
CHAPTER ONE

Defining Donor Cultivation

What Does Donor Cultivation Mean and What Is Its Relationship to the Donor Lifecycle Map?

My assumption was always that most fundraisers and board members understood the need for donor cultivation and that, notwithstanding its importance, the process was often overlooked simply because of the rush to raise monies—especially for annual campaigns. However, when I realized that so many organizations did not have cultivation plans, nor had they any awareness or understanding of the necessity for them, I began to wonder if I was using the word *cultivation* correctly.

Webster's Dictionary defines *cultivation* as “to foster the growth of.”¹ I asked myself whether that definition makes sense in terms of fundraising, and if so, of what are we trying to foster the growth?

Most people would respond the number of donors, and that is correct. Some people would add the amount of money raised, and that is also right. We want to foster the growth of the number of donors and the amount of money raised over time. A fundraiser's goal is to always have more donors, and especially those who are giving larger gifts than they did the year before.

What we don't often think about in terms of cultivation is increasing or growing the number of opportunities we create for individuals to contribute to an organization over their respective lifetimes. In other words, we are so focused on the current campaign, whether it is annual

1. *Webster's Seventh New Collegiate Dictionary* (Springfield, MA: G&C Merriam Company, 1963), 202.

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or capital or both, that we don't pay any attention to the macro-view—to the number of discrete donative possibilities that we provide to an individual over time. Our focus is usually on what the organization requires at the moment or maybe over the next few years. We concentrate on the bottom line today and tomorrow and the best, quickest, and least expensive way to achieve it.

I was coaching the chief advancement officer of a school. He had developed a fundraising campaign in connection with the celebration of the organization's 100th anniversary. He presented me with a draft of alternative giving opportunities each with a different price tag—including naming buildings and rooms within them and the purchase of equipment. However, when it came to programming, he assigned each component (e.g., professional development, science curriculum enhancements, music and art enrichment, etc.) a defined time span for giving of between one and five years. When I asked about these numbers, he explained that the contributions would be used to support the specific programs for no more than five years. When I asked why he limited them as such and didn't consider endowment opportunities for the programs, the response was "I am not responsible for longer than that period of time."

The individual described in the sidebar was restricting the opportunities he offered to potential donors as opposed to "fostering the growth" of them. In other words, he was doing the opposite of cultivation. He was restraining his donors' choices.

Exceptional fundraising needs to focus on not only today but also the future. That is why it is called *development*; it is a process. Interestingly, one of the definitions of *development* in *Webster's Dictionary* is also "to foster the growth of"—the same as cultivation. Another is to "evolve the possibilities of."² Both convey longevity in relation to time.

2. Ibid., p. 227.

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We realistically must pay attention to the current needs of an organization. However, for its long-term strength, we need to put the donor first and consider how the contributor can interact financially with the charity over a lifetime of giving. In other words, we must create a plan using a combination of different mechanisms, which I refer to as cultivation tools, and include such things as newsletters, social media, events, and so forth, in order to sustain the donor's support for and interest in an organization. The long-term goal of the entire effort is to obtain the so-called *final contribution*—the endowment or legacy gift.³

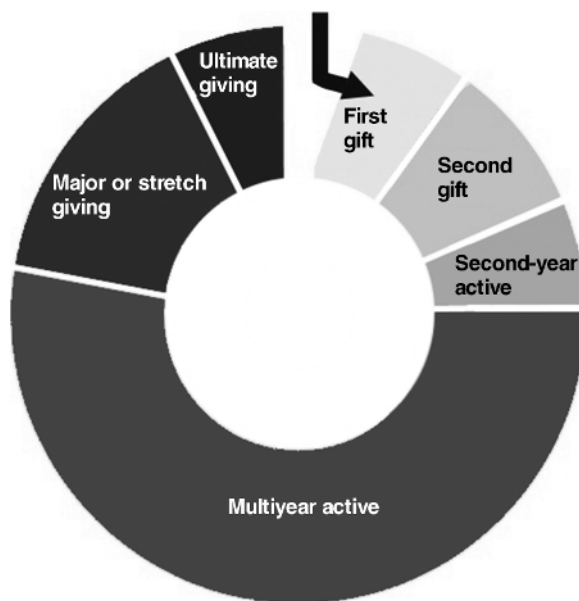
This is the primary concept that Sarah Clifton's Donor Lifecycle Map illustrates.⁴ (See Exhibit 1.1.) It captures visually this third goal of donor cultivation—to increase the number of opportunities a contributor has to support an organization over a lifetime by illustrating movement through a gift-giving progression from first gift to last, the *legacy gift*.

