NAVIGATING RELATIONSHIPS WITH MAJOR DONORS

By

Mariela N. Socolovsky

Thesis submitted in partial fulfillment of the requirements for the degree of Master of Arts in Jewish Nonprofit Management

Hebrew Union College - Jewish Institute of Religion

Spring 2015

HEBREW UNION COLLEGE - JEWISH INSTITUTE OF RELIGION
LOS ANGELES SCHOOL

ZELIKOW SCHOOL OF JEWISH NONPROFIT MANAGEMENT

NAVIGATING RELATIONSHIPS WITH MAJOR DONORS

Approved By:

Sarah Benor, Advisor

Richard Siegel, Director, ZSJNM

Table of Contents

Abstract

Until now, there has been little research on the preferences of major donors. This thesis fills that gap based on in-depth interviews with donors and development staff about cultivation and recognition. The target population is Jewish organizations and its high-end donors in the city of Los Angeles, but non-Jewish organizations, as well as organizations in other geographical areas, can learn from the results of this project. The main conclusions indicate that donors want to be involved and become partners with the professionals. Donors expect to participate in the early stages of challenging situations and to be considered a good source of advice. They seek to generate change, help others in need, make an impact, and eventually (ideally) achieve *tikun olam*. In addition they expect the solicitation to be diversified between different levels of donors. For all the work and support they give to the organizations, most of them do not expect public recognition, but they do want to be acknowledged through a letter, a handwritten note, or a phone call. Donors are more inclined to give larger gifts and solicit friends and family if their relationships with the staff and the organization are strong prior to solicitation. In addition, donors report low levels of trust in the authenticity of the relationships they have with the development officers and identify this as one area for improvement. The main take-away from this research is that working with donors is all about relationships, partnerships, and regular communication.

Acknowledgements

I want to take this opportunity to express my gratitude to everyone who supported me throughout the course of this intellectual and emotional journey. Thank you to each one of the people who played an important role in bringing this project to fruition.

Thank you to my amazing, inspiring, and supportive mentor, Debbie, for playing along with me and being the tester for the interview with the donors, for listening to my ideas, and for getting excited with me about the potential use of the findings.

Thank you to the thirteen wonderful donors who opened the doors of their houses or offices to share their deepest thoughts, true feelings, and frustrations with me. Thank you very much for letting me be your spokeswoman, for allowing me to share your truth with other professionals, so that we can all improve our work together.

Thank you to the eight passionate professionals who shared their knowledge and experience with me, treated me like a colleague, and suggested ideas to improve the research.

Thank you to Marla Abraham who took the time to brainstorm with me on the best ways to approach the subject of research, who always found the time to mentor me, and who gave me full access to her large library for my literature research.

I am grateful to the ZSJNM. Being a student again has been an amazing journey, and having the pleasure of sharing it with my classmates has being an inspiring adventure. Thank you to **Richard Siegel** and **Mandi Richardson** for your continuous advice and support in arranging interviews. Thank you to **my classmates** for listening and encouraging me every week, and for suggesting other perspectives from which to view the findings.

I am eternally grateful to my family who, even though spread all around the world, found the time to show interest in my research topic and progress, found the right words to encourage me when I was overwhelmed, and was supportive enough to cook and go grocery shopping for me so that I could have more hours to write. To my nieces and nephew, thank you for understanding every time I had to say "no" to playing, to spending time with you, or talking on Skype.

And last but not least, **thank you to my** talented, understanding, pushy and flexible at the same time, and awesome **thesis advisor**, Dr. Sarah Benor. Thank you for giving me a second—and more positive—thesis experience, for finding the right words of encouragement and criticism, and for helping me stay on track.

I am proud of the product that you are about to read; I believe it can be a significant source of knowledge to all Jewish professionals in the development field and a good way to honor our lay leaders. I also claim any lingering errors as wholly my own.

Mariela Socolovsky

Introduction

Have you ever asked yourself, *Am I doing things right?* If you are a development officer, whether you work full time in a department of development or are simply involved in development activities as part of another professional role, I would imagine that you have most likely asked yourself this question more than once. You might have asked yourself if you are using the right approach, if you have built a strong enough relationship to engage a donor with the organization, if you are asking the right questions to a donor, if you are choosing the right way to recognize a gift, or if the donor is happy with the organization's accomplishments. In Greater Los Angeles, there are more than 500 Jewish nonprofit organizations, and I hear the professionals asking these and related questions.

As a soon-to-be-certified master of arts in Jewish nonprofit management, with a fair amount of experience in the development field, I have certainly asked myself those questions many times. I try to keep myself informed about new trends and research, and I was surprised to discover that in the Jewish arena the donor's perspective on development activities has not received much attention. As I will share with you in the next section, we do find information about donors' motivations, donors' patterns of behavior, and even about donors' expectations in terms of level of involvement. However, understanding how we as professionals are taking care of our partners—that is, donors—apparently has not been a priority. As times are changing, and the field is transforming with them—we used to call the field "fundraising" and today call it "development," which evokes a deeper understanding of the forces and philosophy involved in this process—I believe this has to change too, and we have to hear our donors' voices.

Despite the fact that today we know a great deal of things about donors who are committed to Jewish organizations, we do not know how they perceive the staff working with them, the strategies taken to develop mutual relationships, and the ways chosen to recognize their support. In an era of DIY ("do-it-yourself"), in which donors start their own philanthropic initiatives and in which demands for stewardship and transparency are the donors' imperative, we are called to understand who our donors are and what they want. Many professionals are doing some things right; however, a better understanding of donors' perceptions can lead to the development of strategies that more effectively target and retain donors, improving the overall performance of both development officers and organizations. When we understand donors' thoughts, we give donors a voice and a way to become real partners in this enterprise, which is to advance our organization's mission.

This thesis explores major donors' perceptions of the kind and quality of relationships they have with the organizations they support and looks at the practices of cultivation and recognition of major donors to Jewish organizations in Los Angeles. This thesis assembles information from existing research on relationship building, donor motivations, cultivation and recognition strategies, and new trends in philanthropy that affect the ways donors and organizations interact, in order to identify current practices in the field and suggest new directions emerging from the donors' perspective. The work was guided by the following research questions:

1. How do Jewish organizations in Los Angeles recognize and cultivate major donors?
2. How do major donors to Jewish organizations in Los Angeles feel about the

cultivation and recognition strategies they have experienced? Which strategies do they appreciate most?

The ultimate goal of this research is to inform the donor recognition and cultivation strategies of Jewish nonprofits from the donors' perspective.

Methodology

This research sought to understand the breadth and depth of major donor experiences and expectations in terms of cultivation, stewardship, and recognition. The best way to approach this research was by employing a qualitative methodology: semi-structured, face-to-face interviews. This methodology allowed me to understand what strategies were put in practice by the organizations and what kind of feedback they were receiving from their donors. At the time, grounded theory seemed to be the right approach to conducting this research, since the goal was to derive a general theory of views and interactions rather than to prove existing theories (Creswell, 2002). This proved correct, because from the data I collected I was able to come to conclusions on donors' expectations and impressions about the current practices in Los Angeles Jewish organizations and on where there is still room for improvement.

I interviewed eight development officers working for small, mid-sized, and large Jewish organizations in the area of Greater Los Angeles. For this research, small organizations were defined as having between one and fifteen staff members, mid-sized organizations between sixteen and forty staff members, and large organizations more than forty staff members. When selecting professionals to interview, I used my personal contacts and connections. These interviews allowed me to identify how each organization classifies major donors and to find out what kinds of practices are used to recognize donors' gifts and to cultivate those relationships.

Additionally, I interviewed thirteen donors who contribute at least $10,000 to small, mid-sized, and large organizations, among them six women and seven men between the ages of 50 and 75. Their names were replaced with pseudonyms to preserve their anonymity. The men are Charles, Ben, Ralph, Brad, Shawn, Randy, and Seth, and the women are Jackie, Miriam, Evelyn, Melissa, Dana, and Lola. Almost all of the donors have a long history of major donations to several nonprofits in the city of Los Angeles.

Through these interviews, I sought to understand several issues from the donors' perspective, including the following:

- What gets them involved?
- What kinds of practices or attitudes from the organizations they donate to make them feel appreciated or uncomfortable?
- What are their expectations about recognition?
- With whom do they have relationships in the organization and why?

For the donors' interviews, I also started with my personal contacts, and I then asked the professionals that I interviewed to connect me with donors from their organizations. In some cases I used snowball methodology to reach out to more donors, when the organization was reluctant to connect me with them, or I turned to the Zelikow School of Jewish Nonprofit Management to assist me in contacting some relevant prospects.

