't ask donors for their money. Ask for their heart and spirit.

3 Fundraising is not something you do to someone. Asking for a gift is something you do for someone.

Your investors should feel that theirs is a joyful gift—heartfelt and inspirational.

4

There was a man,
Some thought him mad.
The more he gave away,
The more he had.

It is true. Those who make major gifts talk about how the money actually comes back to them. The Bible tells us that life is a wheel. The more you give, the more that is returned. The miracle is, the more you give away the more that comes back.

5 Making a large gift is not rational. It's visceral. Emotional.

6 Investors want assurances that your institution is financially sound and efficient. They want to know that you stretch the dollar. They don't want to give to an organization that's always on the financial border-line or regularly runs a deficit. No one wants to give to save the sinking Titanic.

7

Donors want to know the answer to the WHYs.

- Why should I give to this institution?
- Why should I support this specific project?
- Why now?
- Why me?

You had better have an answer for all of these questions—in your reading material and when you request the gift.

8 Think of a pond. Throw a pebble into the pond, causing a ripple effect.

A gift is like that. It causes a ripple effect. It touches lives that touch other lives. The ripples continue.

Because of your work, you touch the lives of those you may never know. But you raise the funds that impact their lives. In turn, they touch other lives. The ripples never end.

What profession could possibly be more rewarding. More fulfilling.

9 Your job is to help people get what they want. Give them more and more of what they want, and you will get more of what you want.

10 Donors want most of all to join in a noble and towering cause. They want their gift to make a difference. Don't ask for their money. Tell them how their gift can make a difference.

11 If you want to uncover the true value of a person, don't measure their net worth. Instead, look at the total they have given away.

12 **Fundraisers have only three basic objectives:**

i) To describe their institution and what makes it distinctive,

ii) To develop a sense of urgency for the project or program, and

iii) To secure the necessary funds to make it happen.

That's how simple it is!

13 Your job is to get the largest gift possible, in the shortest amount of time, to the greatest joy of the donor.

14 It's important to keep in mind that it's not about money. It's not about a campaign. It's not about annual support. It's about the people you serve. Securing the necessary funds to make it happen is what it's all about.

15 When asking for a gift, it's far more than just money. It's dreams and high aspirations. It's the human spirit ignited.

16 People give to change lives and to save lives. That is the chief motivating factor. Make that the dominant theme in your material and contacts.

17 Donors can feel your passion. If you aren't head over heels committed and totally enthusiastic in your work, you're either at the wrong organization or in the wrong profession.

18 Success in fundraising is due less to the fundraiser's experience than to loving the work. Less to intelligence than to your zeal. Less to the mechanics of the job than to enthusiasm and total commitment to the mission.

19 You never have enough time. Never!

You won't get everything done. Accept it, and get on with life.

Time flies. The good news is that you are the pilot.

20 How is it that you so often feel hurried and over-worked? Spending ten hours a day at the office and still making so few appointments.

What are you doing instead? Organizing your desk? Attending staff meetings? Playing with e-mail?

Some will do anything to delay picking up the phone and connecting with a probable donor.

Go ahead. Just do it. Let your credo be TNT (Today Not Tomorrow).

21 Here's an important suggestion for you. Dedicate one day a week to making phone calls— for appointments and stewardship calls.

Think about Tuesday, for instance. Your donors are mostly back at work and the weekend is behind them.

Let everyone know you are not to be disturbed. Not under any condition. Your door is closed.

Dedicate the full day to doing nothing but making appointments and making stewardship calls. The full day.

22 Successful fundraisers are not easily satisfied.

They want to win. They understand that good losers are still losers. They feel that coming in second sucks.

23

Here are my 12 characteristics of highly effective fundraisers. They are, by the way, in the order of importance, validated by studies we have done.

- Impeccable integrity
- Superior listening skills
- Ability to motivate
- Hard worker
- Concern for others
- High aspirations
- Love for the work
- High energy
- Perseverance
- Presence
- Self-confidence
- Common sense and street smarts

24 Getting the appointment is more difficult than getting the gift. If you get the appointment, you're 85% on your way to getting the gift.

25 Champion fundraisers have three speeds: Fast, faster, and still faster.

26 I almost always write a letter to let a donor know I will be calling to request a visit. Almost always on this first meeting, my letter reads, "On this visit, I am not going to ask you for a gift. If you decide to give at a future time, that's entirely up to you."

