

NOVEMBER 28, 2011

Ask Nicely, Please

Philanthropy experts offer their do's and don'ts on how charities should solicit donations

By VERONICA DAGHER

For some charities, the difference between success and failure may not have much to do with how they *spend* their money. It may, instead, have to do with how they *ask* for money.

We asked some philanthropy experts to tell us what can make or break a charity's chance of success with prospective donors. Here's what they said charities should do—and what they shouldn't.

The Right Way

1. People Give to People

Relationships are the "heart and soul" of fund raising, says Ted Hart, chief executive of P2PFundraising, an adviser to nonprofits that is based in Washington, D.C., and Columbia, Md.

More in Philanthropy

- [Should Philanthropies Operate More Like Businesses?](#)
- [Why Overhead Is Vital for Nonprofits](#)
- [Soybeans and Other Unusual Donations](#)
- [Ups and Downs of Serving on a Charity Board](#)
- Read the [complete report](#).

"Whether it's online or offline, it matters who is doing the asking," he says. A charity is much more likely to have success when the person making the appeal has a relationship with the potential donor. What's more, when a charity receives an introduction to a potential donor from an existing supporter, even if it's solely through an email, the charity is automatically seen as more credible in the eyes of the potential donor, Mr. Hart says.

In addition, charities that take the time to cultivate relationships with existing donors year-round, not just when the charity needs money, are likely to be more successful in their appeals, he says.

2. Show Me the Leadership

Fiscal integrity is a key characteristic of strong nonprofit leadership, says Deanna Ackerman, chief executive of Advanced Development Executives LLC, a consultant to charities that is based in Henderson, Nev. Prospective donors need to know that the charity's CEO will ensure the responsible stewardship of donations made to support the mission, Ms. Ackerman says. The charity needs to let the prospective donor know specifically how the money will be used, she says, and then, most of all, follow up and communicate with the donor on how the money was put to work. In addition, in order to attract new donors, a charity must demonstrate that the organization's leadership is stable.

"Consistent leadership helps build donor loyalty," Ms. Ackerman says.

3. Teach, Don't Sell

An organization that teaches a donor about an issue has a much higher chance of success than one that just "pitches" a donor about the organization's cause, says Eric Kessler, founder of Arabella Philanthropic Investment Advisors, based in Washington. For example, an organization that educates a donor about what's working and not working in education reform will likely resonate more than a charity that solely tells the donor about the charity's work in education reform, he says.



Noah Woods

Similarly, giving donors a firsthand experience of an issue, say by inviting them to volunteer in the shelter the charity is asking them to support, can make a big difference.

"A site visit can be a life-changing experience," says Mr. Kessler.

4. Tap Their Passion

Charities that help donors uncover their values, passions, dreams and aspirations can be a breath of fresh air to donors who may not be used to being asked what they want, says philanthropy consultant Heather Gee, president of Philadelphia-based GPS Philanthropy. A fund-raiser might ask a prospect questions such as, "When did you first learn about giving back?" or "If you had \$1 million that you had to give away, what would you change or preserve in the world?"

The questions will help the charity uncover the underlying story of the donor, she says. "This kind of fund raising gets to the core of how and why the donor really wants to make a difference," says Ms. Gee.

Ideally, the donor will want to support the inquiring charity's cause. But either way, by asking these questions the charity will likely be remembered by the prospect as the one that cared about the donor, not just the donor's wallet, she says.

5. Start Them Early

Ideally, a child, from a fairly young age, is learning from his or her parents and grandparents how to be a wise giver, says Nathan Dungan, a wealth coach and president of Share Save Spend, which is based in Minneapolis. While children are likely to learn about giving through their families or schools, charities that simplify their messages for kids and engage children using understandable pictures and videos can help build a future generation interested in philanthropy, he says.

Nonprofits that teach kids and their parents how even a small sum of money can make a huge difference for someone working their way out of poverty, for example, can resonate with a child from an early age, Mr. Dungan says.

The Wrong Way

1. Making a Confusing Pitch

When philanthropy adviser Calvin Edwards went on a site visit to a charity with a donor who was picking among three organizations to give \$100,000, the charity's director did his best for an hour describing what the charity did and showed the prospect large photos of some of the organization's programs.

But as they left, the donor's first question to Mr. Edwards was, "What is it that they do there?" Mr. Edwards, founder of Atlanta-based Calvin Edwards & Co., says the charity's "catalog of 'We do this and we do that and at Thanksgiving we do this'" just confused the prospect.

2. Insulting the Donor

"Saying to a donor 'Your dad always funded us' rarely works," says Chris Page, senior vice president at New York-based Rockefeller Philanthropy Advisors.

This can be insulting to donors, Mr. Page says, because it assumes something about them before even getting to know them. Charities risk alienating donors if they don't realize that a donor's personal choices will be shaped by that person's own experience, which might be very different from that of a parent or anyone else the charity may have worked with who knows that prospect.

Charities can also insult a prospect by asking for an inappropriate amount, says David Ratcliffe, managing director, institutional philanthropic sales, at [U.S. Trust Corp.](#) in New York. "Asking for too little is almost an insult, but by asking for too much, the donor could be taken aback and not want to give further," he says.

3. We're Desperate!

A plea of desperation may work with donors once, but it's not an effective long-term strategy, says fund-raising consultant Laura Fredricks, owner of New York-based Laura Fredricks LLC. Repeated "emergency" requests will cause a charity to lose credibility with donors, she says. In addition, few donors are looking to support what she calls a "sinking ship."

"A donor doesn't want their money to go into a black hole, never to have the meaningful, transformational impact they are seeking," says Ms. Fredricks.

4. Getting Complacent

An organization's current donor base can be the lifeblood of an organization. Ignoring that donor base or taking their donations for granted could prompt existing donors to stop giving, says Gillian Howell, private-philanthropy executive at Bank of America.

Just because an organization has received the same grant for the same amount for 10 years, it shouldn't assume it's going to get it automatically this year, says Ms. Howell, who is based in Hartford, Conn. Not sending thank-you notes or timely gift receipts or failing to visit donors can hurt an organization's reputation with existing donors and prospects, she says.

5. Taking No for a Final Answer

Many nonprofits fail to think about how a donor who may not be able to support them this year might be able to contribute in the future, says Jane King, a Boston-based financial adviser. Nonprofits that hang up the phone before asking such prospects if they'd like to receive information about incorporating the charity into their estate plans or asking the prospects to volunteer, for example, could be missing an opportunity to receive money down the road, she says.

Ms. Dagher is a reporter for Dow Jones Newswires in New York. She can be reached at veronica.dagher@dowjones.com