It was my purpose through this research to get to the stories behind the donors' experience, as well as to discover the efforts made by the development staff to cultivate and recognize major donors. To achieve this, I designed two general interview guides—one for each group of interviewees (see appendix A and B)—to ensure that the same topics were discussed with all participants in each group: however, allowing an "emergent rather than tightly prefigured" dialogue (Creswell, 2002, pp. 181) enabled participants to engage in in-depth conversations. This format allowed the interviewees to slowly—through the conversation—open up to me and share practices, experiences, feelings, and stories. After collecting the data, I searched for recurrent themes, which enabled me to compare practices mentioned by the professional staff with donors' perceptions. Second, I used these themes as the basis for proposing recommendations that could potentially improve relationships between donors and development professionals.

A driving purpose of this research is to understand both sides of these relationships—donors *and* organizations—and to contribute to the development field by bringing to the fore the voice of one of the two main participants in this relationship, the donors. Engaging in deep conversations with them ensured that the information collected is clear and sincere. Using the current research literature on the subject and all the salient information collected through the interviews helped me come up with the recommendations that will—hopefully—benefit Jewish professionals and be rewarding to the donors, who may feel satisfied that their opinions were heard and suggestions implemented. I am also happy to report that I was able to find both good practices in the field and new ideas to improve them, guided by the donors' perceptions.

Findings

Who Is a Major Donor?

In the development field, it is common understanding that in nonprofit organizations 80 percent of the income comes from 20 percent of the donors (Stauch, 2011). Klein (2011) is more specific and explains that 60 percent of the income comes from 10 percent of the donors, 20 percent from 20 percent of the donors, and the other 20 percent from 70 percent of the donors. Therefore, it seems understandable that organizations concentrate their main resources on cultivating major donors, because they simultaneously represent the smallest group in the donor base and the largest income to the organization. However, some, such as McKee & Rovner (2014), believe that major donors should not be the only focus of the organizations. Whether one agrees or not with this approach, it seems to be the reality in the field.

Defining *who is a major donor* seems to be a more complex matter. Some fundraising consultants agree (Neal, 2006; Eisenstein, 2013) that the term *major gift* varies from organization to organization. They suggest that each organization usually determines its own major gifts classification based on an average sum from the top five gifts that are not founders or foundations' gifts. Neal (2006), however, believes that it is also important to take into consideration the longevity of the organization, since donors are usually upgraded in their level of donation over the years. She goes on to explain that major gifts are not necessarily defined by the amount, but by the weight of them in the organization's annual income, especially compared to the rest of the received gifts.

Major donors are a distinctive group in every organization, which sometimes is one of the reasons for naming and associating them into clusters. "Fundraisers agree the distinct name helps telegraph to donors they are part of a special group, one that commands the attention and respect of the organization" (McKee & Rovner, 2014, p. 18). As special and unique as these gifts are in the impact they can generate, so are their sources, the donors. Major donors, especially today, want not only to tackle challenges, but also to see outcomes and results; they have a clear idea of what they want (Israelson & Snyder, 2013). Or, as one donor explained, "Giving is not just about writing a check. It is a relationship between those who have means to touch people's lives and the causes that inspire their generosity. In the process, we are transformed by acts of loving-kindness" (Angelica Berrie, quoted in Israelson & Snyder, 2013, p. 10). Major donors have a strong influence in the organization, because most of the time their gifts allow the organization to move forward, grow, and make a significant impact. However, this influence comes with strings attached, because today major donors—and more specially the young ones—want to be involved, listened to, and allowed to give input, and they want to understand in detail and contribute ideas. They want to invest in issues and ideas and not in institutions (Sprinkle-Grace, 2006), which makes the development officer's work more challenging, because is no longer about "selling" the organization, but about building a relationship with the organization.

The Pew data (Lugo, Cooperman, et. al, 2013) clearly demonstrate that philanthropy is one of the most popular ways for Jews to express their *Jewishness*. Fifty-six percent said they made a donation to a Jewish cause in 2012. Some of the donors take this idea to its radical expression, making large gifts to the organizations they feel connected to. However, this connection does not come automatically; organizations need to work—hard—to build and sustain good relationships with their donors.

Do Not Focus Only on the Usual Suspects

As mentioned, in previous research, the definition of who is a major donor is determined by each organization. For the purpose of this research and based on the findings from the interviews with the development officers from eight different organizations, a major donor is defined as someone who gives at the level of $10,000 or more. Five of the eight organizations considered an annual gift of at least $10,000 to be a major donation, and three defined a major donor as someone at a support level of $5,000. However, the latter mentioned that this is low compared to what other organizations consider a major donor and are looking into changing it.

In terms of development, major donors are the main focus of all the organizations I interviewed. The development staff spends time with them in one-on-one meetings and check-in conversations by phone, and also sends them tailored reports or newsletters with notes. Essentially, the staff strategizes about the best ways to build and maintain a relationship with each individual and creates a plan to follow through. In addition, it is clear that some organizations are making great efforts to diversify the attention to middle and small donors. For instance, one of the interviewees recommends, "Don't just focus on the usual suspects" (Lola). A professional from a mid-sized organization explains, "My philosophy is that everybody can give something; making them feel good about it is my job." And a professional from a large organization reflects "... sometimes those that are not major donors might feel left out of the recognition, and we should be working on that." I found that these efforts are consistent with the ideas held by a third of the donors themselves, who believe that the focus cannot or should not be only on major supporters: "I expect them [development professionals] to raise money and find ways to engaging people in participation whether they have a little bit of money or lots ... I think that just ... asking for money from the same people all the time doesn't make any sense" (Lola). Or, as Melissa explains, "My biggest problem in the Jewish world is that we give too much recognition to people because they are rich ... we do it based on the dollar amount. There is something really wrong with this whole system." Randy was very clear on his view about a more equal treatment to all kinds of donors, saying, "Whatever the charity [amount] is, they [organizations] should acknowledge it, reaching out and thanking you." From the donors' perspective, it appears that they not only appreciate any kind of contribution, but also do not want to be the only ones carrying the financial burden of keeping the organization running.

Donors as Lay Leaders

New trends in philanthropy present us with donors who not only want to write a check to the organizations, but want to be involved; they want to invest in issues and ideas, not in institutions (Sprinkle-Grace, 2006). Their level of involvement translates into their level of financial commitment. It seems that as donors become more involved in the organization, their financial contribution increases, or at least that is what they report: "Every place we give money, we like to know as much as possible and be involved, to have a say" (Lola), and "if I am not involved, I won't write a significant check" (Ben). Melissa emphasizes the importance of involvement, explaining “I have a big investment in the organization, so I want to make very sure I know what’s going on ... I want to be as much part of the inner lay people as I possibly can” (Melissa).

Another distinction among donors is between lay leaders and those who are solely financial contributors. Lay leaders are committed to the organization’s mission and work hard to help accomplish it. They are generally donors, and they are sometimes also board members. **The donors interviewed for this research are all lay leaders**, so for this research donor, giver, supporter, lay leader, and any other similar name refers to lay leaders – donors also involved with the organization. Twelve out of the thirteen lay leaders interviewed said in one way or another that they do not give large gifts to organizations that they are not actively involved with.

Donor Motivations

Research has shown that donors are motivated to donate for different reasons. Bekker & Wiepkin (2010) identified eight mechanisms as the most important forces that drive charitable giving: (1) awareness of need; (2) solicitation; (3) costs and benefits; (4) altruism; (5) reputation; (6) psychological benefits; (7) values; (8) efficacy. Others (Haggberg, 1992; Prince, 1994; Frederick, 2009) were more specific about describing donors’ motivations, explaining that they are driven by motives such as tax advantages, the need to feel significant, and the feeling of being blessed with fortune. Some give because they are looking for public recognition, and others out of guilt or altruism; some give to build a network, and others because they want to make this a better world.

Organizations need to understand who their donors are: “they [donors] are looking for high-impact results from their giving. They consider their gift [whether it is] large or small to be a social investment” (Sprinkel-Grace, 2008 p. 3). This philanthropic pattern requires specific understanding, skills, and attention, and a simple phone call or thank-you letter might not work. In recent years, the academic study of giving has advanced (McDonald et. al, 2011), and this has helped development officers improve their relationships with donors, deepen their understanding, employ new tools, and enhance their active listening skills. Sprinkel-Grace (2006) believes that “the old generalization about motivation needs to be rethought” (p. 68). She claims that even though classical motivations such as peer pressure, recognition, and the search for transcendence are still relevant, new generations of donors, including the rising number of women in philanthropy, are approaching organizations with a new set of motivations, such as the desire to see changes and tangible outcomes, make a great social impact, and be involved in the process.