I do this because I want the visit to be informal and informational. I don't want the person anxiously clutching his or her checkbook and wondering when they are going to be asked for a gift and for how much.

27 Donors must trust you before they give. Make them believers.

28 Effective, emphatic listening ensures your success. If you are an intensive listener, it is:

- The most sincere respect you can pay a person.
- The heart and soul of engaging someone.
- The key to becoming a great conversationalist.
- Focusing the spotlight on the other person.
- The most important element in being emphatic.
- A way for the other person to own the project.
- Understanding what will motivate a person to give.
- The springboard to securing a gift.

If you are a competent listener, you guide the conversation rather than dominate it.

29 Successful soliciting is not about knowing the right answers to the donor's questions. It is far more about knowing the right questions to ask the donor. Probe and ask questions.

Not asking the right question is a door not opened.

30 Husbands and wives discuss their philanthropy. Talk to them together. That's true even if you think that one is more interested in the project than the other or has a greater history with the organization.

By the way, second wives have more influence in driving the gift than the first wife.

31 **There are five types of prospective donors:**

i) At the highest level, those who contribute without even being asked.
ii) Those who need to be asked. When asked, they will make a gift.
iii) Those who need to be persuaded. Once persuaded, they will make a gift.
iv) Those who need to be persuaded. They may or may not make a gift.
v) The inert fifth. They will never make a gift.

Spend 80% of your time and effort cultivating the top three categories. You will know which of the five levels they fit after you call on them, even after the first visit.

32 You can't sell a vision in 45 minutes. For most donors, cultivation is essential. You need to make structured, organized visits.

You don't make a pickle by sprinkling a little vinegar over a cucumber. You have to immerse it. Keep in mind what Diana Ross and the Supremes sang, "You can't hurry love."

33 But beware! There are those ready to give on even the first visit. You may receive less than you hoped for— however, with proper stewardship, the next gift will be more.

34 For most donors, the span between the head to the heart to checkbook is a very short distance. But for some men and women, it's an unending journey that never reaches its destination. If you don't get the gift, just remember:

SW SW SW SW

Some Will,
Some Won't.
So what!
Someone's Waiting.

35 What a person wants most in life is to be heard. If you do all the talking, you're in the spotlight, not the other person.

36 In soliciting a gift, ask for a specific amount. If you ask for a range, you're going to get the lower figure. The floor becomes the ceiling.

37 There is no question about it— challenge gifts stimulate giving from others.

38 Statistics can be important, but they're not nearly as compelling as a story. Statistics tell. Stories sell. If you must use statistics, think about a graph of some sort.

39 **To have a fulfilling life, a successful fundraiser should keep in mind the:**

- Value of your time
- Importance of perseverance
- Joy of working hard
- Importance of each day as the gift that it is
- Comfort of good friends
- Example you set
- Warmth of a smile
- Value of a sense of humor
- Confidence that you can do it
- Worth of character and integrity
- Power of kindness and civility
- Inspiration to dream and to dare
- Obligation and duty to your organization
- Commitment to excellence
- Nobility of a "thank you"
- Importance of your work
- Necessity of having time to think
- The love for flag and country
- The joy of having someone to love
- Virtue of patience when necessary
- Virtue of impatience when necessary!
- Importance of listening
- Need to relax— the job should be fun

40 How much should you ask for? You can ask for too much. But, wait a moment— you can also ask for too little.

Your task is to ask for just the right amount. I'll give you some formulas you can use. They won't get you within inches, but they will get you within yards.

From someone, let's say John, who has been an annual donor of $10,000— figure 10 to 25 times their annual gift, paid over a 3-year pledge period. (John can be asked for $100,000 to $250,000 over 3 years.)

Another I use (from Yale University)— age times annual income times .01 = gift over 3 years. John is 60. Annual income is $500,000. Multiply. Then multiply times .01 = $300,000.

This means that on the high side, John can be asked for somewhere between $250,000 to $300,000.

Now you have a range. Good luck.

41

After 48 hours, people remember 37% of what you said. But they remember 78% of what they said. Probe. Get your prospective donors to open up and tell you how they feel about the project. They will remember what they say.

42 When asked for a gift, donors will often say, "I need time to think it over." (If they don't say that, it's possible you haven't asked for enough!)

Donors often do indeed need time to process a gift proposal and think it over. But it's important to keep the in-between time brief. If you give people a month to respond, they will take a month.