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The Donor Lifecycle Map conveys how a donor interacts with an organization when the latter focuses on maintaining the financial support and commitment of an individual over time. Ms. Clifton asks whether we are moving donors along in terms of their continuous years of giving and value of contributions and not losing them somewhere on the way. In addition, I would ask another question: Are we putting any effort into moving those individuals who appear constantly on our donor lists—the “multiyear active” contributors, especially those at the lower level of giving—toward increasingly larger gifts and the ultimate gift?

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3. Although many organizations do not have managed endowment funds, they still receive bequests from individuals and account for them as annual contributions and use them to cover budget shortfalls and/or address infrastructure needs. Sometimes a portion of these gifts is placed into a special account for future emergencies as defined by a board of trustees.
 4. There are many different concepts of the Donor Lifecycle Map. I like Sarah's because of its forward motion and also the way in which she labels its various sectors.

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**EXHIBIT 1.1**

Donor Lifecycle Map

Source: Sarah Clifton, 101 fundraising blogger.

Growing the number of giving opportunities over a donor's lifetime as illustrated by this mapping exercise is the central focus of donor cultivation. It starts with the first gift, moves on to retaining that gift, and motivates people to continue giving where they join other donors in an active core of supporters from which the candidates for the major or stretch gift and legacy contribution are identified and approached.

Clifton proposes that the Donor Lifecycle Map is a useful concept for visualizing how donors interact with an organization and provides a helpful framework for planning and executing the cultivation process. And while the Donor Lifecycle Map is directly related to increasing the number of opportunities for donors to contribute to not-for-profit organizations, it also is a good tool for thinking about the other two goals of cultivation. It changes the focus from not only bringing in new donors, but also retaining them so that the net number of contributors to an organization increases. Moreover,

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more money will also be raised because, once again, the objective will be keeping donors moving along the Lifecycle Map and shifting them from “multiyear active” to “major or stretch gift” and then on to “ultimate giving.” (It seems to me that Clifton is missing the fact that the lifecycle can even continue after death if that final contribution is placed into an endowment fund that, if managed properly, could keep on growing and producing income forever.)

Clifton explains that the “primary purpose of this diagram is to show the correlation of donor value with engagement, both of which, of course, should be growing!” She refers to this process as the “donor journey.”⁵

The Donor Lifecycle Map is useful because it can help the development professional and volunteer visualize during the strategic planning process the next steps for each donor as well as a cohort of donors that appear in any segment (e.g., first gift, second gift, etc.). The Map forces the planners to ask themselves how they will move supporters forward. What cultivation mechanisms or tools will they employ to facilitate the process and what will it cost to do so?

The Map does not assume that every contributor will follow the route; it does provide, however, a framework for thinking about donors and how to shift them from one segment to the next. The Donor Lifecycle Map provides a useful mechanism for guiding the design of a cultivation strategy, recognizing, at the same time, that there will always be a donor who makes a legacy gift or sometimes even a major gift and who has had little or no connection to the organization.⁶

5. Sarah Clifton, www.101fundraising.org/2011/12/the-donor-lifecycle-map.

6. There will always be donors who make a totally unanticipated gift. For example, the *Chronicle of Philanthropy* (March 14, 2013, p. 21) reports on a woman who left \$27 million in a “surprise bequest” to the Alzheimer’s Association national headquarters as well as a local office in Orange County, California, when her only contact with the organization was seeking “information and help from the Orange County chapter two decades ago when she was caring for her own mother, who had dementia.” There is no way of knowing from the article if there was any follow-up with this woman—whether her name was included on a mailing list or newsletters were sent. This is an example of that serendipitous gift that is not expected, nor would the donor ever appear in one of the segments of the Lifecycle Map.

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In summary, development professionals and volunteers cultivate individuals in order to “foster the growth of”:

1. The number of contributors to a not-for-profit organization
2. The size of their respective gifts
3. The quantity of donative opportunities provided for contributing over time

The Donor Lifecycle Map is particularly suited as a framework for planning and executing the entire cultivation process, even in terms of lapsed donors.

WHY FOCUS ON ALL THREE GOALS OF CULTIVATION?

There are several reasons for focusing on all three goals of cultivation. First and maybe most important, is so that we think strategically about our development plans and procedures. We look at an entire development effort and begin to break it down into different questions for each category of donors on the Donor Lifecycle Map. We ask what we are doing to increase the number of contributors—just getting them in the door—and then we determine how we are going to ensure that second gift. We address the size of the respective donations and how we move individuals from one giving classification to another not only within a cohort but also across the Lifecycle Map—often with benefits attached to each level of support, such as a premier parking place, attendance at a gala with cocktails or dinner with the guest speaker, and/or the inclusion of names on a recognition list. We even acknowledge those people who promise to make an ultimate gift (legacy giving societies) notwithstanding that such a commitment is often meaningless. Donors can run out of money, the promise can be revoked, or notwithstanding that an individual says she has included an organization in her will, it sometimes is just not true. A fundraiser often asks how many times and in what ways can we go back to the same individuals for more money, maybe by including a mini-drive for a

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special purpose, launching a capital campaign, adding an event to a schedule, or holding a raffle or selling a product.