Giving is—within Judaism—a basic obligation, one of the main tools we have to change reality and manifest our deepest human values. Motivations influence why donors give and to which cause, and also shape their relationship with the organizations in terms of expectations (McDonald et. al, 2011). It is almost impossible to miss the changes that philanthropy at large has undergone over the last decade. Donors are demanding greater levels of accountability, stewardship, and transparency, and they want more direct involvement in deciding how organizations spend their money. They have their own dreams about making the world a better place, and those dreams are driving their philanthropy. They feel they can be participants in the vision of a better future for the world (Sprinkel-Grace, 2008).

Major Donors, Major Impact

After interviewing thirteen donors from the Jewish community of Los Angeles, thirteen lay leaders who without exception are involved in many organizations—not only Jewish—and who are very proud of the leadership work they do, it seems that the motivations driving them to give are consistent with the literature on the subject. These are based on three main areas: to make this a better world (*tikun olam*), to help others in need since they had been blessed with a good economic situation, and to make an impact in this world.

Most of these Jewish donors have a mantra in their personal philanthropic narrative: when asked "What do you dream to accomplish with your donations?" they mainly report that they want "to generate change in the society and to help others" (Miriam) or, based on the Jewish imperative of making this a better world, they echo Brad's claim that "I want to make the world better, simple 'tikun olam.' I want to leave the world better than how I found it."

Making an impact in the world is not an easy task, yet these lay leaders are eager to make it happen. When discussing what makes their experience as donors the most significant one, nine out of thirteen donors referred to two main themes: the possibility of generating changes **(short-term impact)**, that is, "seeing the outcome of what you're doing" (Dana) by "taking on a project and making of it a success" (Jackie). And the second theme is the rush of seeing their donations make an impact on the world and on people's lives **(long-term change)**. They also refer to this as "creating transformative change, changing lives" (Ben), "further[ing] young people" (Seth), and "... when I see the beneficiaries, that's why I do this, the direct thrill of seeing my donations at work" (Melissa). Because "you want to see that what you are doing has an impact ... you feel good when you know that you made an impact" (Charles) and your dollars enable "making a difference in people's lives" (Randy), this is also the reason why some of the donors prefer smaller organizations, "because one's donation has more impact" (Ralph) in a smaller setting.

The other third that did not specifically refer to these three areas when talking about the perks of being a donor still mentioned some of these subjects during the conversation.

Although motivation is an internal issue—what organizations provide is the right environment for that motivation to flourish (Sprinkel-Grace, 2006)—this is still the power that drives their intentions, their work, and their relationships with any given organization. However, the biggest motivation is "ignited by the passion that comes from belief in the mission" (Sprinkel-Grace, 2006, p. 70), and the most effective way to educate donors and set the fire that will ignite their passion is through cultivation.

Donor Relations

Whatever the size of the gift, whatever the motivation, every nonprofit organization knows that "...their financial success depends on the ability of their boards and staff to raise money. What is the single most important activity impacting their effectiveness in raising money? Building relationships" (Wolfson, 2013, pp. 141-142). Many believe (Donshik, 2009; Eisenstein, 2011; Wolf, 2011; Wolfson, 2013; Yastrow, 2014) that the organization's success can be summarized in a few words: It is all about relationships! Organizations sometimes forget about the power and importance that *building relationships* can potentially have in driving the organization toward its mission and goals. This process can allow donors to develop faith and trust in the organization, connecting and engaging them with the cause (McDonald et. al, 2011). Moreover, organizations forget that the people who come to them do so because they are looking for meaning and purpose. Organizations should be able to provide it, not necessarily by the programming they offer, but through the relationships they enable (Haggberg, 1992; Wolfson, 2013). Building relationships is part of cultivating donors. Wolf (2011) suggests a few strategies such us *friendraising*—approaching the donor as a flesh-and-blood person and not only as the face behind the dollars; *listening*—there is no better way to create a relationship than being willing to invest time in listening to the donors; *making the donor a star*—focusing on the donor and making him and her feel special, using small gestures to enhance this strategy; and, of course, *being grateful*—"There is a predictable sense of disappointment when the organization is too busy to acknowledge, even in a small way, with a heartfelt letter, but not too busy to put the donor in the database" (p. 46). Development is all about relationships: how you approach them, how you build them, and how you maintain them is what makes the real difference.

If You Engage People They Will Lead, and If They Lead They Will Give

Building good and strong relationships can benefit the organizations and the donors. In keeping with the literature in the subject, one of the donors notes, "There is a big difference between development and fundraising … the very best people do development, and development is relationship-building. You cannot build relationships with people that you are not connected with ... [and] if you engage people they will lead, and if they lead they will give" (Ben). There are no formulas that can successfully predict how many phone calls, reports, emails, or personal meetings are needed in order to build a strong relationship with a donor. The most accurate "formula" will be based on the donor's preferences, and the only way to discover these preferences is to ask about them and to be a good listener. The key word here is a "tailored" approach. **Development officers need to *tailor* their strategies to each donor in order to build unique relationships with them.**

Although all the interviewed professionals mentioned this as a main goal and task of their jobs, it seems there is a distinction between the ideal and the real. Almost all the donors interviewed referred to relationships as an area to improve. They mostly expressed their thoughts in terms of how they would like the organizations to approach the subject. These include the following: **Make it a Habit to Communicate—**"If I never hear from them or only once a year for an event, I probably won't give. It's important to check in periodically" (Charles). Otherwise, organization staff might find themselves in a situation like (Ralph) describes: "The development director is very nice, but I don't think we have a relationship; she checks in once a year, usually at the end of the year." **Be Realistic and Start Small—** "You have to do the homework and learn where the sweet spot is, but it starts with a relationship. In order to get to the big number, you have to start in a lower level" (Brad). **Allow Them to Know You and Your Organization—**"We are not going to give thousands of dollars if we don't know the organization, the people running it, what the mission is, and how they go about fulfilling the mission" (Melissa). **First Build a Relationship, Then Ask—**"I would rather have authentic relationships with people that are not based on me giving one gift; the relationship needs to go deeper than the gift . . . They [development officers] ask for money too quickly. The relationship needs to be there before the asking, not the other way around" (Ben), especially because, unfortunately, "so many do it the other way around" (Dana, referring to the habit of soliciting first and building a relationship second).

It is clear from this that donors want relationships, probably because giving is not a simple act; it involves ideas, dreams, and feelings. At the very least, they do not want only to write a check. The strategies suggested by Wolf (2011), such as friendraising, listening, and being grateful, seem to match the donors' expectations very well. All these strategies combined make a specific—and what could potentially be very successful—formula for a happy ending, since the donors will be more committed and willing to support the cause, and the organizations will receive the funds necessary to achieve their missions. As one of the donors explained very concisely, "they [the staff] really need[s] to know the donors" (Lola). However, getting to know the donors is only the first step.

On the Components of Donor Relations

Jerry Silverman, President and CEO of The Jewish Federations of North America, believes that trust is one of the main components in building relationships. As he puts it, "donors invest in both mission and organization because they have a passion for it, but they will also invest because they trust that the people who lead the organization will steward their money directly into areas that create meaning and purpose" (in Wolfson, 2013, p. 144). He is convinced that donors give because they want to see their dollars in action.

Organizations have to care about the people they expect to engage, because when they care, they are able to understand them, to listen and share, and to join forces to build a strong Jewish community. However, as explained in the work of McDonald et al. (2011, p. 175):

> While it might be reasonable to assume that close relationships are more desirable than casual ones, they both pose risks. Casual relationships are generally professional in nature and typically require less gratitude; however, they can also result in donors feeling disconnected. In a more personal, long-term major gift relationship, organizations may become too complacent in how they reciprocate a gift. These circumstances can lead to donors feeling taken for granted.

There is no shred of doubt that relationships with donors are as complex and multifaceted as any other relationship.

Donors' search for meaning and purpose may have different expressions, and one expression could be looking for strong and meaningful relationships. Organizations then have an important role in creating relationships with their donors. However, in order to do that they need to understand donors. In the past, the organization's work was easier, since once donors committed to one organization they were loyal for many years (most likely until they died), but the present presents a different reality. Donors are more selective, meticulous in their requests, skeptical, and demanding of greater levels of transparency and accountability (Sprinkel-Grace, 2008). This may be the case because of the donors' exposure to the media and awareness of marketing techniques (Sprinkel-Grace, 2008; Haggberg, 1992), or because today donors are more reluctant to commit to one thing. No matter what are the reasons for the present reality, development professionals need to understand their donors.