Your response to, "I need time to think it over," should be something like, "Of course you need time to think it over. How much time do you think you will need? Can I come back in a few days? How about next week?"

43 Never leave a donor visit without receiving a gift or a new date for the next meeting.

44 Objections are really your best friends.

Although at the time, you may not think so. But if you know the objection, you can respond. You are one step closer to getting the gift.

You can't leave a meeting without asking if they have any questions. Probe to determine how they feel about the project. Are there any objections?

45 Your Mission Statement is your most precious asset. Put it on display often, and update it regularly. Make certain it is still relevant and meets the institution's objectives.

Peter Drucker says the Mission Statement ought to be brief enough to fit on a T-shirt. I add to that, it should be something a 6th grader can understand and interpret.

46 **Your institution does not have needs. The people you serve have needs.** Society has issues, problems, concerns. You have the solution, the response. The people you serve have problems. Your institution has the answers and the results. Don't sell your needs.

47 When great fundraisers hit a roadblock, they simply take a detour.

48 On a pre-solicitation or a solicitation call, think in advance how to get ready for the visit:

i) Do you have all the information you need?
ii) What is the most prominent message or idea you want to get across?
iii) Do you have some engaging stories?
iv) What's going on in the donor's world?
v) What objections might the donor pose?
vi) What questions should you ask?
vii) How can you infuse the meeting with excitement, enthusiasm, and new ideas?

49 **Very often, the problem isn't that the institution lacks a culture of giving. The problem is a culture of not asking. It's amazing what you don't get when you don't ask.**

50 Donor attrition is your enemy. It should be measured monthly. It is the most important index to keep track of. If you don't measure it, you can't manage it. If it is more than 40%, you should be concerned. More than 50%, start worrying. More than 60%, you have a serious problem.

It costs four and a half times the resources, energy, and time to get a new gift than to renew one.

51 I have an axiom that has ruled both my professional and personal life: "You will be hurt more by those who would have said yes, but were not asked— than by those who say no."

52 If you say it can't be done, you are right. If you say it can be done, you are also right. The choice is yours.

53 Forget the oft-repeated, hoary saying that you can't repeatedly go to the same well all the time. Forget it. That's exactly where you do go. To the same well. The more donors give, the more they give. Giving begets giving.

54 Patience is not necessarily a virtue. Successful fundraisers pull up the roots to see if the flowers are still growing.

55 **When thinking of your major gift prospect, here are some factors to consider.**

i) over 70 years of age
ii) no or few family obligations
iii) high net worth
iv) has demonstrated philanthropic intent
v) has been a regular contributor to the organization
vi) has contributed to an organization similar to yours

These six factors will get you thinking. But it's only a start. There are so many exceptions. Think outside the box. There are a number of mega-givers, for instance, in their 30s and 40s.

56 **It takes courage.** You can't cross the ocean and lose sight of the shore without having courage. Audacity defines the great fundraisers.

No one would have blamed Columbus if he had decided not to venture across the ocean. But no one would have remembered him either.

57 **Keep your request simple.** If donors have too many things to consider, they can't differentiate the essential from the less important. And they can't decide anything.

A famous attorney said that if you send a jury back with six or seven things to consider, they can't remember anything. In a solicitation, don't give the donor a laundry list to consider. Keep it simple.

58 Expensive brochures are like children— much beloved by their parents, and barely tolerated by others.

In all the studies we have done, our donors tell us that expensive brochures are a turnoff, a negative. Worst of all, they're not read.

59 Talk about your institution's uniqueness. If you are a carbon-copy, me-too institution, why would a donor choose you? Let them know that, "no one touches lives in the way we do." Expand on that.

60 Every study we've done indicates that tax benefits rank near the lowest incentives for giving. Nearly at the bottom. Don't sell tax. Sell instead how your institution saves lives and changes lives.

61 The major reason you didn't get the gift is that you never made the phone call to ask for a visit. (Shame on you!) Also:

- You talked more than you listened.
- You failed to probe.
- You didn't have a strategy.
- You asked too soon, before the donor could ask all of his or her questions.
- You talked about the needs of the institution instead of how it serves the people who are touched by it.

62 Follow the BOY Rule. "Because Of You…" Let your donors know how important they are— that you couldn't do it without them.

63 Donors want you to know that they are real people, not ATM machines. They don't have a sign across their chest that says, "We give money away." Treat them as real people.