If we focus on what we are trying to grow or cultivate—the number of people, the total amount of money raised, and the opportunities for giving—we widen our thinking and expand our possibilities for inclusion and creativity as well as avoid risk through concentrating on too few donors. So often I hear fundraisers say that it is not worth the effort to cultivate the low-level supporter because it takes so much time and money and “everyone knows” that the majority of any campaign comes from the top 10 percent of contributors. However, if we look at the number of donors, the size of their respective gifts and the amount that they contribute over a lifetime (i.e., the constancy of giving), the short-term perspective is fundamentally altered. In the long run, this focus on the three goals of cultivation—(1) the number of contributors to a not-for-profit organization, (2) the size of their respective gifts, and (3) the quantity of donative opportunities provided for contributing over time—will result in a larger, more consistent and reliable community of supporters, a huge advantage in terms of organizational security.

When we think of the three goals of cultivation, we begin to think strategically about all our donors, not just those at the very top of what is often referred to as the “gift pyramid.”⁷ We begin to consider mechanisms or cultivation tools for reaching every category of contributor and these are then included in the development plan. For example, anecdotes abound about the person whom we didn’t know and never cultivated who gave \$10 a year for a decade or more and then suddenly died and left a large bequest—often much bigger than any major donor. The low-level donor may surprise a charity with an ultimate gift that could transform a program or an organization. Could we have obtained even more money over a period of time had we spent some resources cultivating that individual? Or at least could we have learned about her background and interests so that we could tell her story once she passed on? Notwithstanding such unanticipated gifts, the Donor

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Lifecycle Map is an excellent framework for thinking about development planning within any not-for-profit organization.

I often suggest to clients that they “massage” their donor lists—not from top down but from bottom up. Yes, it takes time, but because donors are individuals, they need to be approached not en masse but one by one.

I persuaded the staff of one charity to review the names and giving histories of all contributors. As a result, they discovered two women who had each donated \$25 annually for many years and not only did they share the same last name, but also address. Had the staff not made a serious effort to study the data, this fact would never have been noticed. These women were obviously related—mother and daughter or two sisters. After a little research, it was found that they were twins who were about to turn 80 years old.

The staff asked a board member who knew the women to make an introduction and participate in a solicitation for an endowment gift. The strategy was to ask for the contribution in honor of their birthday and to celebrate with a party!

When visiting with the women, the staff and board member learned from posing a few questions that neither had married and each had worked as a secretary for a New York Stock Exchange company—one for General Electric and the other for what is now, after many mergers, Bank of America. Each woman owned a considerable amount of stock in the respective company and was open to creating a deferred gift, in this case a *charitable gift annuity (CGA)* where they would donate a portion of their appreciated shares, receive an income stream for life, and upon their deaths, the unspent amount left remaining in the respective accounts would be used to establish a named endowment fund.

Because these women were considered “small donors,” no one had paid attention to them (or to anyone else with contributions at the lower levels). With some effort at
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cultivation (inviting the women to the institution, sending them a newsletter, preparing personal thank-you notes, visiting them on a regular basis, etc.) a stronger case for support might have been made and understood by the sisters. Had there been an ongoing strategic cultivation plan not only for major donors but for everyone, the representatives of the organization might not have suddenly dropped in after so many years of never contacting the women except through the annual fundraising letter, which was a template at best.

Interestingly, several years later, two different sisters, both single and living together, approached this same organization wanting to make a substantial outright gift of approximately \$100,000 each. They had donated less than \$25 annually for years and no one knew who they were. They had suddenly received a bequest from their never-married brother and wanted to contribute the money.

THE LIFECYCLE MAP AS A FRAMEWORK FOR THINKING ABOUT DONOR CULTIVATION

With some hard work and the strategic application of the cultivation tools that are described in Chapters 4 and 5, it is likely that more people might be persuaded not only to make initial gifts but also to continue to support an organization. Ultimately, a good cultivation program will result in multiple donations by a contributor over her lifetime. But who are these potential donors and how do we identify them to even begin and then maintain a cultivation process? The Donor Lifecycle Map provides a mechanism for answering this question.