It Is All about Trust

Trust can be built in years and ruined in seconds. Trust is showing willingness to rely on someone else's actions. In this case, the donors are relying on the organizations to do with their dollars what they promised to do, leading the organization in the day-to-day with talent and honesty. Dana stated very clearly that for most of the organizations she feels attached to, her attachment is mostly to the professional leadership, and she goes even further, explaining that it is very important for her that the staff leading the organization is qualified. There are other factors that help build trust, for instance, respect and honesty, because, as Melissa said:

> stuff is going to happen . . . people are people, but if you address it right away, then everybody can handle it, but if you hide it from me, if you treat me like I am your best friend but I am not, I am going to be very irritated and I am never going to trust you again.

As Jackie pointed out, “significant changes in terms of staff do make an impact on . . . [my] perception about the organization.”

Although changes are impossible to avoid, what can be avoided is the surprise factor. Donors, who are also lay leaders as are the interviewees, aim to be partners, so making them part of the transition process is a gesture of trust and a good sign of partnership, and might prevent discomfort from the donor’s side. **Trust is the basis for good and long-lasting relationships**, which will allow donors and staff to work in partnership.

It Is All about Partnerships

Donors want to see their dollars in action, but allowing donors to see their gifts translated into action is a multifaceted process. On the one hand, the donor and the organization see their impact on the world, and on the other, they see progress in the relationship between the donor and the staff. This is an opportunity to see their joint work accomplished, with an emphasis on joint, and is the direct consequence of the relationship they built, based on trust, respect, and honesty. Relationships shape our identity, helping us become who we are. In the framework of Jewish organizations, relationships “form the beating heart of [our] soul” (Wolfson, 2013 p. 3). Partnerships are mutual agreements to advance mutual goals, so the best partnerships are based on good relationships, trust, good communication, and honesty.

Almost without exception, all the donors interviewed for this research placed great importance on being partners with the organizations. As understood from the interviews, partnership involves donors and staff working together toward a goal. Staff runs the organization and its day-to-day tasks, making logistical decisions and accomplishing the mission, while donors—those that are also board members—are involved in the big decisions that define the direction of the organization. They are the visionaries. Although donors and staff have their own roles, partnership means—as explained by the donors—sharing the burden and the challenges, sharing the good news and the bad, trusting each other and one another's capacity to deal with all kinds of situations.

When asked to explain what these partnerships look like, several of the donors put great emphasis on what they were saying, changing their position in the chair, showing variations in the tone of their voices, and even looking directly into my eyes, as if they wanted to make sure that I was listening. Some of the themes that emerged from their reports were as follows: **Be Collegial—**"The key is collegiality, to treat you as if you are a partner, not as if you are the source of writing a check. You are included and made to feel (...) as if your opinions are important, that you are given real things to do" (Miriam); **Do Not Condescend—**"I do not like it when people are managing me, when I am treated like a 'donor' and not like a partner . . . I am good at partnerships and I like working on partnerships. If I say I am going to run an event, I am going to do the work" (Jackie); and **Bring the Donors' Vision to Fruition—**"[Partnership means] me having vision and ideas and the staff people figuring it out how to execute" (Ben).

An element of partnership that may not come easily to development officers and senior staff is to **Share Challenges**. Melissa explained:

> I expect not to be handled and managed; I don't like it when I feel people are managing me, when I am being treated like a 'donor' instead of a partner. If there is a problem, tell me the problem, let's figure it out together, don't only tell me the good news because you don't think you can't tell me the bad news because I am a 'donor,' or [don't] try to manipulate around the situation because you think you're only supposed to tell me the good stuff because 'donors' aren't supposed to know the bad. Donors need to know the bad stuff as well as the good stuff ... Stuff is going to happen ... people are people, but if you address it right away, then everybody can handle it, but if you hide it from me, if you treat me like I am your best friend but I am not, I am going to be very irritated and I am never going to trust you again.

The concerns voiced by Melissa and others are not without warrant; many times, I have heard staff—not specifically the professionals I interviewed for this project, but others—say that sharing "bad news" with donors is not something they are usually eager to do. They frequently fear that in doing so they could compromise the donor's financial commitment to the organization. From the conversations with the donors, it seems that the opposite is the case. Sharing the "bad news," or, more precisely, *actively* sharing it, which means reporting the bad news and then discussing possible ways to approach the situation, is what donors want. Some of the donors mentioned one particular professional from a large organization as someone very dear to them that they consider a partner in their endeavors. They expressed their gratitude to this professional and mentioned him as an example of a good partner, especially because he always included them in crucial decisions, he did not wait until the last minute to share challenges, and he valued their opinions.

I found it interesting that **none of the professionals said anything about partnership**. Sometimes professionals avoid sharing challenges with donors because they think they can handle the challenge without help—even if eventually they learn they cannot—, and other times this occurs because they fear that their professional image could be damaged. Nevertheless, their partners - the donors – conveyed this message clearly, like when Melissa stated that with the Goldbergs' money come the Goldberg, meaning that she and her husband do not just write a check, but they are involved, active, and have ideas and opinions that they expect to be taken into consideration. Even though none of the organizations mentioned it, there are partnerships going on, as Jackie said, "they [the staff at the organization] give us room to work and be partners." As Ben so beautifully explained, "once you made a decision to be involved with an organization, the role of the staff is critical in partnering with you to help accomplish the goals of the organization, representing the organization in the best possible light, and in building the relationship. All of my most rewarding work has been done in partnership with staff people." Potentially, donors and development staff could be great partners, and the easiest way to get there is cultivating the relationship.

Potential Downsides to Partnerships

Donors clearly endorse partnerships; however, there might be downsides to these interactions. While usually donors who are board members or other lay leaders—like those interviewed for this research—want to be involved in the organization, professionals might fear that asking for advice in challenging situations might lead to conflicts if the professional does not take the advice, or might damage the professional's image in the donor's eyes. However, it is important to remember that these types of donors are both financial supporters and lay leaders (or even board members), which actually means they are already involved and are active participants in many of the challenges the organization has to face. They will know that the staff leading the organization has good intentions and any missteps were probably unintentional. In addition, because of the position these donors have in the organization, they probably also have a relationship with the professionals, and going to the donors for advice, or simply to notify them before planned changes occur will be probably very much appreciated, and less criticized.

Another possible downside to reaching out to donors for advice or to ask them to participate in many meetings and events is that it might be perceived as generating more work, not only for the professional, who will have to set time aside to meet with the donors or call a meeting of the board members, but for the donors too. Understandably, this approach does indeed require more work, but it also may bring about long-term benefit, including adding meaning to the donor's life. **Sharing challenges with donors, as reported by the donors, will enhance their commitment to the organization and their faith and trust in the professionals**, as opposed to making it a burden and damaging their respect for the staff.

In addition, there is the potential for major donors to abuse the power invested in them. For instance, these donors might threaten to leave the organization and pull their funding if their request is not fulfilled. Unfortunately this might happen with any major donor - board member or not - and good partnerships can only improve such situations. If donors are in constant communication with the organization, they might be able to express their concerns ahead of time without having to get into unpleasant situations.

Donor Cultivation

Cultivation, recognition, and stewardship are part of the same process involving an acknowledgement of the donor's contribution to the organization (Miree, 2007). As organizations begin to understand the main value these have in the process of maintaining donors' support, they become strategic actions instead of—sometimes—forgotten tasks (Hedrick, 2008). However, each of them deserves special attention since each one of them represents a separate part of the process of fundraising.

During the last decade, the term "cultivation" (or "donor relations") has become an essential part of the development officer's work. It is every action, step, approach, or activity that happens between the donor and the organization, in between gift solicitations (Hedrick, 2008); it is the preparation for the eventual solicitation, involving engagement, education, and commitment (Miree, 2007). Cultivation is essential to engage donors with the organization and is the constant process of building a relationship with any given donor before, during, and after the solicitation, and consists of a great amount of "touches," including any NON-ask interaction with a constituent that could potentially help increase their commitment to the organization.

As important as it is to define what cultivation is, it is also important to understand what it is not. "Cultivation is NOT: A monologue about how great your program is; a single meeting; a tour of your facility, highlighting the shiny new (or dirty old) equipment, classrooms, facilities, conference rooms, etc." (Eisenstein, 2011). Cultivation is a continuous process of building and maintaining a relationship.