64 With apologies to the late poet Maya Angelou, I have inserted the word donor in italics to her beautiful statement: "*Donors* will forget what you said, and *donors* will forget what you did, but *donors* will never forget how you made them feel."

65 Sometimes "no" doesn't mean "no." It may mean "not yet, not now." Or "not for that specific project or not for the amount that you asked for."

To determine what "no" means, you must probe and ask questions.

Remember, Columbus was turned down six times. I say if you get three "no's," you're halfway to a "yes."

66 When we do a study and we ask people why they haven't made a gift to the institution, the answer is almost always, "I have never been asked."

67 Receipts for a gift must be sent to the donor within 24 hours, 48 hours at the most. In today's digital world, why should it take longer?

68 Next in importance to getting the gift is providing effective stewardship. Show your donors the impact of their philanthropy. Donors need to feel the WOW effect of touching lives. Donors want to know their gift makes a difference.

69 No organization will rise above the strength and commitment of the Board. Most institutions are not recruiting the caliber of Board they should.

70 Having "the right" Board is the future of the organization. It is your destiny.

The problem is, most organizations get the kind of Board they deserve instead of the kind of Board they should have. The dilemma is that the Board's nominating committee seldom attracts candidates beyond their own level of status, resources, and influence. You need to shake things up.

71

Everyone knows the old adage that when recruiting Board members, you seek the 3 Ws—

Work
Wealth
Wisdom

I've added two more—

Wallop (men and women of influence)

Women (women now control 58% of the net worth in this country)

So, when seeking new Board members, look for the 5-Ws:

i. Work
ii. Wealth
iii. Wisdom
iv. Wallop
v. Women

72 In today's world, it's unthinkable that there would be Board members who would not give. There must be 100% giving. If Board members don't financially support the institution, why should anybody else? "Give, get, or get off," should be the Board's credo.

73 It is the Board's responsibility to not allow a deficit. And I don't refer to a financial deficit. I mean a mission deficit. The Board's responsibility is to work with the staff to raise sufficient funds to achieve the institution's mission.

74 Effective Boards know that resources shouldn't determine decisions. Decisions determine resources.

75 Attract talented, passionate Board members with compelling, urgent, and challenging tasks. Board members will stand on tiptoes for you if they know what is expected of them.

76 The responsibility of the Board is to make certain that the right things are done. The staff's responsibility is to make certain that things get done right.

77 Effective and successful fundraisers are difficult to come by. If you have good staff, choke them with gold.

78 You are a fundraiser. A noble and rewarding profession.

Because of you, lives are being changed and saved. You secure the support necessary to provide the funds for scholarships, healing the sick, taking care of the abused, feeding the hungry.

It's because of you. You are as important in helping cure cancer as the research scientist in the lab. You make it happen. You ignite the spark that lights the blaze.

And along the way, remember to have fun. If your work isn't fun, it's nothing.

— Jerry Panas

ABOUT THE PROTAGONIST

JEROLD PANAS is Executive Partner of Jerold Panas, Linzy & Partners—one of the nation's most highly regarded firms in the field of campaign services and financial resource development. The firm has served over 3,800 client-institutions since its founding in 1968.

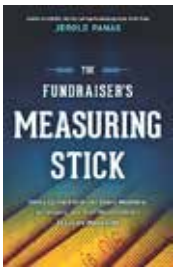
His books are considered the most significant in the field. There are 19 altogether. ASKING is the largest selling book in the history of fundraising, and three additional are considered classics.

Because of the prominence of the firm and the impact of his writing, there are few who have had greater influence in the history of the profession. In 2013, he received the coveted Lifetime Achievement Award for his contribution to philanthropy and fundraising.

The 30,000-member AFP presented him with the Chairman's Award at its 2014 International Conference. Part of his citation read, "for your extraordinary contribution to the nonprofit sector. Our profession would look very different without your involvement . . . you have influenced philanthropy in a way no other fundraiser has." The Award has been given only 16 times since 1986.

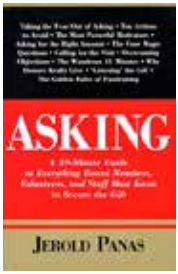
When *The Business of Giving* magazine listed the top twenty-five fundraisers in the country, Jerry led the list. Number one!

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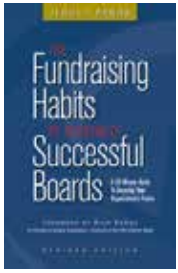
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