Each contributor will have a different map, although the exercise can begin by using categories and placing the names of donors within each grouping. The question for the initial steps—first gift, second gift, and second-year active—is how to get people in the door and how to keep them moving forward within these categories from

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their current status to the subsequent one in the cycle. Cultivation tools will help with this.

The next step would be to determine who within the multiyear active group might be identified for increasingly intense cultivation efforts in order to move them to one or both of the next sectors—major or stretch gift and ultimate gift. Various indicators could be considered in addition to amount of years of giving. These could include financial ability, age, marital status, number of children, gender, interest in and giving history to similar organizations, size of gift, and so on. These variables are addressed in Chapter 7.

The Donor Lifecycle Map provides a conceptual and visual framework for sorting individuals among giving cohorts and then for strategically creating a plan for not only maintaining a donor's relationship with the organization but also moving the individual from one place on the journey to the next until the very end of life. This is the analysis that must be done in order to cultivate donors: To ensure increased numbers of supporters, we have to retain them and prevent their dropping out over their lifecycle; to increase the size of gifts, we need to know the individual's position along the Lifecycle Map and determine when to ask for the stretch or major gift and then the ultimate contribution. This thought process leads to and is intrinsically entwined with the goal of increasing the number of giving opportunities to the organization each person has during her lifetime.

Ms. Clifton argues that the "donor pyramid," which has been relied on forever in development departments, just doesn't work: "It is only useful to show one metric—donor financial value. But it doesn't tell the story of engagement."⁸ The Donor Lifecycle Map is a better tool for measuring all of the goals of cultivation.

Designing the "donor journey" of contributors takes time. It assumes attention to the route of each and every individual and increased personalization as the supporter moves along the Lifecycle Map.

While organizations must constantly work to attract new donors to ensure the vitality of their donor pipeline, the Lifecycle

8. Clifton.

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Map suggests that a great amount of work for any development effort resides with the multiyear active group, and yet this is exactly the sector that is often ignored, with the exception of those making the largest gifts. In other words, apart from those who donate what are often called “major gifts” or deemed to have the potential for doing so, these ongoing contributors are often taken for granted.

Another important value of the Donor Lifecycle Map is related to the lapsed contributor: the individual who appears in a segment one year and not the following or who disappears from the multiyear active group entirely. The Lifecycle Map provides a quick visual for intervening and creating a strategy for following up to determine the reasons someone might make the first and/or second gift and then not progress forward. The Lifecycle Map helps identify “lapsed donors” very quickly and intervene before they are completely lost to the organization. This subject is addressed in Chapter 10.

The Donor Lifecycle Map might suggest a new way for development departments to organize their data. In addition to identifying descending gifts, large to small, which is commonly used, information could be collected and managed from the perspective of where on the Lifecycle Map an individual is located (e.g., first gift, multiyear active, etc.). Instead of just updating the size of the gift annually, the position on the Map could also be revised as the contributor moves along. Reports could be developed not only according to gift size but also in relation to constituents in a sector.

Donor data could be looked at with an entirely new emphasis and staff assigned not to young donors, major donors, and so on, but to relationship managers whose job it is to ensure that the donor is escorted along the Lifecycle Map. The question then becomes how to keep people involved and simultaneously move them forward. The answer may be different from person to person as well as by segment within the Lifecycle Map. This conceptualization forces us to think about why we are using any specific cultivation tool: What do we expect to result in relation to the course of lifetime giving?

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SUMMARY

The goals of donor cultivation—increasing (1) the number of contributors to a not-for-profit organization, (2) the size of their respective gifts, and (3) the quantity of donative opportunities provided for contributing over time—and the use of the Donor Lifecycle Map as a framework for strategic development planning should now be clear. The next step is to specifically identify cultivation tools and to think about how they can be used effectively at different times and with various goals to move contributors along the Donor Lifecycle Map.

However, before even considering this model, some fundamental items must be in place in any nonprofit organization. These include a case for giving, and an efficient administrative office or what is sometimes referred to as the “back room.” If either is missing or not well organized, no cultivation process will ultimately be successful. Development is also much easier when an organization has spent time and effort on a strategic plan in which needs are identified, future directions outlined, and a connection made to financial goals.

Above everything, though, there must be an understanding that extends throughout an organization, including all staff and board members, that each donor is important to a healthy institution, no matter the size of the gift, and that it takes a long time to cultivate donors successfully in order to move them around the Donor Lifecycle Map. Some people call this a “culture of philanthropy”;⁹ it has to pervade an entire organization. The next chapter addresses why such an atmosphere is so necessary for continuing success.

9. Jeanne Bell and Marla Cornelius, *UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising* (San Francisco, CA: CompassPoint Nonprofit Services and the Evelyn and Walter Haas, Jr. Fund, 2013), p. 17.