Personalized Approach

As has already been established, development is not an exact science. It "develops," that is, it is based on building relationships with people—in this case, donors—and every human being is unique. Development officers (as well as other senior staff) have a lofty goal, connecting dreams and reality, dreamers and missions. Thus, I was not surprised, or, more accurately, I was happy to hear from every professional interviewed that they approach each giver as an individual with particular characteristics and build a specific cultivation plan for each one of them. This is not to say that each donor receives a completely different thing from the rest of the donors, but that the development officers take the time to think about each of them and what kind of communication, events, information, and activities they want to offer.

It is not right to say that cultivation is the introduction to solicitation, but we can definitely say that **without cultivation there should not be any solicitation of major donors**. At least we should aim for that. It is clear from the conversations with the donors that this is perceived as correct; as explained above, cultivation promotes involvement and relationships. Melissa enumerated what kinds of things are important to her and her husband when they consider giving more significantly to an organization: "We are not going to give thousands of dollars if we don't know the organization, the people running it, what the mission is, and how they are going about fulfilling the mission." As Charles said, involvement is a crucial factor in giving, or, in his own words, "I am more likely to contribute if I am involved in the organization than to something new . . . I don't respond to email or phone solicitation." Jackie was very enthusiastic when explaining how important it is for her to be involved with the organization in a hands-on way when considering a significant donation: "I love the idea of rolling up my sleeves and doing the work, not just writing the check." Seth was very clear when asked what he would like to whisper in the development officer's ear. He said, "Come see your donors when you can report, not only when you have to ask. Share your success and your failures too. People want to know. Cultivate people. Make them feel involved." Seth's thoughts are consistent with the opinions of the majority of the interviewees.

If you do not properly cultivate your lay leaders, you might fall into the very dangerous trap of making someone feel robbed, because "in so many ways you're reaching into somebody else's pockets. And if it's not handled very well, it feels like a pickpocket. It feels invasive somehow. It takes so much not to allow that to happen" (Dana). But when the staff does its homework and knows its donors, cultivating them by keeping them connected to the organization, and having a relationship with them, the staff might avoid these uncomfortable situations, because both the staff and the donor will be well informed. This includes spending time with donors, calling to thank them or asking how they are doing, sending periodic updates, asking for advice, and even sometimes sharing challenges. "Update. Updates are good! Keep in touch during the year, take me on a tour, make me feel that I am more than a check-writing machine" (Ralph). Partners are involved, know the details, understand the challenges, and share the burden.

Communication, One of the Components of Cultivation

Research conducted by McDonald et al. (2011) found that major donors described the following as their main expectations from organizations: effective communication, demonstrations of appreciation, regular reports, tax deductions, and public recognition. These are, in fact, the main components of common cultivation strategies. In addition, the same research found that major donors were "dissatisfied when they felt under- or over-serviced" (p. 171). This result led the authors to the conclusion that building relationships with major donors is an art that needs to be constantly honed and requires great balance between reciprocity and closeness.

As mentioned before, cultivation is only one part of this process. Another is stewardship. "Sincere thanking of supporters needs to happen often and enthusiastically for people to feel truly connected to the organizations. And it doesn't have to happen for a particular reason" (Kanter & Fine, 2010, p. 144). Thanking, reporting, updating, and informing are great ways to communicate with donors and at the same time cultivate the relationship.

Communication is a Two-Way Street

Some of the interviewed staff members told about difficulties communicating with donors. A professional from a small organization said that donor expectations are sometimes misaligned with staff intentions. "When I call to set up a meeting, they always think it is because I want to solicit them." A professional from a large organization said that she learned from experience that she needs to ask about each donor's preferences for frequency of communication.

The difficulties reported by the professionals are not surprising given donors' preferences for communication. Once Dana refused a solicitation that she thought was laughably high. The staff was not communicating enough with her to know that was a sum of dollars she was not willing to give, and she did not say anything to the staff in response to their solicitation. "I thought my actions would speak for themselves." On the other hand, Charles said that if something was wrong and he did not like it, he "would absolutely say something, I don't believe in making you guess." It almost seems as if professionals have to become masters of reading minds and interpreting reactions. Communication is a two-way street, and if donors expect to be communicated with, they should lead by example. Many donors have trouble being straightforward about what their experiences are or about how they are feeling; however, if as stated before the main expectation is to be partners, communication urgently needs to improve. Building relationships that promote open conversation might help professionals and donors in this process, and professionals can accomplish this by asking explicit questions about donor preferences.

Soliciting Family and Friends

Solicitation is tough; it does not matter if you are a professional making requests of donors or a lay leader making requests of family and peers. Whatever the situation, you are reaching into others' pockets, and I cannot think of a scenario in which this will not be really uncomfortable. There are indirect solicitation strategies, in which “they invite you to something or check in, they don’t say ‘hey what about your check?’, but they know that they remind you of the organization and you send the check” (Ralph). Nevertheless, professionals understand that in order to achieve the goals of the organization and accomplish the mission, at some point the direct solicitation must happen. As professionals understand it, donors understand it too. Nine interviewees reported that they solicit family, friends, or both. “It’s everyone’s job to raise funds for the organization . . . I write like 75 letters a year, I get the letters with the envelopes, and I write personal notes to send to other donors” (Miriam); “I solicit more than I am solicited, but only friends, not family. Not of all my friends to everything though” (Ben). Some lead by example: “If you’re going to raise money, you have to give first. You have to be passionate about whatever the cause is about, and to give first. Then you have the right to go to others and ask for their support” (Brad).

Others bring humor to their interactions with their friends and share funny stories related to the subject. Jackie said, “We are involved in so many things, and invite people to so many things, that people probably say, ‘Oh they’re coming! Run!’ Sometimes my husband tells this story—I think it is a joke, not a real one—he called someone and asked if they were free on Sunday and this person said, ‘Oh we’re sorry, we’re not free.’ And my husband said, ‘Oh too bad, it’s my wife’s birthday.’ ‘Oh! Wait, wait,’ said my friends, ‘we are free! we are free!’” Randy shared a similar perspective: “As my wife said at my 60th year birthday speech, if you’re a friend of Randy’s, we love you and we know it is expensive.”

Donor Stewardship

Building a relationship with a prospective donor, and consequently—hopefully—receiving a major gift is only a part of this complex process. Stewardship and recognition are two important components too, and come right after the donation has been made. The donation "is the last step in the gift cycle, but it also reinitiates the cycle anew" (Stauch, 2011, p. 107). Stewardship is "an organization's philosophical commitment to the value and importance of donors as well as their gifts; a belief, an attitude, that each donor—whether individual, corporate, or foundation—contributes more than money, and that gifts are a symbol of his or her belief in the values, purpose, and importance of the organization" (Sprinkel-Grace, 2006, p. 159). Stewardship includes all the steps taken after receiving a donation to account for the use of the dollars, for example, a status report on the advancements of a building, the number of people that have been fed, a letter from a scholarship recipient, or how many participants joined a program. It could also be pictures, a newsletter about the advancements of the organization, an email sharing news, or any piece of communication that informs the donor about his particular donation or the general progress of the organization. Poor or lack of stewardship could lead to losing donors (Sprinkel-Grace, 2005; Barry, F., Henze, L., Lamb, D. & Swank, K. 2010), and that is why reporting to donors on the impact of their gifts on the mission of the organization is an important part of relationship building and is one more effective way to build trust. It has already been said that today's donors are informed philanthropists; they seek transparency and deep understanding of the destination of their dollars. Effective stewardship should reinforce the donor's trust in the organization and its integrity (Sprinkel-Grace, 2005; Emlen, 2013) and secure a lasting relationship (Miree, 2007, Stacuh, 2011).

The first step in stewardship is acknowledgement (Sprinkel-Grace, 2005; Barry, F., Henze, et.al., 2010; Stauch, 2011; Emlen, 2013), which, in other words, is a letter that functions as a receipt for the donation. Stewardship relies on sound policy and procedure. "The IRS imposes these requirements strictly—the charity must include the proper language verbatim, and substantial compliance is insufficient. Merely acting in a manner consistent with the intent of the IRS requirements can still result in denial of a tax deduction for the donor" (Conley & Little, 2012), and organizations should be aware of this in order to avoid any complications.

In terms of development, stewardship refers to the continuing care of donors and funds, and involves a relationship with the donors that entails strategic and intentional planning, maintenance, and effort. The stewardship should lead to, at the very least, one kind of acknowledgement—a thank-you letter—but since we are referring to major donors, the expectation might be different. They might expect a more individual approach—personalized reports on the use of the money, for example. After a donation has been made, the next two steps, recognition and stewardship, are most likely going to determine if the donor will continue engaging with the organization or not.

Simply Stewardship

It has already been established that donors expect and appreciate honesty and trust; therefore, to find out that 100 percent of the lay leaders interviewed expect stewardship is not surprising at all. In their eyes, it is critical: "It's everything, because ultimately the most important thing in nonprofit work is impact and effectiveness, and if the organizations are not impactful, there is no point of supporting them, and it all comes down to stewardship and governance” (Ben). As Randy explains, “I think stewardship is 1,000 percent critical, and if you don’t handle it correctly, you risk losing those funds. Some do it well, most do it ok, and the rest forget about it.” Donors want to know if changes are made in the allocation of their donations: “I expect them to update me if things change, especially if I gave a restricted donation...” (Ralph), and if problems emerged or things went well, “in my case, the more information the better” (Charles). They want to know, and **they expect transparency**: “reports and connection are really important. You need to see that your money went somewhere” (Dana).

Donors want stewardship because they expect transparency from the leadership of the organization, because they are committed to supporting the organization, and because, eventually, transparency reinforces the trust and belief in the organization and its management.

Donor Recognition

As stewardship is focused on the gift, recognition is focused on the donor (Emlen, 2013). Donor recognition is a combination of opportunities and mechanisms for meaningful acknowledgement, and takes into consideration such factors as donors’ preferences and institutional culture and values. Through the recognition process, organizations get to be grateful to their donors, and donors get the opportunity to be acknowledged privately and/or publicly for their gifts (Miree, 2007). “Donors want to be thanked. They want to feel validated by their giving, and, of equal importance, they want to know how their giving is impacting your [the] organization" (Stauch, 2011, p. 110). However, this process always entails a certain amount of tension. McDonald et al. (2011) found that although donors had expectations about the recipient organization, they did not want to ask for anything specific in return because they were afraid that this would take away from the lofty philanthropic act, yet "they still expressed their expectations in the interview and reportedly were disappointed if needs were left unmet" (p. 171).

Donor recognition comes in all forms. The most usual ways to recognize major donors is through honoring events and naming (buildings, rooms, programs, etc.). Organizations try to get creative in connecting the recognition to the organization's mission. Some examples described by Hall (1999) demonstrate the extent to which organizations show their appreciation to their major donors: via a sculpture of the donor's face (Art Museum); a wall mounting that works like a pinball machine (Rehabilitation Hospital, Pediatrics); footlong aluminum pencils displayed in vertical rows inside several dramatically lit display windows (College of Design); a floor-to-ceiling mural of brilliantly colored dinner plates that appear to be three-dimensional (delivery of hot meals charity); a quilt made of metal squares connected by ribbon (shelter for battered women); a recognition wall made out of tin cans (Food Bank).

Although stewarship and donor recognition are two different things, they definitely complement each other, since each focuses on one of the components of the dyad "donor/gift," strenghtening the relationship between the donor and the organization.

Recognition or Acknowledgement?

Donor recognition is a combination of opportunities and mechanisms for thanking the donors for their contributions in a meaningful and public way. Acknowledgement is also an opportunity to recognize donors for their gifts, but not in a public way. It usually involves a warm thank-you letter and/or a thank-you phone call, but it could also involve a personal meeting, handwritten note, or a thank-you letter from one of the beneficiaries. Almost all the professionals interviewed believe that donors want recognition. However, not many recognition systems are in place, nor are big efforts made in this area, besides the typical letter and occasional phone call. "There is an assumption that all donors want public recognition, but not all of us want it. I feel pretty uncomfortable with it," says Lola. And she is right: **12 out of 13 donors reported that they do not seek or expect recognition**. They mentioned how they preferred the focus to be on the gift and not on them: "All types of recognition make me feel uncomfortable . . . I think the reward is evident. It's in the work that is done; the rest of it is just like self-aggrandizement for me" (Dana). This is the case because "... we're not giving money with the expectation of a reward for it or an award for it; rather, we give expecting that the act of giving is its own reward" (Ralph).

Some of the donors reflected about the financial aspects of the recognition events: "I sometimes wonder if they spend too much money on them" (Evelyn). Others understand the value of recognition to present existing donors as an example and to inspire others. As one of the donors noted, "my daughter-in-law said we shouldn't shy away from recognition, because for her it's important that we get recognized for our grandchildren, to be an example for our grandchildren," and another said, "hopefully sends a message to others in the community that they also can do something." Some believe that it is important, but not for them: "I am a big advocate of recognition, except for me" (Charles). A few donors mentioned some examples of how strange (and perhaps sometimes even funny) the situation can get when organizations are deciding how to recognize donors. Charles told me, while smiling, that once he got a chair (an actual wood chair) as a token of appreciation for a significant donation he had made. He looked at me and said, "It is strange the kind of gifts that people give." He keeps the chair and other gifts on display in his office, "because I don't know what to do with them." Seth and I laughed when he told me about a hospital where there is a kind of seat that has a built-in shower (similar to a bidet) for people who have trouble showering and bathing themselves, and the wall next to it featured a donor's name. "They wanted their name on the wall ... and I thought it is stupid, I don't want my name on a wall" next to a bidet!

Among the twelve that reported they do not care, want, or expect recognition, a few were hesitant when responding about recognition. And when we continued the conversation, those hesitating eventually came to the conclusion that recognition *was* important to them. Although it was not the reason why they were giving money, they did expect to be recognized for their gifts, especially if these were significant in terms of financial impact. While talking about it to one of the donors, I could notice some physical changes that I interpreted as signs of embarrassment: some redness in the face, looking away from me, and change in the voice tone, including speaking more quietly. A possible explanation of these signs of discomfort and ambiguity might be based on the common understanding in the Jewish community that giving anonymously is one of the higher levels of *tzedaka* (charity), as the Jewish philosopher Rambam explained.[1] Another explanation might stem from the tension that wealth can bring up in a conversation, since society places certain levels of discomfort on discussing this subject. Whatever the reasons, it seems there are two types among those who in some way want recognition, **the conflicted and the proud**. Those who want to inspire and are truly **conflicted** about it, even ambivalent, mentioned, for example, the conversations around the subject that they have with spouses and family. "It's very tricky; we have this conversation over and over again. Do you put your name permanently? . . . But you want your name to inspire others; maybe others will be more generous . . . so it depends on the situation. I don't know" (Jackie). At other times they have had to surrender to the family's wishes, like Randy, whose family has named buildings at two organizations, though he explains, "I don't care about my name being on a wall or on a building."

Among those who want to feel **proud** of their own accomplishments and see what they have been able to give back, some want to make sure their names will be in the annual report (which is in some ways a temporary thing): "I think it's important to be acknowledged when you made a donation. I look at the reports and I wonder, Is my name there? Did I give enough this year?" (Miriam). There are others who want a periodic reminder of their good action on a plaque on a wall or in big letters on the front of a building, to reinforce the pleasant feeling of being able to help: "I wish I could tell you I didn't need it. I don't need it as much as other people need it, because you know what they

[1] Mishneh Torah, Laws of Charity, 10:7-14

say that the true giver is the one who doesn't need it. But I am proud to see our name up there, you bet your life on it! It's a great feeling" (Brad).

Donors might not expect recognition, but what they do expect and very much appreciate is acknowledgement. **They want to hear "*thank you*,"** which could be interpreted as a kind of feedback, or reinforcement that what they are doing is meaningful. This "thank you" could be delivered in many ways such as via a letter, a handwritten note, a phone call, or a report that shows how their dollars were used and the impact those made on the organization's mission. Ben explains that he places importance on the acknowledgement—the simple act of saying thank you—and not on recognition—a public demonstration. Most of the donors actually don't have big expectations: "thank you is what I expect, just a thank you . . . thank you is more than sufficient" (Charles), because they are giving to do good, and to make an impact.

If the lay leaders do not want recognition, but they do want acknowledgement, what kind do they appreciate the most? "The nicest things are the handwritten notes. It really shows that they [organizations] took the time" (Jackie), and also "it's nice to receive a personal phone call" (Shawn). While donors tend to expect acknowledgement letters and calls to come from professionals at the organization, another option is to have beneficiaries reach out: "I love receiving the letters from those that benefit from my contributions, because I don't give money for public recognition. I actually want to do good, and doing good is hearing the little victories of the people who receive money from me" (Seth).

Conclusions and Recommendations

So many things have been said in previous studies about donors' motivations to give, how to build relationships with them, how to cultivate these relationships, and so many other aspects of donors' patterns of behavior and tendencies. However, little has been said about what donors think and how they feel about their donations, about the people that work for the organizations and help them go through the process, or about their expectations regarding their donations or recognition. The findings presented in this paper shed light on what we have heard from our donors—in Jewish organizations in the city of Los Angeles. This paper uncovers the donors' words, thoughts, and feelings to share them with the Jewish professionals who look to make a difference through their work. The findings lead to several conclusions and recommendations:

Diversification

Donors believe that the approach should be to **diversify the focus: "don't just focus on the usual suspects," but on the lower-end donors too**. This seems reasonable, for as an organization builds an annual strategic plan based on different sources of income, the same should be with donors. Diversification in this case has many advantages: it secures different levels and sources of income, and, in addition, organizations can include donors in the thinking process, asking for their ideas about how to approach small and mid-sized donors and at the same time showing the major donors that the burden of keeping the organization running is not only on their shoulders.

Remember that Donors Today Want to be Involved and be Your Partners

Donors want to be involved, which means being invited to events and programs, participating in decisions, and being a source of advice and ideas. If donors are more involved, they will feel more committed to the mission of the organization. As they get more engaged emotionally and physically, they will probably get more committed financially, because it is only human to give to the causes that one is most passionate about. **Donors asked for partnerships, and asked to be included in the early stages of challenging situations**.

Learn What Your Donors Want to Achieve

If to passions we refer, it is important to remember what donors are seeking to achieve with their donations. **They want to generate changes, help others in need, make an impact, and, eventually (ideally), achieve *tikun olam***. To achieve these goals, donors often want to get involved beyond writing a check. Knowing what donors are seeking with their donations, and their involvement, should be an essential part of the dialogue between professionals and lay leaders. Lack of strong relationships and involvement, as stated by the lay leaders, will translate into smaller donations. Having people supporting your cause is not difficult—at least if the cause is worthy and you use good marketing strategies—but this kind of support will only be on the lower level of the donations' scale. Stronger relationships will lead to more intensive involvement and increased donations. Giving is not a simple act; it involves ideas, dreams, and feelings, and it is the staff's duty to address these things.

Build Relationships

Donors reported that they seek relationships that are based on trust, honesty, and transparency. **Donors reported low levels of trust in the authenticity of the relationships they have with the development officers and stated that this is an area for improvement**. It is important to keep in mind the value of building relationships filled with meaning. Knowing our donors well is not simply a task; it is our duty as development officers. The role of the professional is to be a mediator between dreamers—the donors—and dreams—the goals of the organization.

Keep in Mind That Donors Want to be Partners

I was not surprised when almost all the interviewees referred to their desire to be partners with the organizations. Wolfson (2013) said it is all about relationships; I would like to add that **it is all about partnerships!** Since none of the professionals mentioned anything about this during the interviews, it is important to remark on it more fully. Partnerships allow dreamers and dreams to come together, organization staff and donors to see their joint work accomplished, with an emphasis on *joint*. Partnerships enable trust and reduce potential underestimation of what each side is capable of understanding. As professionals, there are many times when we struggle over whether and how to involve our donors while we are dealing with a tough situation. If we approached such situations differently, and actually saw them as our partners, the burden would be lighter. Partners are involved, know the details, understand the challenges, and share the burden. Although it might be perceived as "more work," it is important to remember that organizational involvement brings meaning to the donor's life.

Communication is Essential

Effective communication is very important to the constituents. They expect to be informed and engaged when there is good news and when there is bad news. However, it seems there is a disruption in the communication stream. Communication is a two-way street; to expect communication is a legit request, but it is important to provide it too. **Just as professionals should be communicating with donors, donors should be communicating with professionals**. Relationships are based on good communication and trust, and asking questions is a great way to get there.

Do Not Avoid Talking About the Recognition Process

When talking about recognition, never assume what the donor wants. **Donors want acknowledgement—a letter, a phone call, or a handwritten note—not necessarily public recognition**. Among those who do want recognition, some want to **inspire others to give** and are conflicted about it, and some feel **proud** of their own accomplishments and what they have been able to give back. In the interest of strengthening the relationship and keeping communication open, you might want to have a candid conversation with donors about what they like and what they expect in terms of recognition, instead of assuming you know. If you think that publically recognizing the donor might help the organization, you might want to consider talking about the legacy aspects of his or her donation, about their children and their grandchildren, and especially about the inspiration they could be to others.

All of these themes are very much related: if you **build a relationship**, you will **cultivate** relationships with donors (or prospective donors); if you continue to build these relationships, the donors/prospects will become more **involved**. And if they are more involved, then their level of **commitment will rise**. If their commitment rises, they will feel more comfortable sharing their passions. If you continue to **steward** the relationship by keeping them updated, having good and honest **communication**, and treating them like **partners**, then they will be even more committed. If they are so committed, they will both **increase their donations** and **solicit their friends and families**, which will upgrade them to the level of major donors. And when donors make a large donation, because you have good communication channels, you will know how to ask, and the donors will feel comfortable expressing how and if they want to deal with the **recognition** process.

If you ever asked yourself, *Am I doing things right?* You are! I spoke to thirteen donors who are involved in many Jewish (and non-Jewish) organizations, and they appreciate the professionals with whom they have relationships. They value their work, their skills, and the wonderful work the organizations are doing. Nevertheless, they still point some things to improve, and they also shared some important expectations that I am now sharing with you. We have a lot of work to do, and we have amazing partners to carry on the task with us. If I had to leave you with only one sentence to take away from this research, it would be: it is all about relationships, it is all about partnerships, and it is all about good communication; if you adopt this formula, you will be on a good path.

References

Barry, F., Henze, L., Lamb, D. & Swank, K. (2010). *Cultivating lifelong donors: stewardship and the fundraising pyramid*. Blackbaud, Inc.

Bekker, R. & Wiepkin, P. (September, 2010). A literature review of empirical studies of philanthropy: eight mechanisms that drive charitable giving. *Nonprofit and Voluntary Sector Quarterly*.

Bronfman, C. & Solomon, J. (2010). *The art of giving: where the soul meets a business plan*. San Francisco: CA, Jossey-Bass.

Conley, M. & Little, B. A. (December, 2012). Good donor stewardship: acknowledging contributions. *Mondaq Business Briefing*.

Creswell, J. W. (2002). *Research design: qualitative, quantitative, and mixed methods approaches*, 2nd edition. Thousand Oaks, CA: Sage.

Demo, Dr. (June, 1996). Why donors give. *American Demographics*, Vol. 18, No. 6, pp 6.

Donshik, S. (October, 2009). Cultivating donors: what is it all about?. *eJewish Philanthropy*. Retrieved from http://ejewishphilanthropy.com/cultivating-donors-what-is-it-all-about/

Eisenstein, A. (2011, February). How to cultivate prospects and build lasting relationships. *Tri Point Fundraising.* Retrieved from http://www.tripointfundraising.com/how-to-cultivate-prospects-and-build-lasting-relationships/

Eisenstein, A. (2013, January). How big is a major gift? *Tripoint Fundraising.* Retrieved from http://www.tripointfundraising.com/how-big-is-a-major-gift/

Emlen, J. (2013, April). What difference does it make? Stewardship versus donor relations. *The Giving Institute*. Retrieved from http://givinginstitute.org/what-difference-does-it-make-stewardship-versus-donor-relations/

Frederick, H. (2009). Understanding donors' motivations. *The Center of Philanthropy at Indiana University*. Retrieved from http://www.philanthropy.iupui.edu/research-and-news

Haggberg, M. (1992. April). Why donors give**.** *Fund Raising Management,* (23. 2), 39-40.

Hall, H. (1999, November). Beyond recognition. *The Chronicle of Philanthropy*. Retrieved from http://philanthropy.com/section/Home/172

Hedrick, Janet. L. (2008). *Effective donor relations*. Hoboken, NJ: John Wiley & Sons Inc.

Israelson, E. & Snyder, T., ed. (2013). Your Jewish philanthropy roadmap. *Jewish Funders Network and Jewish Communal Fund*.

Kanter, B. & Fine, A.H. (2010). *The networked nonprofit*. San Francis, CA: Jossey Bass.

Klein, K. (2011). *Fundraising for social change*, 6th Edition. San Francisco, CA: Jossey-Bass.

Lugo, L.; Cooperman, A; others. (2013). A portrait of Jewish Americans: findings from a Pew Research Center survey of U.S. Jews. *Pew Research Center*.

McDonald, K.; Scaife, W. & Smyllie, S. (2011). Give and take in major gifts relationships. *Australian Journal of Social Issues*, Vol. 46, No.2.

McKee, A. & Rovner, M. (2014). The missing middle: neglecting middle donors is costing you millions. *See Change Strategies*.

Miree, Kathryn, W.(2007). Care of donors: recognition and stewardship. *Grinspoon Institute for Jewish Philanthropy*. Retrieved from http://www.jcamp180.org/uploadDocs/3/Stewardship%20of%20Legacy%20Donors%20-%20Miree%20short.pdf

Neal, N. (2006). What is a major gift, what is a major donor. *Augment Direct*. Retrieved from http://www.augmentdirect.com/downloads/What_is_Major_Gift.pdf

Prince, R. A. & File, K.M. (1994). *The seven faces of philanthropy.* San Francisco, CA: Jossey-Bass A Wiley Company.

Sprinkel-Grace, K. (2005). *Beyond fundraising: new strategies for nonprofit innovation and investment.* New Jersey, NJ: John Wiley & Sons, Inc.

Sprinkel-Grace, K. (2006). *Over goal! What you must know to excel at fundraising today*. Medfield, MA: Emerson & Church Publishers.

Sprinkel-Grace, K. (2008, October). Donor driven philanthropy: how the dreams of donors are changing philanthropy. *The Resource Alliance*. Retrieved from http://www.simonejoyaux.com/downloads/GranceDonorDrivenPhilanthropy.pdf

Stauch, J. D. (2011). *Effective frontline fundraising: a guide for non-profits, political candidates, and advocacy groups*. New York: NY, Apress.

Wolf, T. (2011). *How to connect with donors*. MA: Emerson and Church Publishers.

Wolfson, R. (2013). *Relational Judaism: using the power of relationships to transform the Jewish community*. Woodstock, VT: Jewish Lights.

Yastrow, S. (2014). *Ditch the pitch: the art of improvised persuasion*. New York: NY, Selected Books Inc. - Booklet adapted by the author for eJewish Philanthropy http://ejewishphilanthropy.com/ditch-the-pitch-series-available-now-as-a-free-ebook/

Appendix

A. Interview Guidelines - for professional

<u>The interview seeks to uncover</u>:

- What kind of practices the organization implements to cultivate its donors.
- What is the process the institution uses to build the cultivation plan.
- Who is involved in the planning and implementation stages of the cultivation plan.
- What kind of recognitions the organization gives to its donors (small and major gifts).
- What is the process for defining the donor recognition.
- Who is involved in the different stages of the donor recognition process: who receives recognition, what kind of recognition, timeline for the actual recognition, who delivers the recognition.
- What kind of relationships are built with the donors: what are the components of these relationships.
- Who build relationships with donors.

<u>Guidelines for the interview</u>:

1. General information: Name, position, name of the organization, when did you join the organization, background in development.
2. What is considered a major donor in your organization?
3. Do you have a segment for middle donors?
4. What are your strategies to raise more funds to ensure the continuation of the organization and its activities?
5. Do you have a cultivation plan for your donors?

6. If so, how did you build your cultivation plan?
7. Do you have a cultivation plan specific for each donor or is it general for all the donors? Do you have different approaches based on donor's characteristics such as gender, age, personal preferences, and gift amount?
8. What kind of expectations do you hear from donors regarding the relationship between them and the organization?
9. Who is involved in the strategic process to build the cultivation plan and to implement it?
10. In the article *An integrated Resource Development approach: the Philadelphia experiment* it's mentioned that "creating and maintaining dialogues with donors is the key to successful relations" pp35 - What do you think about this statement?
11. Can you give me an example of donor cultivation that your are proud of?
12. What kind of recognition does the organization give to its donors?
13. What are the guidelines to define the type of recognition? How do you decide how much money to allocate for the recognition?
14. How do you decide who receives recognition and who doesn't? Who decides?
15. What kind of involvement does the donor have in the recognition strategy?
16. What kind of expectations do you hear from your donors regarding recognition?
17. Do you think that male and female donors expect different kind of recognitions? If so, would you expand your response providing some examples?
18. Can you give me an example of recognition that you especially liked? Why? What was your relationship with the donor?
19. What kind of things do you do to build relationships with the organization's donors?

20. How much time do you devote to building relationships with donors? How high a priority?

B. Interview Guidelines - for donor

The interview seeks to uncover:

- What are the donor's main motivations to get involved with an organization and to donate
- What is the decision making process to make a donation
- What kind of experiences the donor has being cultivated
- What kind of attention the donor receives and from whom
- What kind of experiences the donor has in the being recognized
- What is the process to define the donor recognition and whether the donor is involved or not
- What kind of expectations the donor has from the development staff before and after s/he is approached to make a donation
- What kind of expectations the donor has in terms of recognition
- What kind of relationships are built with the organizations: what are the components of these relationships
- Who builds relationships with donors
- What are the donor's most positive experiences in terms of relationships with the organizations and all the other factors involved in it, such as cultivation, recognition, and attention

Guidelines for the interview

1. General information: Name, profession, name of the organizations s/he supports, name of the organizations of which s/he is member, but to which s/he doesn't make any large donations.
2. What issues are you passionate about?
3. Do you remember when was the first time you made a financially significant gift and how it went? (amount, cause, memories, people involved)
4. What do you dream to accomplish through your donations? How do you go about measuring the outcomes?
5. When you decide to make a gift, what does this process looks like? (who is involved, what you consider, what kind of information you need, other factors); What level of involvement you expect to have? how do you determine what level of gift you are going to give to a new organization?
6. Have you ever donated a gift in memory of someone you love? How was the process? What were the reasons? How did you feel the staff of the organization managed the process?
7. When a representative/lay leader from an organization approaches you, and it is clear to you that he or she might want to invite you to join the organization, what do you think are the best qualities in this person that might help you say yes? What calls for your attention? And what makes you lose interest?
8. What do you think about the staff members you are in touch with in the organizations to which you contribute? What kind of relationships do you have with them? How has this relationship evolved? What do you think is their main role in your mutual interaction when you are making a donation?

9. When and How do you refuse to make a donation? What are the factors mainly involved in the refusal? Did you used to donate to an organization and stop? Why? What are the things that most annoy you about the organizations you contribute to?
10. How important is stewardship and transparency to you? Do you demand it or only expect it?
11. What was the best way an organization recognized your gift? Why was it such a positive experience?
12. Did you ever give a donation and not receive an acknowledgement for it? How did it make you feel? In your opinion, does e-mail suffice for a thank you note? What was the best thank you letter you received? Why do you consider it so special? And the worst?
13. Did it ever happen to you that you made a donation to an organization and you feel the type of recognition didn't match your donation or expectations? How did it make you feel?
14. If you could whisper in the development director's ear three or four words of advice, what would these be?
15. What are the three things (or four) that make your experience as a donor the most amazing one and the most difficult one?
16. How do you feel about soliciting friends and family? How often you agreed to do it?
17. How do you usually approach the solicitation? How does that makes you feel?

C. Consent Form

DESCRIPTION: You are asked to participate in the research study *"Cultivating Major Donors And Choosing The Right Recognition Strategies."* The researcher, Mariela Socolovsky, wants to learn *What are the right recognition strategies? How can Jewish professionals develop a cultivation plan to grow good and meaningful relationships with major donors while responding to the donor's expectations?*

You are asked to **be interviewed** as part of this study. The identity of all participants and organizations will remain confidential – no names or other identifying information will be disclosed.

FOR QUESTIONS ABOUT THE STUDY, CONTACT: **Mariela Socolovsky,** masters candidate in Jewish Nonprofit Management at Hebrew Union College – Jewish Institute of Religion.

RISKS AND BENEFITS: There are no risks associated with this study. Benefits include contributing to scholarship about Jewish organizations' practices.

TIME INVOLVEMENT: Interviews may involve about 60 minutes of your time and perhaps some clarification questions over the course of several months (most probably through e-mail or phone for your convenience).

PAYMENTS: There will be no payment for participation in this study **.**

AUDIO RECORDING: The recordings will be heard by Mariela Socolovsky and will remain in Mariela Socolovsky's possession.

PARTICIPANTS' RIGHTS: If you have read this form and have decided to participate in this project, please understand that your participation is voluntary and you have the right to withdraw your consent or discontinue participation at any time without penalty. You have the right to refuse to answer particular questions. Your individual privacy will be maintained in all published and written data resulting from the study.

If you have questions about your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact – anonymously, if you wish – Richard Siegel, Director of the HUC-JIR School of Jewish Nonprofit Management: rsiegel@huc.edu, 3077 University Ave., Los Angeles, CA 90007, or toll-free at 800-899-0925.

Please sign and date: I give consent to be audio-recorded

SIGNATURE ______________________________ DATE__________

The extra copy of this consent form is for you to keep.

Thank you for participating.